**Executive Summary**

Project Information Table

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| --- | --- | --- | --- |
| Project Title | Improving Environmental Management in the Mining Sector of Suriname, with Emphasis on Artisanal and Small Scale Gold Mining (ASGM) | | |
| UNDP Project ID (PIMS #): | 5627 | PIF Approval Date: | June 9, 2016 |
| GEF Project ID (PMIS #): | 9288 | CEO Endorsement Date: | February 16, 2018 |
| Country: | Suriname | ProDoc Signature Date: | May 24, 2018 |
| Region: | LAC | Date project manager hired: | April 2019, but resigned after app. 3 months |
| Focal Area: | Multi-focal area: Biodiversity, Climate Change and Land Degradation | Inception Workshop date: | May 14, 2019 |
| GEF Focal Area Strategic Objective | *Biodiversity-BD-4:* Mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors Program 9: Managing the human-biodiversity interface.  *Climate Change Mitigation-CCM-2:* Demonstrate systemic impacts of mitigation options Program 4: Promote conservation and enhancement of carbon stocks in forest, and other land use, and support climate smart agriculture.  *Sustainable Forest Management SFM-1*: Maintained Forest Resources: Reduce the pressures on high conservation value forests by addressing the drivers of deforestation | Midterm Review Date | December 8, 2021 |
| Trust Fund | GEF 6 | Planned closing date: | May 24, 2025 (estimated) |
| Executing Agency/Implementing Partner | Ministry of Natural Resources (MNR) with the National Institute for Environment and Development in Suriname (NIMOS) (responsible party) / UNDP | | |
| Other execution partners | * Ministry of Finance, * Geological Mining Service of the Ministry of Natural Resources (GMD), * the Bauxite Institute and the Presidential Commission to Regulate the Gold Mining Sector (OGS), * WWF Guianas, * MZ Medical Mission – Primary Health Care Suriname, * Tulane University, School of Public Health and Tropical Medicine, Suriname Environment and Mining Foundation (SEMIF), * Grassalco Mining co, Newmont Mines, * Rosebel Gold Mines | | |
| Project Financing | At CEO endorsement (US$) | At Midterm Review (US$) | |
| [1] GEF Financing: | 7,589,041 | 446,902 | |
| [2] UNDP contribution: | 1,000,000 |  | |
| [3] Government: | 8,400,000 |  | |
| [4] Other partners: | 13,732,000 |  | |
| [5] Total co-financing [2+3+4]: | 22,132,000 |  | |
| Project Total Costs [1+5] | 29,721,041 | 446,902 | |

**Table 1: information table**

Project Description (brief)

1. Since the mid-20th century, oil and the extraction of gold and bauxite have been the country's main economic drivers. As the owner of all subsurface resources and the main authority responsible for legal development and control in Suriname, the Government of Suriname (GoS) is a major player in any project focusing on small-scale artisanal mining (ASM). Suriname's gold mining sector is comprised of both large-scale mining operations (LSM) and artisanal and small-scale mining operations (ASM).

2. Despite governmental efforts, Suriname´s forests are significantly threatened by growth in extractive industries, in particular gold mining. Although small-scale gold mining is considered a vital sector to the national economy and seems to bring relatively secure and high revenue compared to other rural livelihoods, it is still largely unregulated and practiced using artisanal techniques that lead to significant environmental and social impacts.

3. The GEF financed project seeks to improve the environmental management of mining in Suriname, particularly small-scale gold mining, which is the largest driver of deforestation in the country and contributes to biodiversity loss (through habitat degradation and pollution), climate change (through deforestation) and unsustainable land, water, and forest management.

