



Planning today . . .
Securing tomorrow

**ANNUAL
REPORT
2022**

THE PLANNING INSTITUTE OF JAMAICA

Annual Report 2022



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VISION

To be proactive in the provision of strategic and innovative policy, and programmatic responses to emerging issues at the national and organizational levels in pursuit of SUSTAINABLE DEVELOPMENT.

MISSION

The Planning Institute of Jamaica is committed to leading the process of policy formulation on economic and social issues and external cooperation management to achieve sustainable development for the people of JAMAICA.

Functions of the Planning Institute of Jamaica

(1) The functions of the Institute include:

- initiating and coordinating planning for the economic, financial, social, cultural and physical development of Jamaica
- monitoring the implementation of plans so initiated or coordinated
- undertaking research
- training in planning
- undertaking consultant activities for government ministries, agencies and statutory bodies
- maintaining a national socio-economic reference library
- managing technical cooperation agreements and programmes.

(2) It shall be the duty of the Institute to:

- advise the Government on major issues relating to economic and social policy
- interpret decisions on economic and social policy, and integrate them into the national development programmes
- prepare economic models for the guidance of policymakers, investors and other planners
- assess existing and projected social, economic and manpower resources and formulate plans for the most effective use of such resources
- coordinate national, regional and sectoral development planning in order to facilitate the consistent and efficient implementation of projects and programmes
- determine the economic, financial and technical feasibility of new development projects and monitor projects in progress
- be instrumental in stimulating national development and in securing public cooperation and participation in achieving planned objectives
- collect, compile, analyse and monitor special and economic performance data

Board of Directors



Wayne Henry, CD, JP, PhD was appointed Director General and Board Chairman in July 2016. He holds a PhD in Developmental Economics and, in addition to being a former lecturer at The University of the West Indies (UWI), has been a Liaison Officer/Economist at the World Bank. Dr Henry was Special Advisor to the Minister of Agriculture & Fisheries and was Chief Technical Advisor to the Minister of Finance. Prior to serving at the PIOJ, he was Vice President, Government Affairs at Scotiabank Group Jamaica. Dr Henry is the recipient of the Order of Distinction in the rank of Commander (CD), which he received during the 2021 National Honours and Awards Ceremony at King's House.



Professor the Hon. Ambassador Richard L. Bernal, OJ is an economist, diplomat and former Pro-Vice Chancellor for Global Affairs at The University of the West Indies (UWI) and Professor of Practice. Bernal served as the Jamaican Ambassador to the United States of America from 1991 to 2001, simultaneously holding the post of Permanent Representative of Jamaica to the Organization of American States. Prior to his diplomatic career, Bernal had taught economics at The University of the West Indies, served as CEO of a commercial bank, and worked in the Bank of Jamaica and as an economic advisor to the Government of Jamaica.



Ms Alyssa Chin is an in-house Attorney-at-Law at Juici Beef Limited. She holds a Bachelor of Laws degree from Queen Mary University of London and completed her professional training at BPP Law School in London and Norman Manley Law School in Jamaica. She was called to the Bar of England and Wales by the Honourable Society of Lincoln's Inn and to the Bar of Jamaica. She is also qualified as an International Civil and Commercial Mediator. Ms Chin has experience practising commercial law, including taxation, corporate compliance and corporate finance, at Myers, Fletcher & Gordon. She has also been involved in several social and environmental initiatives in various countries including Jamaica, Haiti, Canada, England, Kenya and New Zealand.



Ms Merle Donaldson is Chief of Staff at the Office of the Prime Minister. Ms Donaldson holds an MBA in International Business and a BSc. in Chemistry & Management and has over 20 years of experience in both the public and private sectors. She has served in various capacities at the Ministry of Education, Bureau of Standards Jamaica, and Ernst and Young in the areas of research, business development, project management and quality systems. Ms Donaldson currently serves on the Boards of the National Housing Trust and the Culture, Health, Arts, Sports and Education (CHASE) Fund.



Mrs Sheree Martin is General Manager, Customer Experience and Organisational Health, NCB Financial Group Limited. Mrs Martin holds an MBA in Banking and Finance from Harvard Business School and has spent the last 15 years as an Executive, driving business value in the Financial Services and Energy sectors, specifically in the areas of Business Strategy, Marketing, Sales, Project Management, Organizational Transformation, and Corporate Innovation.



Dr Nadine McCloud, PhD is Head, and Senior Lecturer in the Department of Economics at The University of the West Indies, Mona. Her main research interests are econometric theory, economic development and the political economy, and applied econometrics. She has been published in economics, statistics and mathematics refereed international journals. Dr McCloud has been a Fulbright Visiting Research Scholar at Cornell University and has held short research stints at Humboldt University in Germany, Purdue University, University of Miami, and Xiamen University in China. She is a member of the editorial board of the Journal of International Trade and Economic Development. She was previously a board member of the Maritime Authority of Jamaica.



Mr Mark Tracey is Senior Business Development Manager, Jamaica Money Market Brokers (JMMB). Mr Tracey was a Senior Economic Advisor to the Minister of Finance, Dr The Honourable Nigel Clarke, MP. Mr Tracey holds an MSc in Economics from The University of the West Indies, Mona and has over 20 years' experience in economics, with special emphasis on finance, risk management and developmental economics.



Mr Colin Williams is a Lecturer/Researcher in the Department of Sociology, Psychology and Social Work at The University of the West Indies, Mona. He was among the first team of analysts at the PIOJ to work on the Jamaica Survey of Living Conditions when it was introduced. Mr Williams has extensive experience in the design and management of household/establishment surveys in Jamaica, regionally and internationally. He has served as a consultant regional reviewer for many of the country poverty assessment studies that have been conducted in the CARICOM region. As an established educator/trainer, Mr Williams has designed and conducted training programmes in national statistics offices throughout CARICOM, including Jamaica, and in a number of countries in Africa on topics of survey design and data analysis.

As at December 31, 2022, the Board consisted of eight members appointed by the Prime Minister. The Board has two established committees—Finance and Audit and the Corporate Governance.

FINANCE AND AUDIT

In accordance with its mandate, the Committee reviewed and deliberated on the following:

- Audited Financial Statement
- Management Letter
- Internal Audit Plan
- Internal Audit Reports
- Disposal of Fixed Assets.

The Finance and Audit Committee met twice during the year. The Chairman of the Audit Committee reports on the proceedings of the Committee meetings to the Board.

CORPORATE GOVERNANCE COMMITTEE

While the Corporate Governance Committee did not meet in 2022, the Board reviewed reports and gave advice on socio-economic and other sustainable development issues and projects under management by the Institute.

BOARD MEMBER FEES 2022 JANUARY – DECEMBER 2022

Name and Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Dr Wayne Henry Chairman	Nil	-	-	-	Nil
Mr Colin Williams Director	143 000	-	-	-	143 000
Ambassador Dr Richard Bernal Director	120 000				120 000
Mr Mark Tracey Director	129 000	-	-	-	129 000
Ms Merle Donaldson Director	84 000				84 000
Ms Sheree Martin Director	37 000				37 000
Dr Nadine McCloud Director	60 000				60 000
Ms Alyssa Chin Director	96 000				96 000
TOTAL	669 000				669 000

Director General's Statement

Wayne Henry, CD, JP, PhD

Director General,
Planning Institute of Jamaica



In 2022, the Jamaican economy continued to exhibit recovery from the COVID-19 pandemic. This was evidenced by a 5.2 per cent growth in GDP, an indication that the economy remained on the trajectory to surpassing pre-COVID-19 levels of output by end FY 2022/23. The economy continued to benefit from the removal of COVID-19 containment measures; improvement in external demand for goods and services, particularly tourism; and an improvement in the employed labour force. Further growth was constrained by external challenges, chief among them were geopolitical tensions that exacerbated inflationary pressures.

The Planning Institute of Jamaica continued to adhere to its mandate by contributing to the development of timely evidenced-based policy and providing policy advice; ensuring the alignment of external co-operation with national goals; utilizing foresighting and modelling capabilities; and monitoring the attainment of targets set under Vision 2030 Jamaica – National Development Plan and the Sustainable Development Goals (SDGs). The Institute produced Jamaica's 2022 Voluntary National Review (VNR) Report, which included content for the main document and the special report on Localization, as well as delivery of a side

event presentation on July 15, 2022, at the High Level Political Forum (July 5–15, 2022) titled “Looking Forward: Recent Innovations in Institutional Arrangements for SDG Implementation”.

The Institute led and assisted efforts to identify and secure investments from International Development Partners (IDPs) with focus on the Government's continued response to the COVID-19 pandemic; social protection strategies; efforts towards violence prevention; and the digital agenda.

In 2022, the PIOJ coordinated and monitored a combined portfolio of more than 200 new and ongoing projects, programmes and initiatives totalling approximately US\$1.6 billion (\$246.7 billion).² Disbursements against the portfolio totalled US\$410.4 million (\$63.3 billion). Government counterpart and beneficiary resources of US\$223.5 million (\$34.5 billion) also augmented the portfolio.

