

Validation and Materiality Meeting

Assuria High Rise

December 18<sup>th</sup> , 2024

11.00 hrs. – 15.00 hrs.

Chair: Bernadette Cederboom

# MINUTES

## Extractive Industries Transparency Initiative

### MULTI STAKE HOLDERS GROUP

### SURINAME

### Validation and Materiality meeting

EITI Suriname

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Tel.No: +597 8446612

Address: Mr. Jaggernath Lachmonstraat #81

Attendance:

Name	Organization	Present	Apologies	Absent without notice
Georgetine Tjalim	Ministry of Finance	X		
Sagita Jaggan	Ministry of Finance	X		
Preciosa Simons	Ministry of Natural Resources			-
Rachele van de Scheur - Rijker	Ministry of Natural Resources	X		
Henk Deel	Ministry of Regional Development and Sport			-
Rafiq Ilahi	Ministry of Economic Affairs		✓	
Michiel Raafenberg	RGM	X		
Bernadette Sabajo-Cederboom	Newmont	X		
Kathleen Blom	SHMR	X		
Vanessa Breidel	Grassalco	X		
Adriaan Asodanoe	Grassalco			-
Andrew Hepburn	Shell	Assigned as of January 1 <sup>st</sup> 2025		
Daniel Herkul	Staatsolie		✓	
Rayah Bhattacharji	Projecta		✓	
Monique Essed-Fernandes	Projecta	Online X		
Rene Artist	VIDS	X		
Roy Caupain	SWOS			-
Tosca Pinas	KAMPOS		✓	
Novella Alcantra-Majana	Nat.Secr.	X		
Jenusah Sanné	Nat.Secr.		✓	
Varsha Jhagroe	Nat.Secr.	X		
Mark Regis	Advisor			-

X = Present

✓ = Apologies

\_ = Absent without notice

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## **AGENDA**

1. Opening remarks
2. First part : Materiality Workshop
3. Second part : Validation Workshop
4. Adjournment

### ***Upcoming events:***

**Proposed date for next MSG meeting: TBD**

## **1. Opening remarks**

### **Certification of quorum**

Bernadette welcomed the members to the meeting at 11.00 hrs. There was quorum at 11.15 hrs.

## **2. First part : Materiality**

After much deliberations and a lot of calculations the materiality threshold for years 2021/2022 was defined at USD 5,000.00 per year.

We looked at total revenues of both years 2021 and 2022. (numbers from Georgetine, Ministry of Finance). These numbers were in SRD. We transferred the amounts into USD.

Then we calculated an average total revenue for both years and discussed the outcome of using a percentage. After several calculation we decided to work with the amount above considering the size of our economy.

To determine the materiality threshold the definition from the guidance note 13 was used:

***"In establishing materiality definitions and threshold , the MSG should consider the size of the total revenue streams relative to total revenues."***

Two proposals have been put forward to calculate the threshold:

1. Take the total revenue and then take a percentage from that, which you set as a threshold, for example you take 10%. But then you indicate that small-scale gold companies that fall outside the percentage are included.

Small-scale companies report together as collective. Last time there were 17 companies that reported.

2. Only a number is indicated which can be the threshold.

Betty indicates that it is best to first listen to all revenues, only when we have all the data in front of us can we determine which revenue stream we can use and what the threshold will be.

The Ministry of Finance does have data available that we can use. You can also look at previous reports and the income from total revenues, data that is available from Finance.

Exports of gold and exports of oil can be looked at. We hereby make a request to Tine. Because all royalties and income that are collected go through the Central Bank of Suriname, which reports to the Ministry of Finance.

According to Georgetine the figures from the extractive industries are as follows:

2021 --- 7.3 billion SRD

2022 --- 12.7 billion SRD

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We took the average income from both years, which is 500 million (total revenue)  
If we take 1%, that is 5 million, which is still very high for an economy like Suriname.  
The best proposal would then be to rather set a number as a threshold.  
It was jointly decided to set the materiality threshold at \$5,000 per year.  
But a narrative must be added that this also includes the small-scale miners who fall outside the materiality amount.

### **Identify Reporting Entities**

The companies can be categorized in mining, oil and gas companies. The Ministry of Finance has data available from the following companies from year 2021/2022:

#### **Mining :**

- ✓ Newmont
- ✓ Grassalco
- ✓ RGM
- ✓ Stichting Houders van Mijnbouw Rechten

#### **Oil :**

- ✓ Cosmos
- ✓ Apache
- ✓ Staatsolie
- ✓ Suralco
- ✓ Tullow Oil
- ✓ Licenced gold exporters.

From SHMR data is needed and also from quarries. Also from the GMD data from building materials is needed. In 2021 and 2022 all the mining and oil companies have reported except Grassalco.

### **Document the process**

We can also place information on our website for more transparency, although our website is offline due to the transfer to the government domain.

We can also use social platforms such as LinkedIn to post photos and information. We can also ask the Ministry's Information Department for cooperation in this regard. We can also post the minutes on the EITI website.

It must be clear why we have opted for an amount rather than a percentage for the threshold. This is because of our economy, if we were to choose a percentage it would be quite high for Suriname. That is why an amount was chosen.

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## **Challenges and Solutions**

One of the challenges was to determine the total revenues and the exchange rate of that year. After determining these two the threshold was defined. One of our challenges was determining the total revenues and calculating the rate for that year. And then determine the threshold.

We assumed an estimated amount of approximately 500 million for 2022 and 2021. We then worked with the average rate of both years. This allowed us to calculate the threshold. The difference between the two years had to do with the difference in exchange rate and gold price. Oil price has also played an important role.

### **3. Second part validation outcomes**

Rachele has been working with Novella on the validation report and they have produced a partial oversight and made an updated version which can be used as the workplan for 2025-2026. We have to determine which activities need to be prioritized and schedule them for next year. Rachele did a short presentation of what has been done so far and asks that the members comment and give feedback so we can continue to draft the workplan activities for the next period.

### **4. Adjournment**

Bernadette thanked the members for the efficient meeting and adjourned at 15.00 hrs.