4. The project addresses policy and institutional constraints to improved management of ASGM as a sector as well as to create an enabling environment for the dissemination of environmentally responsible mining practices. To do so, the project works at the policy level under outcome 1 on institutional capacity, inter-institutional coordination and increasing available funding for improved management of ASGM and outcome 2 policy and planning framework for the management of the environmental impacts of ASGM mining strengthened. At demonstration project site level under outcome 3, aim at increasing the uptake of environmentally responsible artisanal small-scale gold mining practices. This will demonstrate the environmental and economic benefits of environmentally responsible mining practices (ERMPs) and technologies. The model proposed is one that relies on the identification of benefits for miners that arise from the application of ERMPs, including social and economic benefits, as well as the design of a system of national level financial, fiscal and regulatory incentives to help re-orient the market towards more responsibly sourced gold. Based on the lessons learned from this model, the project will implement an upscaling strategy that will include knowledge sharing at local and national level, as well as with neighbouring countries (Outcome 4). The knowledge sharing will also benefit the design of policies and implementation of demonstration sites. All four components are implemented by national implementation partners in close coordination with other government stakeholders, civil society as well as with miners themselves.

Project Progress Summary

5. The project is significantly off track. No real progress on any outcome can be found, except for some initial work on the MTECS. The project still faces serious delays in initiating the main project activities even if 3 years already passed. Cumulative financial delivery and timing of key implementation milestones are severely off track.

6. For Outcome 1, "Institutional capacity, inter-institutional coordination and availability of funding increased for improved management of ASGM" the only progress is represented by in the purchase of computer hardware and software for improved near real-time GIS monitoring of mining areas, which has been handed over to the Geological Mining Department (GMD) of Suriname. The foreseen training sessions for institutions have not taken place and there have not been any advances in identifying funding opportunities to support upscaling of ERM practices.

7. The Outcome 2, "Policy and planning framework for the management of the environmental impacts of ASGM mining strengthened" did not record any significant progress except a limited support towards finalization of Suriname National Action Plan for ASGM in response to Minamata Convention. The PB decided that World Bank loans should be now used to carry out the activities foreseen for this outcome that include gender-sensitive policies, guidelines for the responsible management of gold mining and for sustainable forest management and a Responsible Mining Strategy and Action Plan to guide the sustainable development of the ASGM sector. However, discussions are still in progress and it is not clear what remains under the project and GEF funding. It should be agreed if it is the case to propose a budget shift between the project activities, if these budgetary changes will need to adhere to UNDP/GEF guidelines.

8. For the Outcome 3 "Uptake of environmentally-responsible artisanal small-scale gold mining practices increased” there have been significant delays in institutional decision making between MNR and NIMOS on the location of the MTECs. Two locations were finally agreed upon but no actual MTEC has been set up yet. Because of COVID-19 restrictions, no site visits took place as well as consultations with local stakeholders before December 2021 when a first field visit has been undertaken from December 16-19 in the Brokopondo district. New field visits are now planned at beginning of 2022 to gather baseline data, consult with local stakeholders and take exploration samples to ensure that the gold is of sufficient quantity to be of interest to an operation to mine. A list for equipment to be acquired for the MTEC’s has been prepared. The Chief Technical Advisor (CTA) is based in Canada and he was not able to go to the field. This Outcome includes one of the main projects results and there is the need to greatly accelerate the implementation of activities, and it requires strong commitment of the key government counterparts.

9. No results can be seen also for Outcome 4, "Knowledge availability and sharing increased at the national and regional scale on environmentally responsible ASGM". The communications firm still needs to start working on communications and knowledge products. The study tour on environmentally friendly mining sites in French Guiana was not yet organized and it should be scheduled for beginning of next year if COVID-19 will allow for it.

10. The project´s Stakeholders Platform, will be re-launched soon after more than one year of inoperability. A new invitation letter has been sent to all the stakeholders included in the platform.

11. If the project will not be able to reduce the delays accumulated so far, there is a high risk that the project will not be able to achieve all its proposed targets and objectives at the time of its scheduled closure.

12. However, if the field activities will be continued in January involving local beneficiaries, and all the other activities will be speeded up once the PMU will be fully operation and supported by all the external consultant, almost all the objectives could be reached.

It has to be noted that it is not easy to engage external consultants with proper skills and competencies. For different calls for Expression of Interest (EoI) no proposals were received.

