

**REPORT TO CONGRESS ON  
THE INTERNATIONAL MONETARY FUND'S  
LOANS TO BARBADOS AND SURINAME**



A Report to Congress

*consistent with*

Section 1501 of the  
Dodd-Frank Wall Street Reform and Consumer Protection Act, 2010

United States Department of the Treasury

July 2025

## Introduction

This report provides an assessment of the likelihood that Barbados and Suriname will repay their loans to the International Monetary Fund (IMF) in full. This report is required by section 1501 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*.<sup>1</sup> Both countries meet the reporting criteria specified in the legislation: namely, both received loans at a time when the most recent data established that their public debt-to-GDP ratios were greater than 100 percent, and neither was eligible for assistance from the International Development Association (IDA), the arm of the World Bank that provides concessional development finance, at the time of program approval.<sup>2</sup>

As directed by section 1501, and consistent with its longstanding practice with respect to all loans, the Office of the United States Executive Director (OUSED) at the IMF, in close coordination with the Department of the Treasury, conducted a careful and thorough evaluation of the proposed programs for Barbados and Suriname when they were submitted to the IMF Executive Board. OUSED and Treasury continue to monitor progress under both programs.

## BARBADOS

Now in its seventh year of concerted reform efforts supported by IMF programs, Barbados continues to make significant progress in strengthening its economy and emerging from decades of anemic growth and rising public debt. By October 2018, public debt had reached roughly 160 percent of GDP, prompting the newly elected authorities to request from the IMF a four-year Extended Fund Facility (EFF) for about \$290 million (SDR 208 million), amounting to 220 percent of quota. The program's key objectives were to restore debt sustainability, strengthen Barbados' weak external position (reserves had fallen below two months of imports), and improve growth prospects. To mitigate the economic challenges caused by the COVID-19 pandemic, Barbados requested and received two augmentations of its EFF in June and December 2020 for an additional total of about \$159 million (SDR 114 million), bringing total access to about \$450 million (SDR 322 million) and 341 percent of quota. By the conclusion of this program in October 2022, Barbados' public debt had declined to 123 percent of GDP after structural fiscal consolidation and successful domestic and external debt restructuring operations.

Shortly after completion of its 2018-22 EFF, the IMF Board of Directors approved Barbados' request in December 2022 for a follow-on 36-month EFF for about \$114 million (SDR 85.05 million) at 90 percent of quota, as well as access to about \$190 million (SDR 141.75 million)

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<sup>1</sup> P.L. 111-203; codified at 22 U.S.C. § 286tt(b) (section 68(b) of the Bretton Woods Agreements Act): "Within 30 days after the Board of Executive Directors of the Fund approves a proposal [to make a loan to a country whose public debt exceeds gross domestic product and is not eligible for assistance from the International Development Association], and annually thereafter by June 30, for the duration of any program approved under such proposals, the Secretary of the Treasury shall report in writing . . . assessing the likelihood that loans made pursuant to such proposals will be repaid in full, including—(1) the borrowing country's current debt status, including, to the extent possible, its maturity structure, whether it has fixed or floating rates, whether it is indexed, and by whom it is held; (2) the borrowing country's external and internal vulnerabilities that could potentially affect its ability to repay; and (3) the borrowing country's debt management strategy."

<sup>2</sup> Suriname became eligible to borrow from IDA in October 2024 but was not eligible at the time of IMF program approval in December 2021.

under a Resilience and Sustainability Facility (RSF) program at 150 percent of quota. To access an RSF, a country must have a concurrent upper credit tranche IMF-supported program, such as an EFF. Through these two programs, Barbados has been tackling its public debt burden, advancing fiscal sustainability reforms, making energy more affordable, and facilitating capital expenditure that will boost growth. Barbados concluded its 2022 EFF and RSF arrangements in June 2025.

During the course of its EFF, Barbados met all program targets and successfully completed five semi-annual reviews between July 2023 and its final review in June 2025. Barbados has completed reforms that have strengthened public financial management, improved tax and customs administration, consolidated state-owned enterprises (SOEs), and improved the business climate. Under the RSF, the authorities implemented important adaptation measures to support resilient infrastructure and investment in diversified energy sources to reduce Barbados' vulnerability to weather-related shocks.