In response to the challenges and emerging issues brought about by COVID-19, the organization remained resolute in the monitoring of the economy and proactive in providing strategic and innovative policy and programmatic responses to inform sustainable development. In this regard, guidance for response and recovery were explored through

² The annual average rate of US\$1.00: J\$154.21 is used throughout this section.

empirical research; the design of multidimensional research instruments; and integrated approaches in the formulation, monitoring and coordination of plans, and projects. Among the achievements were:

- Quarterly updates and growth projections, disseminated through the organization's Quarterly Press Briefings
- Preparation of the Public Sector Investment Programme (PSIP) Policy Paper, that provided an assessment of how efficient GOJ has been in the implementing projects, the alignment of PSIP to Jamaica's National Goals and long-run implications of GOJ expenditure on key selected indicators
- Research and other technical support to key economic growth initiatives by the Growth Inducement Programme (GIP)
- Development of Jamaica Systemic Risk Assessment Tool (JSRAT), a pilot tool for prioritizing climate resilient projects to foster sustainable growth in the medium term in collaboration with the Coalition for Climate Resilient Investment (CCRI)
- Tabling of the Revised Draft National Population and Sustainable Development Policy and Programme of Action (PoA) as a White Paper
- Continued exploration of policy ideas and the examination of solutions and responses to policy gaps through the National Social Protection Committee (NSPC) policy forum. Key areas of focus included the development of a Multidimensional Poverty Index; a paper exploring a living wage; a Leaving No One Behind Toolkit for Poverty Reduction; and a Draft Position Paper on an anchor social protection legislation
- Review of the *Jamaica Survey of Living Conditions* to provide a comprehensive assessment of the data needs for policy analysis and monitoring, and evaluation of living conditions, to ensure that best practice, and national and global standards are maintained
- Implementation of the Jamaica Children and Youth Health and Wellbeing Study (CHEWS-JA) by the Government of Jamaica with the PIOJ providing support as the lead government agency and the execution of the survey fieldwork by The University of the West Indies
- Provision of technical submission to the National Minimum Wage Advisory Commission analysing the national minimum wage and proposing recommendations for adjustments, to aid in the Commission's review of the existing rate
- Provision of support to the National Poverty Reduction Programme Committee (NPRPC) in the coordination, monitoring and evaluation of the National Poverty Reduction Programme (NPRP). A capacity-building workshop for NPRP Stakeholders was held which focused on strengthening programme delivery to the poor and vulnerable through identifying and sharing relevant information, approaches, and tools to plug gaps and improve programme efficiency
- Completion of a study proposal to examine the impact of COVID-19 restrictions on the incidence of violence against women and girls
- Completion of the Multiple Indicator Cluster Survey, a household survey designed to collect estimates of indicators that are used to monitor the situation of children and women and is a key source of high-quality data on areas such as child protection, early childhood education, and child health and nutrition
- Utilisation of a Multidimensional Vulnerability Index (MVI) to measure the socio-economic vulnerabilities of society in relation to COVID-19. The findings were presented in the study, *Quantifying Multidimensional Vulnerability in Jamaica*
- Continuation of work towards improving the climate resilience of the north-eastern coastline by the GOJ/Adaptation Fund Programme
- Conclusion of the Improving Climate Data and Information Management Project (ICDIMP),

favourably assessed by the World Bank and the Final External Evaluation with respect to the achievement of the project development objective

- Completion of a baseline assessment of Jamaica's blue economy potential in which gaps, barriers and pressures to the blue economy development in Jamaica were identified
- Built capacity of personnel in selected MDAs through the hosting of sensitisation sessions in the Post-Disaster Needs Assessment methodology
- Contribution to the strengthening of the Science, Technology and Innovation (STI) ecosystem by launching "Mapping the Science, Technology and Innovation System in Jamaica" to enable the development of Jamaica's STI policy system and assist with assessing the legal framework, institutional capacity and operational plans supporting the system.

During the year, there were noteworthy achievements in advancing the implementation of Vision 2030 Jamaica and strengthening the implementation framework and continued focus was placed on strengthening national capacity for results-based planning and participation in the broader Government of Jamaica (GOJ) efforts, led by the Ministry of Finance and the Public Service (MOFPS), the Cabinet Office and the PIOJ. The Vision 2030 Secretariat participated in several activities including serving on the Steering Committee for developing an RBM Road Map for Jamaica under a CARICOM RBM Pilot Project supported by the World Bank Global Evaluation Initiative (GEI).

The Medium Term Socio-Economic Policy Framework 2021–2024 (FY 2021/2022–2023/2024) was completed and approved by Cabinet on October 24, 2022. This MTF facilitated greater ease in aligning the SDGs with the result chains of the various national outcomes and the development areas prioritized for advancing Vision 2030 Jamaica and the SDGs. The Final Draft of the first in a planned

series of Means of Implementation Reports, which covered the period January 2018–June 2022 was completed. The Report explored key tenets of the Plan implementation Framework and integration of the SDGs, as well as improvement to some of the areas and highlights of performance. A Draft Performance Report 2009/10–2020/21, which provided a synopsis of performance as well as some key areas for consideration was also completed.

Under the Community Renewal Programme (CRP), baseline studies were completed in two communities. The annual Best Practices Symposium and the Inter-Agency Network Youth Development Programme (IAN_YDP), graduation ceremony were executed. Funding support was also provided for a number of key initiatives in target communities.

The level of activity under the Foundations for Competitiveness and Growth Project (FCGP) continued to be robust. An additional \$597.8 million was spent in support of advancing activities under the four project components. Significantly challenged with a reduced execution period of approximately one year, the GOJ and the World Bank (WB) agreed to pursue a project restructuring, aimed at a strategic reduction in the number of initiatives undertaken to conclude by an end date of March 2024.

Focus continued to be placed on transformation programmes/processes to build capacity in response to global development. The Data Privacy Framework was completed and staff sensitised. Steps were taken to prepare the Institute for the implementation of the Data Protection Act. Technical advisory continued to the ICT Council's and the Project Portfolio Management Committee.


The Corporate Governance and Management portfolio continue to focus on programmes/processes geared to build capacity to be able to respond to developments in the global arena. In this regard, strategic alignment with effective operational integration was sustained. In the area of Enterprise Risk Management, a significant achievement was the shift in the risk culture,

embedded with the capacity for Risk Maturity Self-assessments. Divisional Business Continuity Plans (DBCP) were developed to complement the enterprise Business Continuity Plan (BCP).

In Information and Communication Technologies (ICT), greater attention was placed on building resilience, reducing vulnerability and securing the infrastructure, as these were integral to the integration of a hybrid work modality, in a landscape of increasingly intense and pervasive cyber incidents.

The upskilling of staff allowed the Institute to better deliver high quality live streams of virtual and hybrid meetings. This allowed the organization to increase the number of participants at streamed events. In addition, the various social media platforms created an avenue to engage stakeholders.

As the Jamaican economy remains on the trajectory to attain pre-COVID levels, and we look forward to further growth and development, the PIOJ wholeheartedly expresses gratitude to the Board of Management for their continued support and direction; the staff for their dedication and professional agility in providing sound policy advice; and our many stakeholders who continue to provide and give the necessary support. As we prepare for another year of work, we stand committed to the vision to “make Jamaica the place of choice to live, work, raise families and do business”.



WAYNE HENRY CD, JP, PhD
Director General,
Planning Institute of Jamaica

Executives of the Planning Institute of Jamaica



Wayne Henry, CD, JP, PhD
Director General



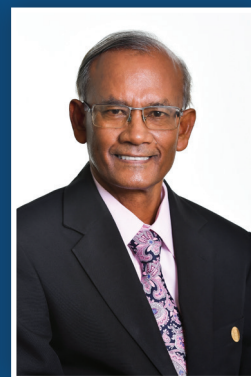
Mr R.E. Kirkland Philips
Deputy Director General,
Corporate Governance and
Management



Ms Barbara Scott
Deputy Director General,
External Cooperation and
Project Development



Ms Claire Bernard
Deputy Director General,
Sustainable Development
and Social Planning



Mr Easton Williams
Senior Director,
Social Policy,
Planning and Research



Mr James Stewart
Senior Director,
Economic Planning and
Research



Mrs Marcia Blake-Hall
Senior Director,
Corporate Marketing and
Communication



Mrs Janelle Cox
Director,
Chief Information Officer



Mrs Sandra Ward
Director,
Human Resources

Review of Operations

Corporate Governance and Management

The Corporate Governance and Management portfolio focused on the continuation of its transformation programmes/processes to build capacity to be able to respond to developments in the global arena. Strategic alignment with effective operational policy integration was sustained through the respective governance pillars (Figure 1).



FIGURE 1: GOVERNANCE PILLARS

An area of strategic focus was the completion of the Data Privacy Framework, complemented by the sensitisation of all staff. Additionally, technical advisory continued to the ICT Council's and the Project Portfolio Management Committee, including projects (Public Investment Management System and Jamaica's Business Portal development).

CORPORATE PLANNING

The corporate planning process remained consistent with the Ministry of Finance and the Public Service's (MOFPS) focus on Macro-Economic Stability and Fiscal Sustainability. The process is aligned to the Government's Performance Management and Evaluation System (PMES) framework established

to transform public service delivery and to ensure that policy and productive capacities are sustained to meet national goals.