13. A request for project extension can facilitate to finalize the project and meet the expected results however, basically the UNDP rules say that extensions are not permitted except when force majeure occurs. 12 month extensions could be permitted with strong justifications due to the COVID-19 Pandemic and source for funding to cover cost of project extension, but it is not sure this will be enough since the project is significantly behind schedule.

MTR Ratings & Achievement Summary Table

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| --- | --- | --- | --- |
| **Measure** | | **MTR Rating** | **Achievement Summary** |
| Project Strategy | | Satisfactory (S) | The project strategy was formulated in line of the UNMSDF (2016 – 2021), the project is also aligned with the UNDP country document 2016 - 2021 and is complemented by the SDG joint program with the UN and the GoS, where ASGM is included.  The project is also coherent with the UNDP country document 2022 - 2026 and the UNMCSDF (United Nations Multi Country Sustainable Development Framework) previous UNDAF, is also included for the period 2022-2026 that MNR is a critical part including looking at the ASGM.  Gender mainstreaming was featured in the project strategy and results framework. Strengthening the socio-ecological resilience of local miners and communities is integrated into the project strategy, i.e., having a focus on capacitating small-scale miners in adopting environment friendly practices. |
| Progress towards Results | Outcome 1 | Unsatisfactory (U) | *Outcome 1, Institutional capacity, inter-institutional coordination and availability of funding increased for improved management of ASGM.*  Computer hardware and software for improved near real-time GIS monitoring of mining areas have been handed over to the Geological Mining Department (GMD) of Suriname. The ERM expert have started to work on the capacity assessment of the institutions targeted by the training activities but the foreseen training sessions for institutions have not taken place and there have not been any advances in identifying funding opportunities to support upscaling of ERM practices. |
|  | Outcome 2 | Highly Unsatisfactory (HU) | *Outcome 2, Policy and planning framework for the management of the environmental impacts of ASGM mining strengthened.*  Outcome 2 did not record any progress. Discussions are still in progress with WB and it is not clear what activities would be carried out by the project with GEF funding versus the World Bank initiative. |
|  | Outcome 3 | Highly Unsatisfactory (HU) | *Outcome 3 Uptake of environmentally-responsible artisanal small- scale gold mining practices increased.*  There have been significant delays in institutional decision making between MNR and NIMOS on the location of the MTECs. Two locations were finally agreed upon but no actual MTEC has been set up yet. Because of COVID restrictions, the first site visit took place only in December 2021 and consultations with local stakeholders have been postponed. New field visits are now planned at beginning of 2022. |
|  | Outcome 4 | Highly Unsatisfactory (HU) | *Outcome 4, "Knowledge availability and sharing increased at the national and regional scale on environmentally responsible ASGM".* Outcome 4 did not reach any result. The communications firm still needs to start working on communications and knowledge products. The study tour on environmentally friendly mining sites in French Guiana was not yet organized and it should be scheduled for beginning of next year if COVID-19 will allow for it. The project´s Stakeholders Platform, will be re-launched soon. |
| Project Implementation & Adaptive Management | | Highly Unsatisfactory (HU) | Activity execution has not always been smooth and affected by external conditions and factors. The change in management structure was one of the things that gave certain delays in the execution of the project. Adaptive management has not really materialized. Staffing the PMU took longer than expected, the interim PM will be replaced by a full time PM from January 2022 and engagement specialist have been contracted only in December 2021.. From the very start of the implementation of the project there have been many issues in the selection of the MTECs sites. |
| Sustainability | | Unlikely (U) | Institutional:  After the General Elections the project was faced with a slowdown. Project activities should be mainstreamed into the operations and programmes and the MNR should lend effort in this regard. The Project has not yet a clearly-articulated and financed long term sustainability plan, with well-defined roles and responsibilities.  Environmental:  If the project will succeed in implementing the MTECs, its environmental sustainability is clear. So far, the project was not yet able to meet its environmental objectives.  Financial:  Discussions took place but no agreements have been already signed with banks, financial institution or donors to ensure the project financial sustainability.  Socio-economic:  The COVID-19 pandemic has had significant socioeconomic consequences, and the uncertainty regarding the duration and possible recurrence of the crisis compound the problem.  The final beneficiaries participation has still to be proven. |

**Table 2: Ratings & Achievement Summary**

Concise summary of conclusions

14. Because of the COVID-19 pandemic, travel to the country has been restricted therefore, the MTR team developed a methodology that took into account the need to conduct the MTR virtually and remotely, including the use of remote interview methods and extended desk reviews, data analysis, and evaluation questionnaires.