Despite its exposure to natural disasters, Barbados' macroeconomic outlook has steadily improved under its IMF-supported program, and it is well positioned to meet its debt target of 60 percent of GDP by 2036 due to the authorities' strong track record of reform implementation. The economy not only recovered but has significantly surpassed its pre-pandemic pace of real GDP growth while inflation has continued to follow a downward path. Following a 15.0 percent contraction in 2020, real GDP rebounded by 17.8 percent in 2022 and has remained robust (about 4 percent growth in 2023 and 2024), driven by a recovery in tourism, business services, and construction. The primary fiscal balance recorded a surplus of 5.3 percent of GDP in 2024, surpassing its initial target of 3.8 percent. The authorities strengthened procedures to support additional fiscal consolidation and growth-enhancing reforms. International reserves rose to \$1.6 billion in 2024, covering over 7 months of imports. Inflation fell to 0.5 percent (year-over-year) by end-2024 from 3.2 percent at end-2023 and the IMF projects that it will converge to 2.5 percent over the medium-term.

The risks of this program steadily declined over time as robust implementation led to the rebuilding of buffers, stronger growth, and a declining public debt trajectory. Barbados remains vulnerable to global economic shocks and weather-related disasters, which could undermine economic activity and fiscal sustainability. However, Barbados has established a solid history of repayment to the IMF following its three previous programs and the authorities have shown strong ownership of reform efforts and fiscal adjustment amid recent crises. Based on its strong implementation and completion of its recent IMF programs, solid international reserves position, and commitment to reform, the Treasury Department expects Barbados to repay the IMF in full.

### ***Debt Status***

At the time of the 2018 EFF program's approval, Barbados' public debt was 157 percent of GDP. Subsequently, Barbados completed a comprehensive domestic debt restructuring in October 2018 and an external debt restructuring in December 2019 to reduce the stock of public debt, lower interest payments, and lengthen maturities to increase Barbados's repayment capacity. As of end-2024, public debt fell to 104.8 percent of GDP, down from 111.5 percent in 2023, and is expected to continue declining. External debt stood at 42.0 percent of GDP as of end-2024, down from 46 percent of GDP in 2023, with the IMF projecting it will fall to about 35

percent of GDP by early 2028. About 4 percent of public debt was short-term domestic debt, and slightly more than one third of all public debt was denominated in foreign currency. IMF staff project that Barbados will reach its long-term public debt target (60 percent of GDP) by 2035, a year earlier than its previous prediction. The Barbadian authorities will need to continue implementing structural reforms and improving domestic revenue mobilization to meet this target; doing so will also depend on sustaining higher rates of GDP growth that has occurred during consecutive IMF programs, particularly from a return of normal tourism inflows.

### ***Debt Management Strategy***

Following the government's comprehensive restructuring of its domestic debt, the authorities' main goal was to reestablish a sustainable debt trajectory and composition while undertaking complementary fiscal reforms related to revenue policy and administration and SOE reform to bolster fiscal sustainability. The program's design supports private sector-led investment and growth and is aimed at restoring confidence in the economy. The Barbadian government approved a procedural fiscal rule in December 2021, under which it commits to: (1) annually prepare a medium-term fiscal strategy/framework; (2) regularly publish outcomes against this strategy; and (3) take remedial action when required. The authorities plan to establish a numerical fiscal rule once public financial management systems have been strengthened. To further demonstrate commitment to sound fiscal management, the authorities established a Fiscal Council in May 2023. This Council holds the government accountable for transparent implementation of the fiscal strategy, which focuses on reducing public expenditure particularly through SOE reform and institutionalizing the Medium-Term Fiscal Strategy, approved in June 2022, to return Barbados to a sustainable debt path over the long term. Investor confidence in Barbados has strengthened, as evidenced by tighter bond spreads over the past few years.

SOE reform was a core part of the recently concluded IMF program and is a prerequisite for achieving a sustainable debt position in the medium term. Before Barbados's program began, 58 SOEs received an annual average of 7.5 percent of GDP in budget transfers from the central government. The EFF program targeted a decrease in transfers of 2 percentage points of GDP, which was almost met by the final review, and the authorities have aligned SOE activities with a framework intended to rationalize SOE expenditures. The government is also moving forward with the implementation of public pension reforms that were approved by Parliament in 2023 to enhance the pension system's sustainability.