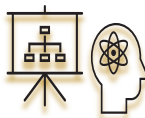
The PIOJ along with STATIN, is responsible for the MOFPS' Integrated Development Planning Programme (IDPP). The IDPP goals support the Vision 2030 Jamaica –National Development Plan goal of a prosperous Jamaican economy, while aligned to the government's strategic priorities (Figure 2).

Policies, plans and programmes continue to contribute to national development as indicated by some of the key strategic objectives shown in Figure 3.



FIGURE 2: IDPP GOALS

Strategic Planning & Foresighting



Foresighting and cross-functional tracking of international development landscape for the national planning process

Resource Mobilisation



Relations and partnerships for research, policy and programme development

Policy and Planning



Technical and policy advice towards sustainable development; research towards sustainable development

Monitoring and Coordinating



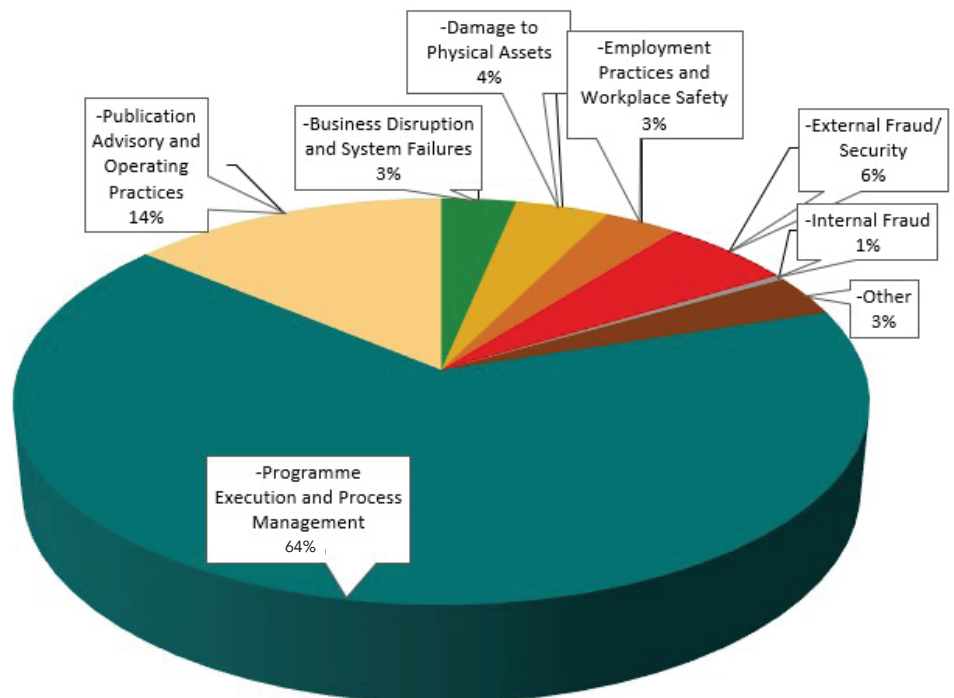
Monitoring of the national development agenda; transformational strategic partnerships for socio-economic and environmental deliberations

FIGURE 3: KEY STRATEGIC OBJECTIVES

Enterprise Risk Management

The governance framework was strengthened to mitigate barriers to strategic objectives and respond to unplanned events ensuring business continuity. A significant achievement was the shift in the risk culture, embedded with the capacity for Risk Maturity Self-assessments. Linking with the ERM streamlining, Divisional Business Continuity Plans (DBCP), were developed to complement the enterprise Business Continuity Plan (BCP).

The majority of risks managed were in the area of Programme Execution and Process Management, which accounted for 64.0 per cent of the risks reported.



Human Capital Investment

Talent Management Programme

The Talent Management programme continued with focus on development needs in alignment with the strategic pillars of the organization. Since the formal introduction of the programme in 2020, a more

robust Human Resource strategy was adopted in tandem with the organization's changing competency index. Learning and development initiatives continued, mostly virtually, as face-to-face sessions were gradually reintroduced.

TRAINING DELIVERY PROGRAMMES

Training Programme	Participation	Focus Areas
E-Learning on Administrative Solutions for Extending Coverage	100%	Social Security, Communication
Quantitative Training for Social Security Practitioners of the Caribbean: from Data to Decision	100%	Social Security, Governance
GOJ Electronic Procurement Platform	100%	Procurement procedure
Intro. to GIS Using ArcGIS 10.8	100%	Mapping, Data Analysis
SALISES Data Analysis for Evidence-Based Policymaking	100%	Statistical Analysis, Research
EDA Workshop - Costa Rica	100%	Data Management/Analytics
Association of Measurement and Evaluation in Communication (AMEC)	100%	Monitoring & Evaluation
Measurement of the Contribution of the Creative Copyright Industries to the Economy	100%	Law, Statistical Methods & Report Preparation
Drive Better Business Results with an Employee Listening Strategy	100%	Listening skills, Workplace Performance
Leading High-Performance Teams	100%	Performance Management, Leadership
Windows Server 2019: New Features and Upgrade Workshop	100%	Network & Server-Management
EUROCLIMA Annual Event 2022	100%	Biodiversity
CGE Regional Hands-On Training Workshop	100%	Climate Change Impacts and Adaptation
Participate in the Global Procurement Initiative: Obtaining Value in Public Procurement	100%	Procurement Practices & Policies, Value Determination
Public Procurement Training Series	100%	Procurement Principles & Practices
Technical Writing	79%	Documentation Design, Report Writing & Design
Intro to System Dynamics-Based Development training	50%	Strategy Development & Policy Design

MyHR+

GOJ's integrated Human Resource (HR) and Payroll information Management system (MyHR+) commenced in July. A phased approach was implemented as follows:

- **Phase 1:** Staff Awareness & Sensitisation
- **Phase 2:** Training of Staff/Assignment of Ambassadors
- **Phase 3:** GO-Live activities/processes such as Digitisation of Records and Quality Assurance
- **Phase 4:** Introduction of additional functionalities – HR & Payroll Management, Manager and Employee Self-Service.

Health and Wellness

Health & Wellness workshops were convened to increase staff awareness of the various coping mechanisms accessible to support mental, physical, and emotional wellness. Team building was the focus for the period.

Financial & Asset Management

Income and Expenditure

Planning Institute of Jamaica (PIOJ) is funded through government subventions and funding from IDP for studies and special projects. Total under management was \$831 213 million. The Institute had net equity of \$239 800, representing assets of \$796 231 and liabilities of \$556 431. Most significant asset balances were related to cash and a right-of-use asset associated with PIOJ's office lease. Most significant liabilities related to the Owed to Projects and Supplier Payables.

Pension Portfolio Management

The Pension Plan is managed jointly by the Planning Institute of Jamaica (PIOJ) Pension Plan Board of Trustees and Sagicor Life Jamaica Limited. As at December 2022, the Fund stood at \$1.9 billion with membership of 136, comprising 101 active members, 19 Pensioners and 16 Deferred Pensioners.

Information and Communication Technology (ICT) Strategy and Development

Digitalisation through elevated compliance in ICT Governance and the promotion of solutions were improved for enhanced business intelligence, productivity and efficiency. Greater focus was placed on building resilience, reducing vulnerability and securing the infrastructure, as these were critical, given the integration of a hybrid work modality, in a landscape of increasingly intense and pervasive cyber incidents. The dynamism of the ICT industry and changes in protocols forced an acceleration in the refresh programme, with the commencement of upgrades to major infrastructure components and strategies to include enhanced authentication, secured data sharing and cloud-technology.

Internal builds continued with the socio-economic data portal, replacement of the corporate intranet, and the development of the mail management and resources management applications. Enhancements continued for the Data4Development platform,

External Cooperation Management Information System, websites and development of the Best Practice Repository platform.

Digitisation Programme

As part of the government's digitisation programme, the project scope linked to MyHR+ included the digitising of records across the organization to enhance efficient Records Management and data retrieval.

Research Services

The Wesley Hughes Documentation Centre continued to provide information, to both internal and external clients, through the virtual reference service, email, telephone and WhatsApp. Since the COVID-19 pandemic, the research numbers escalated with the shift from 'walk-in clients' to more clients using the Virtual Reference platform "Ask the Librarian" portal on the PIOJ's website. Figure 5 shows a breakdown of the Client Research services.