The international consultant worked remotely with national evaluator support in the field, also holding one-on- one meetings with local stakeholders.

15. Due to its largely unregulated and uncontrolled nature, mining, and in particular small- and medium-scale gold mining, is causing significant negative environmental impacts on forests, freshwater, fauna, as well as social and health impacts caused by mercury exposure.

16. The project objective is to improve the management of artisanal and small-scale gold mining in Suriname (ASGM) and promote uptake of environmentally responsible mining technologies to reduce the negative effects on biodiversity, forests, water, and local communities, while also reducing greenhouse gas emissions.

17. The project builds on lessons learned from past initiatives, and successful experiences from the other UNDP-GEF projects.

18. It relies on the participation of a broad spectrum of stakeholders from government, civil society, academia and local communities.

19. The project is still relevant and in line with national policy and objectives, as it will enable Suriname to reach national goals and commitments the country has made internationally. The project is also very relevant from the perspective of national development priorities, such as the climate change and forest agenda, considering that mining activities are not only related to forest management, but also to other activities that are fundamental for the country’s economy.

20. Some risks related to the management and administrative aspects have been underestimated and were the cause of delays and difficulties, i.e. difficulties in the recruitment of the project manager and the Project Management Unit (PMU) staff, the impact of COVID-19 on international experts´ activities and contact with final beneficiaries.

21. All the institutional stakeholders suffer from a lack of sufficient qualified human resources and equipment. The Ministry of SP&E has only been limitedly involved in the project activities supporting MNR. The PMU is not yet fully staffed, a full-time project manager will start to work on January 2022.

22. These occurrences show that adaptive management has not really materialized, they affected the project implementation and changes have not been introduced to avoid or reduce their impacts on the project activities and outputs. The current organization structure needs to be adapted to the needs of the next phase of the project implementation.

23. The project is significantly off track. No real progress on any outcome can be found, except for some initial work on the Mining Training and Extension Centers (MTECs). The project still faces serious delays in initiating the main project activities even though 3 years have already passed.

24. The project was not yet able to demonstrate effectiveness. No objectives have been reached so far.

25. Concerning efficiency, only about 6% of the GEF funds were executed, which is indicative of the project being severely behind. This very poor execution of resources resulted in very few outcomes and outputs achieved by the project, which is very concerning considering that the project is supposed to end in April 2025.

26. From the technical point of view the EMSAGS implementation process is a particularly complex because it requires to combine very technical elements with policy, strategic and development objectives while encountering the structural problems of mining and local economy. However, the PMU team has not yet created all the technical capacities in its personnel or in the respective institutions, therefore the next semester is key to ensure Suriname will benefit completely from the project technical results.

27. The small miners are eager to learn the environmental mining techniques mainly because they understand that the yield is much higher than when using their own mining methods. Sites visits and local beneficiaries discussions have not yet been carried out with the exception of the one in the Brokopondo district, but they are key for the project effectiveness.

28. The COVID-19 pandemic significantly affected the country and the project causing delays in its implementation.

29. A high political engagement is still missing, the Project needs to focus to reach all branches of government and engage them in the discussion of the ASGM strategy in line with the Development Strategy 2035.

30. If the project will not be able to reduce the delays accumulated so far, there is a high risk that the project will not be able to achieve all its proposed targets and objectives at the time of its scheduled closure.

31. However, if the field activities started in December will continue in January involving local beneficiaries, and all the other activities are sped up once the PMU will be fully operation and supported by all the external consultant, almost all the objectives could be reached.