### ***Vulnerabilities***

Key risks to the debt reduction strategy include: limited implementation capacity of the government; the potential for reform fatigue, which could limit the government's willingness to maintain fiscal discipline in the long-term in cases of lower-than-projected growth; and vulnerability to external shocks, particularly those that affect tourism. Barbados remains highly exposed to the risk of significant natural disasters, including hurricanes and volcanic activity in neighboring Saint Vincent. Key risk mitigants include collaboration with development partners, such as the Inter-American Development Bank, to enhance public sector efficiency; the government's continuing strong political mandate which implies policy continuity; investments in disaster risk management; and nascent efforts to diversify the economy.

## ***Overall Assessment***

Barbados has continuously overperformed its targets under its IMF-supported reform program due to the authorities' strong commitment to reforms. The public debt burden has drastically declined since 2018 and has helped put Barbados on a path towards sustainability. The IMF assesses Barbados' public debt level is sustainable. Although some areas of adjustment have been challenging for the population, the government's resounding reelection in January 2022 underscored the breadth of social buy-in for the reform program. The EFF in tandem with the RSF provided a helpful framework to enable significant fiscal consolidation while improving resilience to the impacts of natural disasters. Based on these factors and the IMF's status as a preferred creditor, the Treasury Department assesses that Barbados is likely to repay its IMF loan in full.

## **SURINAME**

In March 2025, Suriname completed its three-year IMF program, which has helped facilitate an impressive economic recovery in the wake of a dual fiscal and balance of payments crisis in 2020 amid the COVID-19 pandemic. After years of running large fiscal deficits, with public expenditures roughly double the level of revenues in 2019, Suriname's debt-to-GDP ratio nearly doubled from 80 percent in 2019 to 148 percent by the end of 2020. As spending pressures grew, the government turned to monetizing its fiscal deficits, which contributed to a sharp increase in inflation and led to the depletion of foreign reserves and accumulation of arrears to creditors. Upon taking office in July 2020, President Chan Santokhi, embarked on an ambitious series of reforms and requested an EFF program with the IMF to correct these imbalances. The IMF Executive Board approved the 36-month EFF in December 2021 with access of \$688 million (SDR 472.8 million) or 367 percent of quota. Originally set to expire in December 2024, the program was extended to March 2025.

Suriname's IMF program sought to: (1) continue fiscal consolidation while enhancing well-targeted social assistance; (2) complete a comprehensive debt restructuring with official bilateral and private creditors; (3) strengthen the new monetary policy framework; (4) address banking system vulnerabilities; and (5) tackle money laundering, corruption, and other governance shortcomings.

Over the duration of its program, Suriname completed nine successful quarterly reviews. As part of the second review in June 2023, the IMF Board approved the authorities' request for a reduction of the total access under the arrangement to an amount equivalent to \$516.4 million (SDR 383.9 million) or 297.8 percent of quota. The program was further amended during the fourth review in December 2023, when the Executive Board approved the authorities' request for a three-month extension of the EFF until end-March 2025 and an access augmentation of about \$63 million (SDR 46.8 million), bringing the total EFF amount to about \$580 million (SDR 430.7 million) or 334.1 percent of quota. The extension and augmentation allowed for a more gradual path of fiscal consolidation than originally envisaged to allow the authorities to continue supporting the poor and vulnerable amidst ongoing erosion in real wages. The authorities missed their fiscal balance targets during last four reviews of the program, but the Board approved the reviews nonetheless in recognition of the authorities' demonstrated commitment to the program and the corrective actions that were taken to get back on track.

By the conclusion of the EFF, Suriname's economy had achieved a significant recovery and is now on a stable trajectory. Growth, which contracted by 16 percent year-over-year in 2020, has risen steadily to positive 3.0 percent at end-2024. Recent international investments to exploit proven offshore hydrocarbon reserves will be transformational as they come online, which is scheduled to begin in 2028: the IMF projects growth to balloon to over 50 percent that year. Inflation soared during and after the pandemic, reaching over 60 percent year-over-year in 2020 and 2021. It has since moderated to 10.1 percent by end-2024, the lowest level since 2019. During the program, despite missing fiscal targets, the authorities have consolidated the primary fiscal balance by about 10 percentage points from a deficit of 8.3 percent of GDP in 2020 to a surplus of 2.5 percent in 2024 and restored international reserves from \$129 million in end-2020 (less than one month of imports) to \$1.4 billion by end-2024 (about six months of imports).

