



PROJECT LOCATION:
SURINAME

PROJECT START DATE:
DECEMBER 02, 2014

PROJECT END DATE:
DECEMBER 02, 2016

GRANT FUNDS APPROVED:
US \$400,000

ENVELOPE:
**BUSINESS CLIMATE
REFORM AND
COMPETITIVENESS
ENHANCEMENT**

TOTAL PROJECT COST:

FRAMEWORK FOR THE IMPLEMENTATION OF THE SECURE TRANSACTIONS REGIME FOR MOVABLE ASSETS IN SURINAME

PROJECT HIGHLIGHTS

THE PROJECT:

Access to credit remains a challenge in Suriname and the market is not highly effective in providing the financial services needed by the private sector to facilitate private sector led growth. Overall, private sector credit is less than 30% of GDP in spite of the recent rapid growth that is fueled by stable macroeconomic conditions and robust economic growth.

The establishment of a secure transactions framework and registry in Suriname will enhance the security of loans, by making the pledging of movable property relatively simple and inexpensive. Lenders would be able to determine easily that assets are unencumbered and in the event of default, rapidly foreclose on the pledged assets, thereby reducing their risks of loss.

Thus, a single and simple set of rules for creating security in movable property of any nature would allow any corporation or individual to give or take security in the form of movable property. Moreover, this would allow access to credit under much simpler and less costly circumstances to a broader spectrum of the population.

The project is expected to increase access to credit available for businesses particularly SMEs through the creation of the movable assets registry. It will result in a reduction in cost of registering collateral interests, enabling greater access to sources of finance thus increasing the entrepreneurial activities by increasing SME's access to credit. Ultimately it will lead to an improvement in the Doing Business Rankings, particularly those related to getting credit.

OBJECTIVE:

To improve the enabling environment for business development, trade, and integration by streamlining the mechanisms for SME access to credit in Suriname.

HOW DONOR FUNDS ARE BEING USED:

- The drafting of legislation to support the widening of the pool of access that could be considered as collateral (Secured Transactions Legislation)
- The operationalisation of a modern, notice-based collateral registry for moveable assets
- Stakeholder consultations and awareness building activities to support the reform process

ACHIEVEMENTS THUS FAR:

- One national forum to support discussions on the next steps for improving the business climate (with a highlight of the Secured Transactions reform), innovation, productivity and competitiveness in Suriname.
- The first draft of the legislation to support the widening of the pool of access that could be considered as collateral (Secured Transactions Legislation).
- Efforts to design the Secured Transactions registry are also underway.