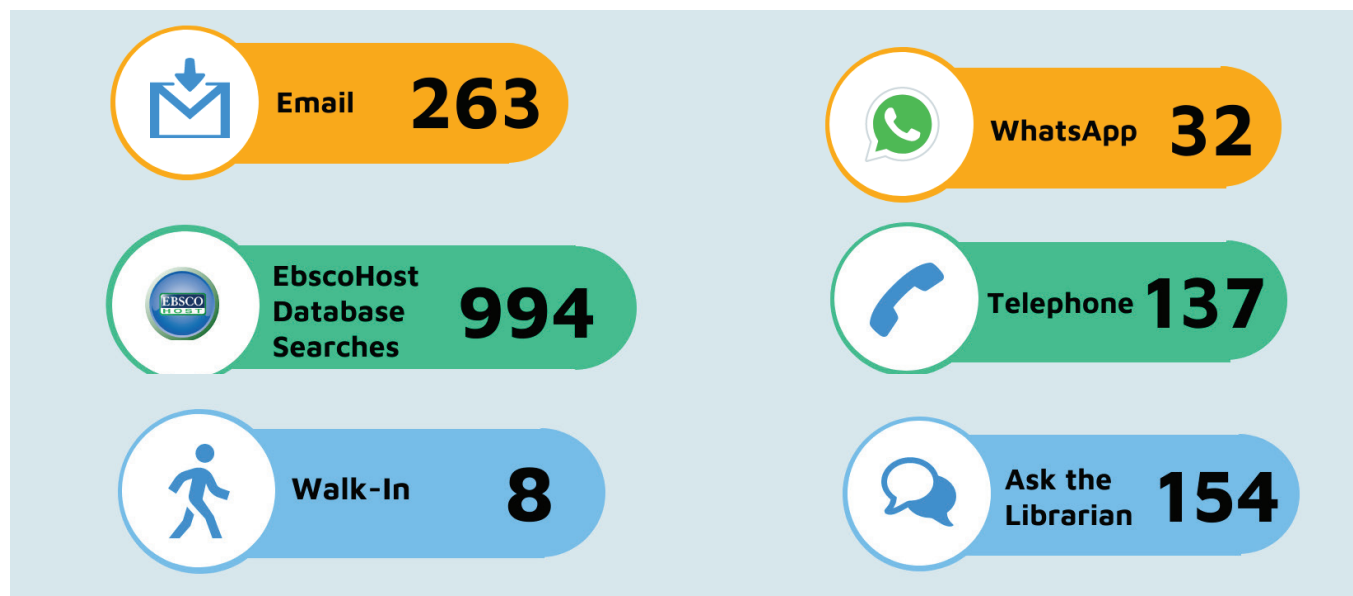


FIGURE 5: CLIENT RESEARCH SERVICES

Digital and General Collection: to support the online research service, 1 377 publications were added to the Digital Collection stock. Weeding of the collection (Digital & General) continued with the disposal of 575 books which were donated to libraries in the Ministries, Departments and Agencies. Ten Catalogue in Print (CIP) and 10 International Standard Book Numbers (ISBN) were requested for the publishing of research material.

Access to Information: there was continued compliance under the Access to Information Act, with three requests received and satisfied.

Government Library Information Network of Jamaica: the network hosted one executive and two regular meetings. Emphasis was on Government Libraries contributing to the Sustainable Development Goals. A survey was conducted and reports presented at the United Nations High Level Political Forum. This was the first time libraries participated at the Forum.

Electronic Database Access: database searches for the year for Full Text, Abstract, PDF, and HTML request usage for EbscoHost was 994, compared with 951 in 2021 (Figure 6).

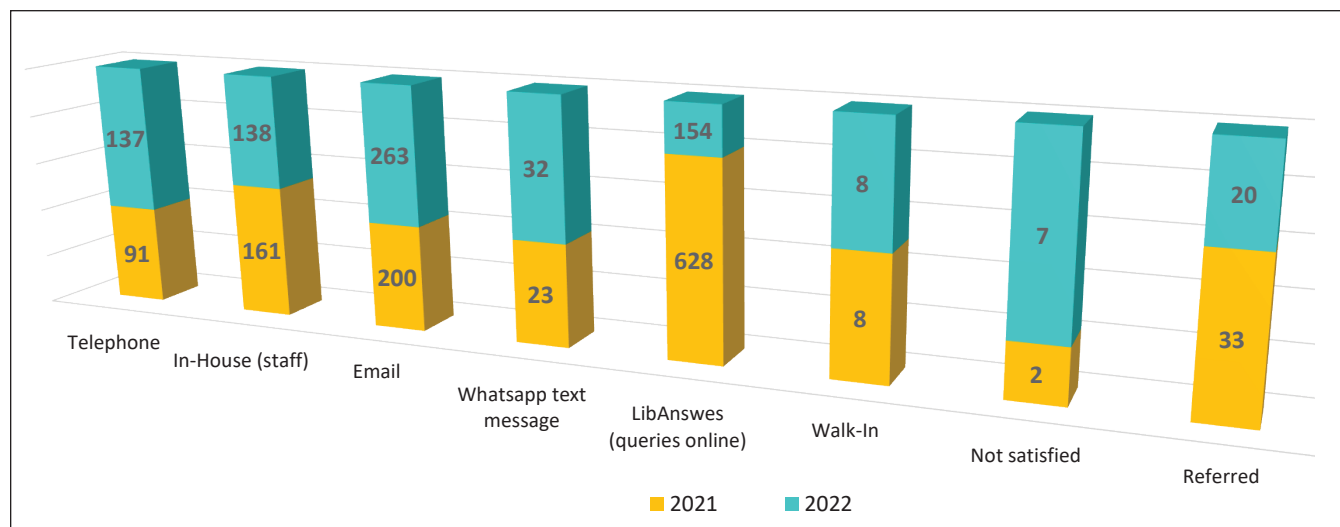


FIGURE 6: REFERENCE QUERY COMPARISON

Facilities & Environmental Stewardship

Several projects were undertaken in recognition of our Environmental, Social and Governance (ESG) responsibility.

Consequent on the relaxation of COVID-19 measures, policies were revised to accommodate full in-house operations in a safe environment. Improvements in inventory controls, and fixed assets management in keeping with Occupational Health and Safety Standards continued.



Planned Maintenance

Preventative and predictive maintenance of plant and equipment.



Operations & Maintenance

Employ sustainable processes and activities to ensure a healthy, safe and secure environment



Capex Projects

Projects focused on the Installation of Air Handler Units, Installation of independent AC Units in meeting rooms, installation Video Conferencing, Upgrade garden space

Procurement Strategy

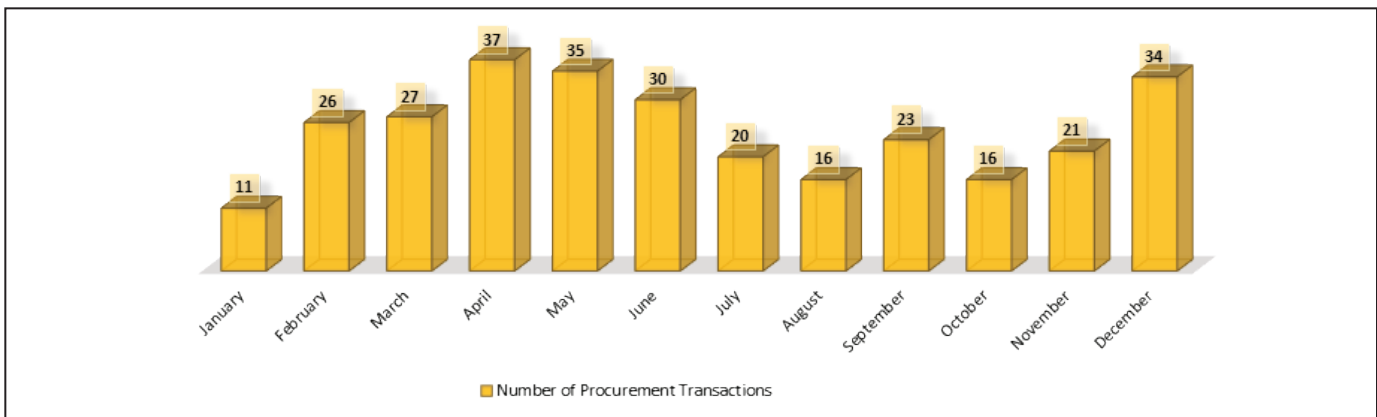


FIGURE 7: NUMBER OF PROCUREMENT TRANSACTIONS

The procurement strategy supports national sustainable development initiatives. Over the period, 296 procurement contracts were awarded (Figure 7). The total value was \$403.5 million, of which consulting services—primarily geared towards enhancing sustainable development—accounted for 63.0 per cent (Figure 8). The overall value of procurement activities associated with projects under management was \$280.6 million (Figure 9). Micro, Small & Medium Enterprise suppliers received procurement contracts worth \$44.2 million, or 10.0 per cent of the total value (Figure 10).