### ***Debt Status***

Suriname's debt had increased precipitously during the 2010s due to fiscal imprudence. Ill-targeted social transfers and subsidies, particularly for electricity, more than tripled as a share of GDP from the early 2010s to 2019. Some of the increase in debt as a share of GDP was attributable to the economy's large contraction in 2020 (15.9 percent). Among the objectives of the EFF program was to put public debt on a downward trajectory that would fall from 148 percent of GDP as of end-2020 to below 60 percent by 2035.

At the time of EFF approval, Suriname required a comprehensive restructuring of its public external debt to restore debt sustainability. According to IMF staff estimates, at the end of 2020, Suriname owed \$1.1 billion (31 percent of total external debt) to private bond creditors, and \$728 million (20 percent of total external debt) to official bilateral creditors. In June 2022, Paris Club creditors agreed to a first stage restructuring of Suriname's bilateral debt without a principal haircut, which included a rescheduling of arrears and all maturities falling due during the IMF program period. In late 2024, Paris Club creditors implemented a second stage restructuring for all remaining maturities due starting January 2025 as Suriname had met all of its program commitments. By the fourth EFF review in January 2024, Suriname had reached agreements on comparable debt treatments with its remaining official bilateral creditors (China and India) and with the bondholders. Official creditor countries also committed to review Suriname's latest macroeconomic situation once prospects for oil-related revenues materialize and the Value Recovery Instrument of the bondholders starts paying out, in order to reach comparability of treatment across all of Suriname's external creditors.

Suriname's public debt reduction over the course of the EFF has been substantial, falling from 146.4 percent of GDP at end-2020 to 87.2 percent by end-2024. As of the ninth review, almost all of Suriname's public debt was medium- and long-term dated, while just under three-quarters was denominated in foreign currency.

### ***Debt Management Strategy***

The authorities are pursuing a series of reforms to improve the fiscal outlook. These include increasing electricity prices to achieve cost recovery, lowering the public sector wage bill by capping nominal compensation growth and streamlining the workforce, and reducing tax exemptions. The authorities are also replacing the sales tax with a VAT and pursuing technical reforms to improve revenue collection and administration. More broadly, they are implementing

institutional guardrails to strengthen fiscal data reporting and create a more robust budget framework. Market confidence in Suriname's strong reform performance can be seen in the tightening of its bond spreads to record lows, which marks a significant step towards the restoration of market access. As noted above, to restore debt sustainability Suriname needed to reach agreement on a debt restructuring, which it has now concluded with all of its external creditors, both official and private. On existing domestic arrears to suppliers, Suriname completed an audit and has been clearing arrears in line with a designated plan.

In 2024, the IMF positively updated Suriname's macroeconomic framework to reflect plans for oil production beginning in 2028. Under the updated macroeconomic framework, the IMF projects public debt will decline to just 12 percent of GDP in the medium-term.

### ***Vulnerabilities***

Suriname's macroeconomic outlook remains vulnerable to potential global economic and financial shocks, natural disasters, and spillover effects from the war in Ukraine and conflicts in the Middle East. The discovery of viable oil fields and expectation for oil revenues to begin flowing in 2028 has considerably boosted Suriname's medium-term outlook. The country's ability to benefit from oil wealth over the long-term will depend on the prudent management of oil revenues over the coming years, as well as global energy trends. While oil price forecasts have declined this year, a shock that tightens global oil markets prior to Suriname's oil production ramping up could strain Suriname's current account and growth prospects and may require higher fiscal outlays to mitigate the pass-through effects of inflation on vulnerable households. Suriname also needs to strengthen its financial sector, given the vulnerabilities that some domestic banks face from non-performing loans. Recapitalization programs could potentially strain Suriname's fiscal position prior to the flow of oil revenues. However, with the IMF's support, the authorities are addressing these vulnerabilities through stronger bank resolution and supervision legislation, as well as a governance framework that will help put state-owned banks on a more commercially viable path. The authorities are committed to taking corrective actions with banks that have breached capital adequacy targets. Lastly, the structural reforms needed to reverse Suriname's deep fiscal and current account imbalances require significant political commitment.

### ***Overall Assessment***

The IMF finds that Suriname's public debt is sustainable with a moderate risk of debt distress. The authorities have demonstrated significant commitment to reforms under the IMF program. They have continued to make progress on fiscal and longer-term structural reforms while showing the political will to implement needed changes. Suriname's medium-term outlook has improved greatly following the discovery of oil fields. Based on these factors and the IMF's status as a preferred creditor, the Treasury Department assesses that Suriname is likely to repay its IMF loan in full.