Recommendation Summary Table

The following table sums up the recommendations that can be found in more detail in the last chapter of the report.

|  |  |  |  |
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| |  | | --- | | **No.** | | **Recommendation** | **Responsibility** |
|  | **Management actions** |  |
| **1** | Ensure enhanced PMU functioning and operations with the full-time project coordinator and engagement specialist onboard by completing PMU staffing and ensuring clear decision-making processes are in place. | **NIMOS, PMU** |
| **2** | Implement Adaptive project management and acceleration actions, including adjustment of implementation schedule, composition, time and compensation of the technical experts and specialist taking into account COVID-19 and in line with GEF policies to get the project back on track. | **PMU** |
| **3** | Involve more the Ministry of SP&E in the project activities supporting MNR. Cooperation between the two ministries was not always efficient enough. It is important to get both ministers to actively work on the project, to show that at the highest level the government is engaged. | **NIMOS, PMU, MNR, UNDP** |
| **4** | Introduce corrective actions to make the recruitment and procurement processes more effective and successful. In order to attract candidates, incentives (i.e. attractive salary) can be foreseen. | **NIMOS, PMU** |
| **5** | Improve the procurement process and strategy, e.g. implementing a contract management platform to make project planning, vendor management, bid management and negotiation much simpler; to proper manage budget, workflow, and production timelines and keep everything aligned with project objectives. | **NIMOS, PMU** |
| **6** | Set a multi-layered Monitoring and Evaluation (M&E) implementation which involves several government departments, and local and international partner agencies and consultants working together to prepare baseline assessments, deliver technical monitoring reports, and conduct regular monitoring. M&E should form an essential part of the operational approach of the ministries and national agencies also for monitoring and reporting on co-financing. | **NIMOS, PMU, MS&E** |
|  | **Operational aspects** |  |
| **7** | Put in place operational guidelines in terms of timeline and decision making for a proper implementation of activities. These guidelines should define clear responsibilities and deadlines to approve decisions and deliver responses and documents. | **NIMOS, PMU** |
| **8** | The UNDP Country Office needs to enhance the project oversight on bi-monthly or quarterly basis to support implementation acceleration. It is a very high-risk project in the sense of its underperformance, and UNDP has to keep the pressure also on a governmental level. | **UNDP** |
| **9** | Project implementation activities should not only focus activities on the outcomes related to the MTECs (Outcome 3), rather also include work under the other outcomes, including analysis and realization of synergies and complementarity between the World Bank Suriname Competitiveness and Sector Diversification (SCSD) project and this project and what this project will need to advance under Outcome 2. | **NIMOS** |
| **10** | Facilitate cooperation of Chief Technical Advisor (CTA) and Environmentally responsible mining (ERM) experts with local team of consultants together with MNR staff to continue and finalize field work as preparations for establishing MTECS. | **NIMOS, PMU, MNR** |
| **11** | Initiate actions to re-establish the stakeholder platform and ensure the full cooperation of all the project actors as soon as possible, however not later than 2 months of MTR report. | **NIMOS** |
| **12** | Set up of MTECs should not only be in areas where there are tailings, operationalization per project document should also be given to demonstration of full mine life cycle, without supporting expansion of ASGM locations. | **NIMOS, PMU, UNDP** |
|  | **Implementations aspects** |  |
| **13** | Ensure the effectiveness of local mining environmental activities, it is vital to introduce a stronger coordination between the EMSAGS implementing partners and the local governments. It will also allow making sure final beneficiaries owns the project results. | **NIMOS, PMU, MNR** |
| **14** | Organize other visits to the pilot sites areas by end of January 2022, to select and ensure the execution of alternative technologies for responsible mining pilot interventions and create more involvement with miners. | **NIMOS, PMU** |
| **15** | Start implementation activities at the 2 sites as agreed within the PB and initiate activities at the third site at a later stage, benefiting from the experience of the first two sites. | **NIMOS** |