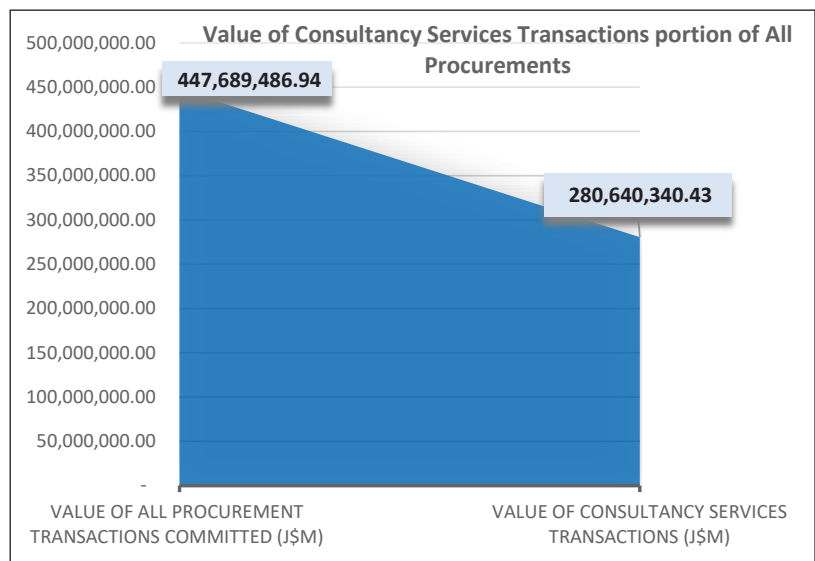


FIGURE 8: VALUE OF CONSULTANCY SERVICES TRANSACTIONS

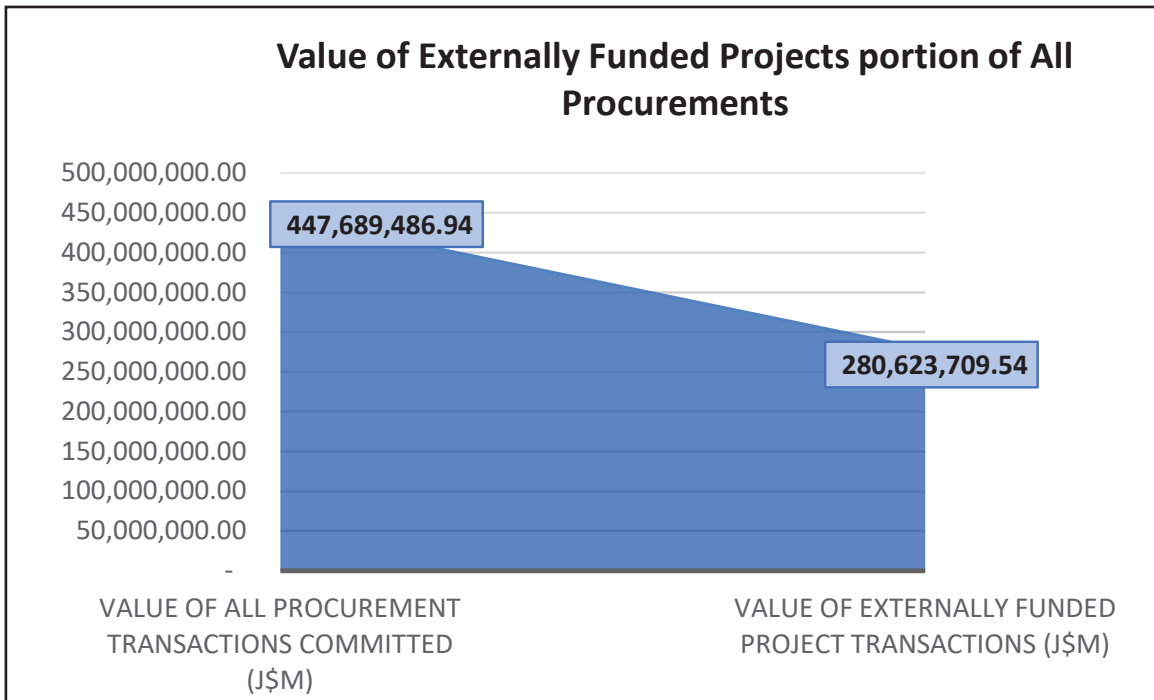


FIGURE 9: VALUE OF EXTERNALLY FUNDED PROJECTS

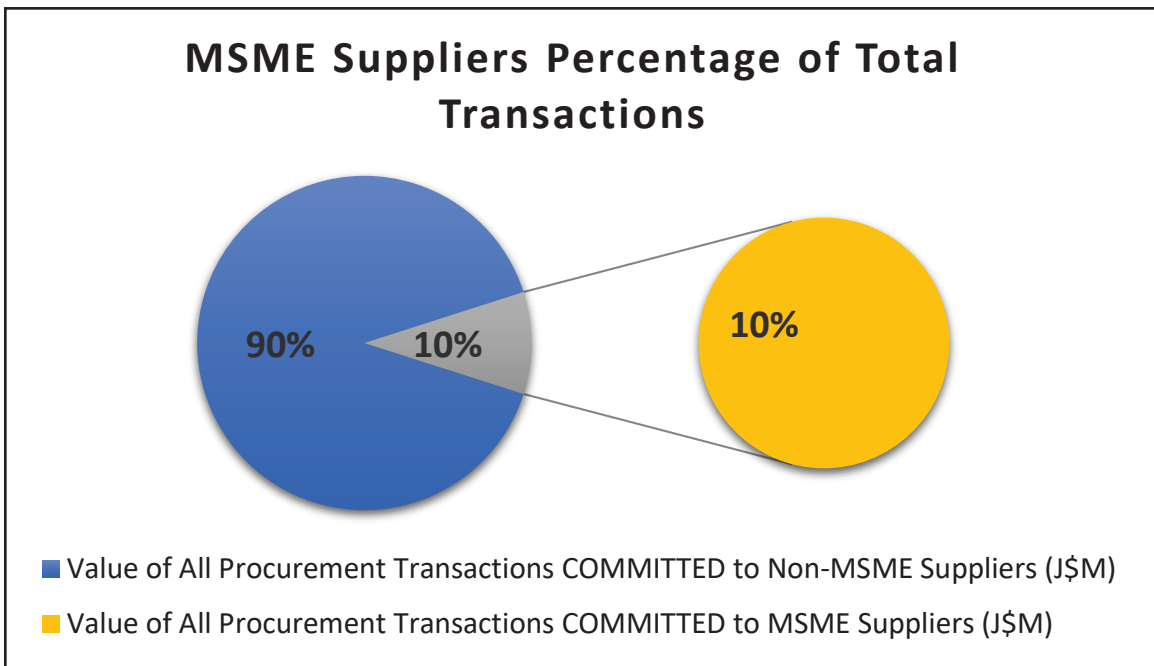


FIGURE 10: MSME SUPPLIERS PERCENTAGE OF TOTAL TRANSACTIONS

Client Relationship

During the year, the PIOJ formed an internal tech team which developed skills that allowed the Institute to deliver quality live streams of virtual and hybrid meetings to engage attendees and viewers. The upskilling efforts allowed the PIOJ to increase the number of persons who attended the hybrid events and watch live streams for longer periods. For some events, such as the annual Best Practice Symposium, the launch workshop for the A Jamaican Path from Hills to Oceans, as well as the four Quarterly Reviews on the Economy and Outlook, the live streams audience participation doubled.

The Communication division supported, on request, specific activities of MDAs including the procurement of communication services to support the STATIN Population and Housing Census and support to the Public Sector Modernisation Division of the Office of the Cabinet for the editing and printing of the GOJ Service Excellence Policy which was launched by the Prime Minister in July.

Throughout the year, the PIOJ also planned activities with international development partners such as the visibility event for the GOJ EU partnership on social justice in January; the launch of the UNICEF MICS in March; and the recording and editing of the speech of the Director General who delivered the 2022 Biennial Science and Technology Conference lecture of the Scientific Research Council in November.

PIOJ's mix of social media platforms now includes Twitter, while the platforms with consistently high levels of engagement with stakeholders are the Instagram and LinkedIn accounts. These platforms are essential to allowing members of the public to stay up-to-date with publications, reports and other outputs created by the PIOJ, and contracts and employment opportunities.

Stakeholder Engagement

There was continued strengthening of digital and electronic communication media, including social media, with investment in digital content and social media engagement. The main highlights were:

- approximately 679 information sharing posts were made via Facebook, Instagram, and Twitter
- a Vision 2030 Jamaica “Emancipence” video, which was produced and aired
- the Vision 2030 Jamaica website Blog, which went live in March 2022 and was officially launched along with a Video Montage/“Vlog” that featured a range of stakeholders sharing information on their contributions to Jamaica’s development and/or perspectives on how to advance national development
- the annual Vision 2030 Jamaica Information Desk Calendar for 2022, which was distributed to stakeholders islandwide and the Draft 2023 Calendar which was completed in December 2022
- engagement of stakeholders in over 30 sessions in various fora—delivering presentations, gathering data, engaging in consultation and discussion sessions as well as sharing knowledge and information
- presentations delivered addressing a range of topics including ‘developing Jamaica’s national development planning infrastructure’, as well as the relationship between Vision 2030 Jamaica and cross-cutting issues such as social protection, gender, youth, and the rights-based approach to development

- engagement in fora, including the National Social Protection Committee (NSPC) Policy Forum held on November 24, and events in recognition of Human Rights Day held on December 8 and 11
- engagement of children and youth, which included activities celebrating Child and Youth Months, such as engaging children with guest readers on Read Across Jamaica Day, May 3, and using the print media to celebrate the importance of youth in national development
- engagement of cultural groups on November 29—visited and engaged 50 Grades 5 and 6 students from the Jack’s River Primary School and the Taino Village, in Oracabessa, St Mary.

Publications

The Economic and Social Survey Jamaica 2021 (ESSJ 2021) and Jamaica Survey of Living Conditions 2019 (JSLC 2019) were published and tabled, as well as the quarterly report, the Economic Update & Outlook (EU&O). The newsletters, Green Team News, Beginnings and PIOJ Highlights were also produced.

Policy and Planning

The work of the Institute remained in sync with its mandate—monitoring and evaluating macroeconomic, sectoral, as well as trade-related issues and providing timely and appropriate technical advice to the Government of Jamaica and other stakeholders, both local and international—being the chief policy advisor to government. As the government strengthened its resolve towards economic recovery and growth, the Institute provided support in a multiplicity of ways. Critical to the recovery being pursued was the timely execution of projects. Consequently, there continued to be year-on-year comparison of the performance of projects being implemented, which were evaluated against the background of the government’s Public Investment Policy Paper (PSIP). This assessment formed the basis of recommendations for the prioritization of projects that will engender growth, as emphasized in the country’s long-term development imperatives.

To complement the foregoing, work commenced on the Infrastructure Committee of Cabinet Project Ranking Report, in a bid to identify and reduce implementation challenges and ensure efficiency in the completion of projects. In addition, research and other technical support afforded to key economic growth initiatives was provided by the Growth Inducement Programme (GIP). Work also continued with the Coalition for Climate Resilient Investment (CCRI), aimed at developing a tool for prioritizing climate resilient projects to foster sustainable growth in the medium term.

Integrated Development Planning

There was heightened focus on strengthening national capacity for results-based planning and participation in the broader Government of Jamaica (GOJ) efforts, led by the Ministry of Finance and the Public Service (MOFPS), the Planning

Institute of Jamaica (PIOJ) and the Cabinet Office to develop and institutionalize integrated results-based management as a key driver of government effectiveness. The Secretariat participated in several activities including serving on the Steering Committee for developing a RBM Road Map for Jamaica under a CARICOM RBM Pilot Project supported by the World Bank Global Evaluation Initiative (GEI). The Secretariat also continued to serve on the Steering Committee for Developing a Policy for Integrated Results Based Management in the GOJ. There was also collaboration with the MOFPS towards strengthening the Public Investment Management Information System (PIMIS) and Public Sector Investment Programme (PSIP) with Vision 2030 Jamaica.

The Medium Term Socio-Economic Policy Framework (MTF) 2021–2024 (FY 2021/2022–2023/2024) was completed and approved by Cabinet on October 24. The preparation of the MTF required a longer period due to challenges in gathering data and information; scheduling of workshops with stakeholders owing to the effects of COVID-19 on the operation of Ministries, Departments and Agencies (MDAs) and other key stakeholders; and adjustments associated with the revisions to the template for the MTF.

The Institute produced Jamaica’s 2022 Voluntary National Review (VNR) Report and a special report on Localization, as well as delivered a presentation at the side event on July 15, at the High Level Political Forum (July 5–15) titled “Looking Forward: Recent Innovations in Institutional Arrangements for SDG Implementation”.

The Final Draft of a planned series of Means of Implementation Reports, which covered the period January 2018 to June 2022 was completed. The Report explored key tenets of the Plan Implementation Framework and integration of the SDGs, as well as improvement to some of the areas and highlights of performance.

Quarterly updates on the Performance of the National Outcome Indicators were prepared subject to the availability of new data. Based on data available up to December 2022, of 75 National Outcome Indicators being monitored and using a baseline year of 2007 and targets for 2021 and 2024, 64.0 per cent of the indicators improved; 32.0 per cent showed no improvement or worsened; and 4.0 per cent of indicators could not be measured owing to data gaps. Of the indicators that showed improvement above the

There was continued strengthening of the Results-Based Monitoring and Evaluation (M&E) System as part of enhancing the Vision 2030 Jamaica Integrated Evidence- and Results- Based Management Framework (IERBM) and supporting the broader process of institutionalizing integrated results-based management in the Government of Jamaica (GOJ) operations.

Data4Development Initiative

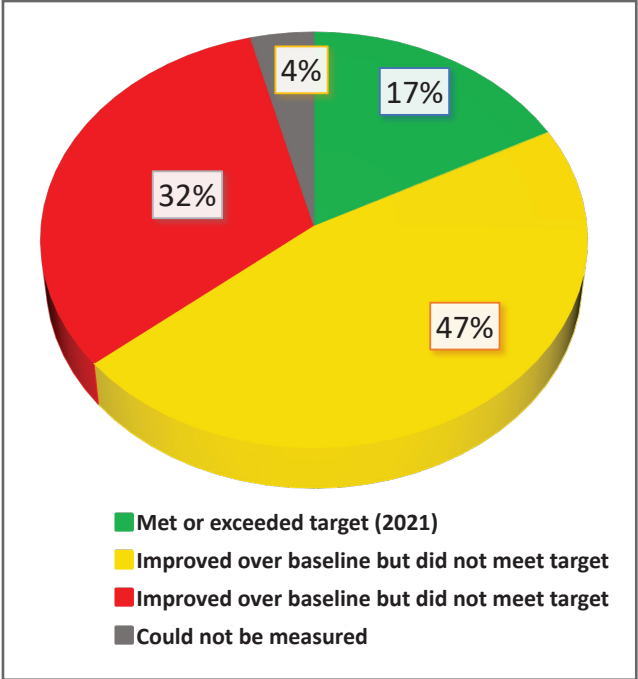


FIGURE 11: JAMAICA'S DEVELOPMENT RESULTS: 2009/10 – END 2022

baseline year, 17.0 per cent achieved the target with the remaining 47.0 per cent falling short.

Jamaica continued to record development in human capital, macro-economic stability, and recovery from the COVID-19 pandemic, and growth and recovery in key industry structures. However, there continued to be gaps in equity, economic competitiveness, security and safety, and environmental resilience that threaten to undermine gains and stymie overall sustainable and inclusive development.

The build-out of the PIOJ's "Data4Development" Initiative was advanced with the further development of the Online Monitoring Platform of the JamData database which is geared towards supporting evidence-driven, and results-based planning that supports Jamaica's national development agenda to 2030 and beyond. It also supports transparency and accountability in Plan implementation and provides stakeholders with access to data on the performance of the National Outcome Indicators. There was continued build-out of a Local Development Dashboard which includes parish level disaggregation based on the availability of data.

In addition, the upgrading of the Social Protection Strategy monitoring dashboard progressed and improvements were made to the logical structure of the Jam Data database and several additional indicators with associated subsectors and metadata were added. At the end of the year 57.0 per cent of the JamData database was updated with 2021 data and earlier; and over 75.0 per cent of Vision 2030 Jamaica indicators updated with available data. The Community Renewal Programme (CRP) community baseline data was included enabling CRP stakeholders to monitor data and metadata using the platform.

Economic Development and Growth

The Institute provided invaluable support through the continued provision of planning advice to government in a structured and timely manner. Several policy briefs and notes, to include periodic updates on the performance of the economy and medium-term projections, were provided. Also benefiting from these were the International Development Partners and Ratings Agencies. The Monthly Economic Report replaced the Monthly Inflation reports, and was made available to the Board of the PIOJ, while economic and special reports were provided to Cabinet and its Sub-Committees. Included among the policy notes and briefs provided to prime clients were the following:

- Real Sector Performance, Socio-economic and Environmental Challenges, Outlook & Recommendation prepared for Cabinet Retreats, January and September 2022
- A matrix of growth-enhancing projects and initiatives that, if implemented, could lead to greater diversification and complexity of Jamaica's productive base and facilitate higher and more sustained growth rates
- Note on the amount of investment needed to achieve 1.0 per cent growth using the Incremental Capital Output Ratio (ICOR) methodology
- Note to inform the development of crosscutting issues impacting the implementation of the SDGs, in relation to the Voluntary National Review (VNR)
- Report on Post Pandemic Economic Recovery – The Jamaica Perspectives.

The organization continued to support the work of the Public Investment Appraisal Branch (PIAB), through the provision of feedback on numerous projects, project proposals and concepts, as the Secretariat sought to execute its mandate of streamlining projects.

Foundations for Competitiveness and Growth Project

The Foundations for Competitiveness and Growth Project (FCGP) continued to accelerate its implementation thrust. This was however within the challenging context of a significantly reduced execution period of approximately one year. Considering the implementation concerns, the Government of Jamaica (GOJ) and the World Bank (WB) agreed to pursue a Project Restructuring aimed at strategic reduction of the scope of work guided by the implementation time lost, and the contracted end date of March 2024.

The level of activity during the period was robust, with an additional \$597.8 million spent in support of advancing activities under the four project components (which includes one component for management, monitoring and coordination). The following are highlights/ key achievements across the three core components:

Component 1 – Enhancing Competition in the Business Environment

- Nine additional firms benefited from debt resolution and/or business exit processes, which expanded the portfolio of firms to 48, representing a 23.0 per cent increase over the corresponding period.
- Completion of key interventions in support of improving competition in the business environment, including but not limited to the following:
 - Green Paper on National Consumer Protection and Welfare Policy and Implementation Plan
 - Delivery and installation of critical equipment to bolster island wide Fibre Optic Transmission and Broadband Network

- National Business Portal (NBP) software application and validation of 12 processes enhancing the provision of government to business electronic services
- Over 30 interventions launched and 12 contracted for a total contract value of US\$1.07 million under Additional Financing (Jamaica Business Environment Reform Project) aligned to the advancement of the investment climate reform agenda.

Component 2 – Facilitating Strategic Private Investments

- An additional US\$134.28 million of private capital was mobilised based on the successful divestment of the Greater Bernard Lodge Development (sale of lands). At the end of the reporting period, private capital mobilised totalled US\$372.96 million which exceeded the target of US\$200 million by 86.0 per cent.
- Three major development plans were finalised during the period all aimed at providing the needed planning foundations to facilitate investment, as follows:
 - 30-year Master & Development Plan for Kingston & Port Royal Water Supply & Sewerage Systems
 - 30-year Master & Development Plan for Falmouth Water Supply & Sewerage Systems
 - Downtown Kingston Redevelopment (Market & Commercial District) Implementation Plan.

Component 3 – Supporting SME Capabilities and Finance

- Six supply chains fully implemented over the period, funded by the 4th Grant Cycle, directly supporting 73 SMEs, with disbursement of matching grants totalling \$178.0 million
- MSMEs contributed \$90.0 million in counterpart resources towards the execution of their projects
- Since inception of the supply chain grant scheme (The Jamaica Business Fund) to the end of 2022, a total of 455 SMEs received direct benefits, grants disbursed totalling approximately \$648.0 million, while generating counterpart resources totalling \$335.0 million.

Since inception to the end of the period under review, the project achievement, in summary, across the analytical perspectives of Budget, Scope and Time were as follows:

Budget

The project (including Additional Financing) has committed US\$51.1 million or approximately 78.6 per cent of its US\$65.0 million funding allocation. Expenditure to date totalled US\$45.5 million or 89.0 per cent of commitments. The expenditure to date also represents 70.0 per cent of the funding allocation. The current commitments, in addition to interventions in the pipeline, were projected to utilise 99.7 per cent of the overall FCGP funding, prior to restructuring considerations (Figure 12).

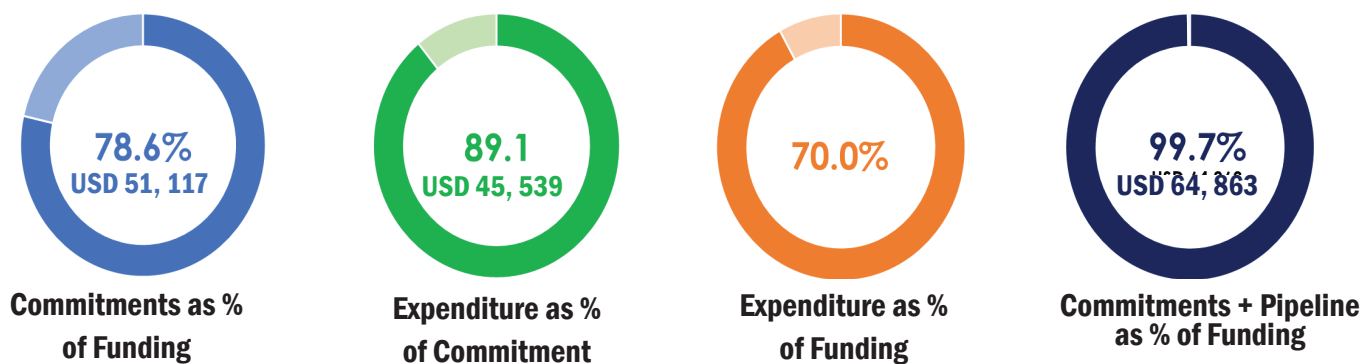


FIGURE 12: FCGP BUDGET

Scope

The FCGP was originally governed by 22 performance indicators, but was expanded to 32 indicators in October 2021 with the signing of the AF Loan Agreement. FCGP continued to be assessed across two categories of result indicators, *Project Development Objective* (PDO) and *Intermediate*. This portfolio of indicators will likely be adjusted as a part of the Project Restructuring process with some intermediate indicators already identified for potential removal (see Table 1 for the summary status).

The GOJ and WB also discussed the possibility of including a new PDO indicator, during the restructuring exercise, in recognition of the substantial contribution the FCGP has made and continued to make in advancing the GOJ's 'Digitize Jamaica' agenda.

Time

At the end of 2022, the FCGP had utilised approximately 87.0 per cent of its implementation window (*based on new end date of March 2024*) and spent 70.0 per cent of its funds, with approximately 1.2 years remaining.

Table 1: Results Matrix Summary Combined Additional Financing			
Indicator Type	Indicator Status	QTY	%
PDO	Exceeded	4	100%
PDO Total		4	100%
INTERMEDIATE	Completed	8	29%
	Exceeded	3	11%
	In-progress	8	28%
	Start-up	3	11%
	Pending	3	11%
	Potential Removal	3	11%
Intermediate Total		28	100%
Grand Total		32	

During the period, discussions were advanced with the Ministry of Finance and Public Services to explore the possibility of implementing GOJ funded interventions beyond March 31, 2024, which would provide much needed additional time to execute business reform activities.

Social Development

The Planning Institute of Jamaica remained resilient in leading and monitoring the social sector as the country recalibrated in response to the challenges posed by COVID-19. This was executed through the conducting of new empirical research, designing of multidimensional research instruments and indicator systems and the implementing of integrated approaches in the formulation, monitoring, evaluation, and coordination of various national and sectoral policies, plans, programmes and projects. Policy and technical advice on social development were provided to all stakeholders including Government Ministries Departments and Agencies (MDAs), Non-government entities, International Development Partners (IDPs), Cabinet and the Parliament, in keeping with Vision 2030 Jamaica – National Development Plan, Agenda 2030 for Sustainable Development, Montevideo Consensus on Population and Development and other relevant development platforms of action. Included were responses to emerging issues as a consequence of COVID-19 and further inputs to guide the country's response and recovery, while continuing the implementation of the planned work programme of the organization.

Projects and Initiatives

During the year, the PIOJ was instrumental in the initiation and execution of several new initiatives, providing leadership and technical inputs. These included:

- **Violence against Children and Youth Survey (VACS) / CHEWS-JA**

The Government of Jamaica embarked on the implementation of the Jamaica Children and Youth Health and Wellbeing Study (CHEWS-JA), with the PIOJ providing support as the lead

government agency and the execution of the survey fieldwork carried out by The University of the West Indies. The CHEWS-JA is a national household survey of children and youth, ages 13–24 years, that seeks to collect information on the health, educational and life experiences of young people. This survey will generate national data to aid in improving the reach and quality of health and education programmes for all young people in Jamaica. Results from the survey are expected to be available in the 2023/24 financial year.

- **Unemployment Insurance Feasibility Study**

The Feasibility Study for Unemployment Insurance in Jamaica was completed. Social dialogue with tripartite partners, the trade unions, employers and relevant government entities, is expected to get under way soon. Following this, a submission will be made to Cabinet for a decision on the way forward with respect to the implementation of unemployment insurance for the country.

- **Labour Market Forum**

The 2022 Labour Market Forum was held in February as a stakeholder consultation for the Feasibility Study for Unemployment Insurance in Jamaica. The forum was in collaboration with the International Labour Organization (ILO). This engagement provided feedback from key stakeholders on Phases One and Two of the study. Phase One entailed three assessments—Labour Market Assessment; Institutional Assessment; and an assessment of labour legislation and compensation on termination of employment relationships. Phase Two was the cost assessment.

- **National Minimum Wage Review**

In fulfilment of its mandate the Institute continues to provide policy guidance to the Minister of Labour & Social Security.

Civil Registration and Migration

The Civil Registration and Vital Statistics System project continued to strengthen the capacities of data providers towards the production of accurate, reliable, complete and timely vital data. A consultant was engaged to conduct a study to verify the impact of the COVID-19 disease on death registration and the accuracy of mortality data since the outbreak of the pandemic in Jamaica.

The Institute continued collaboration with government entities, and international development partners facilitated the initiation of new activities over the year in review, including:

- *Pre-Departure Sensitisation Sessions with Overseas Labour Recruiters*
 - The Institute partnered with the Ministry of Labour and Social Security (MLSS) in hosting three one-day workshops with local private Labour Recruitment Agencies (LRAs) for overseas employment. The workshops objectives served to build the capacities of the local labour recruiters on essential areas of labour recruitment including: the pre-departure orientation of candidates; and the use and importance of the Schedule E & F forms (data gathering instruments on job seeker and his/her status with the Private Employment Agency).
- *IOM/UNESCO Joint SDG Fund's Development Emergency Modality Initiative*

The project was launched on September 30 where the goals, objective and work plan of the initiative were presented to participants from government, academia and NGOs. The outcome of the initiative will strengthen data and information toward policy formulation and programme design to assist the most vulnerable population and groups affected by the ongoing food-energy-water crisis in Jamaica. The Institute collaborated with IOM and UNESCO in the following:

- identification of the targeted rural communities in St Elizabeth, St Ann and Clarendon, with high rate of women farmers
 - participation in the training on data gathering and the food crisis impact survey by UNESCO
 - implementation of the survey and toolkit in the targeted rural communities.
 - compilation of information from survey instruments
 - submission to IOM/UNESCO.
- *Demographic, Labour Force and Market Impacts of Migration in Jamaica*

A Concept Note and Terms of Reference (TOR) for consultancy engagement to conduct the captioned study was developed. The objective of this consultancy is to make visible the dynamic interactive linkages among migration, demographics, labour force and labour markets and their impact on national development. The documents were submitted to IOM for consideration.
 - *Labour Mobility*

In 2020, the sudden onset of the COVID-19 pandemic resulted in a major setback to the economic livelihood of millions of persons around the world, including many Jamaican seasonal agricultural farmworkers. In 2022, the CRMPPU delivered approximately 45 Weed Whackers and 100 farmers' kits to

the MLSS for distribution to individuals and their families in the form of income-generating activities.

- *Integration and Reintegration*

The organization continues to collaborate with the Ministry of National Security (MNS), the National Organization of Deported Migrants (NODEM) and Open Arms to provide care packages for forced returnees under the Reintegration of Irregular Returned Migrants (IRMs) Initiative. In 2022, the Unit delivered an additional 250 welfare packages to the MNS. Partnership with the RGD in generating identity documentation for IRMS also continued.

- *Diaspora and Remittance*

The Institute collaborated with local and international development partners on several activities, as outlined below:

- Development of a Diaspora Registration Platform (DRP) and Diaspora Portal (DP). Work began under this initiative being funded by the International Development Bank (IDB) and supported by the PIOJ and the Ministry of Foreign Affairs and Foreign Trade (MFAFT). Appfinity Technologies Limited was engaged to develop the instruments and launch of the initiative is expected in 2023.

- *Strengthen the Disaster Risk Management and Preparedness Capacity of the Government of Jamaica under the Migrants in Countries in Crisis (MICIC) Project*

With financial and secretariat support from IOM, two consultancies have been completed to date. These were desk reviews on:

- Hazard Exposure and Vulnerability of Migrants

- Migrants from Jamaica and Risk Faced Abroad

Other project components are ongoing.

- *Modernization of the Civil Registration and Vital Statistics System*

- In 2022, an individual consultant conducted a study to determine the impact of COVID-19 on the quality and completeness of death registration. The study is expected to provide guidance to the country in developing more resilient systems of death registration in pandemic and similar disaster situations for future planning. The study will also seek to triangulate data on deaths occurring during the COVID-19 pandemic and to determine if deaths were due to or coincided with COVID-19 infection (e.g. suicide and non-communicable diseases). The study is targeted to be completed in 2023.
- Through an MOU established with the Registrar General's Department (RGD), the Unit continued to facilitate the digitisation of civil records.

Existing Projects and Initiatives

- **Implementation and Coordination of the National Poverty Reduction Programme (NPRP)**

Support was provided to the National Poverty Reduction Programme Committee (NPRPC) in the coordination, monitoring and evaluation of the NPRP. Approximately 80 programmes, sub-programmes, projects, and initiatives are aligned to approve strategies in the Medium-Term NPRP. These programmes are delivered by 32 entities, primarily MDAs with the support of partners from non-governmental entities and academia. These entities deliver services

to address extreme poverty and deprivation, psychosocial needs, infrastructural and other community development needs and economic and human capital development opportunities. As part of the strengthening of the M&E framework of the NPRP, one research consultancy was initiated and monitoring site visits conducted of programmes of NPRP partners.

The achievements of the implementing partners are aligned to the overall achievement of the NPRP and included the following:

Addressing Extreme Poverty and Basic Needs

- Special one-off payments and grants to social pension and welfare beneficiaries
- Construction of new wards to improve care standards for the indigent in the parishes of Manchester, St James and Portland
- Increased enrolment of beneficiaries in the National Health Fund
- Expansion of home visiting programme to all parishes to optimize and support early childhood development including nutrition

Basic Community Infrastructure

- Improved access to affordable housing solutions through the distribution of land titles to individuals in lower socio-economic groups
- Construction of homes in low-income communities to ensure basic amenities are available to the poor

- **Jamaica Survey of Living Conditions (JSLC)**

The 2019 edition of the *Jamaica Survey of Living Conditions* was launched in March. The survey continued to provide information that facilitates the monitoring of the country's socioeconomic welfare and progress towards development. No survey was fielded in 2020 due to the heightened restrictions to curtail the spread COVID-19, in that year. However, analysis of the 2021 data began in the last quarter of 2022 and will be released to the public in 2023.

- **Jamaica's National Multidimensional Poverty Index (MPI)**

A National Multidimensional Poverty Index is being designed to improve the monitoring of poverty reduction policy and programmatic interventions, targeting of the poor and allocation of scarce resources. The first phase of this initiative, ended in April 2022, included islandwide consultations with vulnerable groups and service providers to assess the determinants, dimensions, dynamics and experiences of poverty. The results of the consultations were used along with broad-based technical expertise and available living standard data to generate a preliminary index for the country. The project began in June 2021 and is scheduled to end August 1, 2023.

The Caribbean Development Bank (CDB) provides funding support while the Oxford Poverty and Human Development Initiative (OPHI) gives technical guidance. A multi-disciplinary Project Steering Committee provides technical oversight.

- **Multiple Indicator Cluster Survey (MICS) 2022**

The Multiple Indicator Cluster Survey, supported by UNICEF and the Inter-American Development Bank, is a household survey designed to collect estimates of indicators that are used to monitor the situation of children and women and is a key source of high-quality data on areas such as child protection, early childhood education, and child health and nutrition. Data collection for this 6th round of the MICS (4th for Jamaica) was completed in August and a process of data interpretation and validation was conducted November to December.

- **Quantifying Multidimensional Vulnerability in Jamaica**

The study uses a Multidimensional Vulnerability Index (MVI) to measure the socio-economic vulnerabilities within the Jamaican society in relation to the Coronavirus Disease (COVID-19), and contribute to the body of knowledge that guides the government’s policy response to crisis events with similar social and economic characteristics. An examination of data covering a period preceding the pandemic (i.e. JSLC 2018 data) is complete; however, the report will incorporate a post-pandemic assessment, which will utilize data for 2021. This will capture vulnerabilities that persist and the lagged effects of the pandemic, identifying segments of population that require long-term sustainable interventions.

Some of the major deliverables achieved in 2022 included the following:

- **Revision of the Population and Development Policy and Programme of Action**

The revised Draft National Population and Sustainable Development Policy and Programme of Action (PoA) was approved by the Cabinet to be tabled in Parliament as a White Paper. The subsequent Ministry Paper was prepared and submitted to the Houses of Parliament.

- **Strengthening M&E Framework and Capacity Building under the NPRP**

Some achievements included:

- Facilitation of inter-sectoral and public-private partnerships to support programme delivery. Seven partnerships and collaborations were explored and initiated under the NPRP with entities, including the MLSS; Jamaica Council for Persons with Disabilities; Women’s Centre of Jamaica Foundation; University of Technology,

Jamaica; The University of the West Indies; and Bureau of Gender Affairs.

- Capacity-Building for NPRP Stakeholders—the annual capacity-building workshop for NPRP stakeholders was convened virtually in March, under the theme, “Leaving No One Behind in the Era of COVID-19 and Beyond”. The Workshop focused on strengthening programme delivery to the poor and vulnerable through identifying and sharing relevant information, approaches, and tools to plug gaps and improve programme efficiency. A total of 55 participants from 13 organizations were exposed to the training. A workshop summary and evaluation report was completed and disseminated.
- The development of a Leave No One Behind (LNOB) Toolkit for Poverty Reduction Practitioners was initiated. The toolkit is an output of the NPRP Capacity Building Workshop 2022 and will synthesize key knowledge elements of the Workshop, provide technical considerations into the alignment of the core strategies of the SDGs and the LNOB Principle and provide practical approaches and tools for policy and programmatic responses. The main areas covered in the toolkit included identifying the gaps in reaching the most vulnerable, building on effective mechanisms and addressing service delivery gaps.

Community Renewal Programme

The Community Renewal Programme (CRP), continued to contribute to inclusive growth and equitable national development by fostering the socio-economic well-being and enhanced quality of life of residents of volatile and vulnerable communities.

Highlights for the year included: the completion of baseline studies in August Town and Savanna-la-mar; completion of Data Management Consultancy to support the Ministry of National Security; execution of the annual Best Practices Symposium; execution

of the IAN Youth Development Programme graduation ceremony. A total of 12 youth from Tivoli Gardens and Trench Town completed training in project management, proposal writing and business model canvassing. Eleven received Level II HEART NSTA certification in “Development of Community Projects for Implementation.” The CRP representative was named chairperson of the JSE Jamaica Social Stock Exchange Selection and Listing Committee and will oversee the selection and review process for the PSOJ’s Project STAR, where \$600.0 million is to be raised on the JSSE’s crowd funding platform. The CRP received the award for ‘Most Impactful Social Good Project 2022’ from the Project

Management Institute, Jamaica Chapter, at the International Project Management Day Symposium, for the IAN Youth Development Programme, in the category of ‘Quality Education (SDG4).’ In addition, the CRP Umbrella Memorandum of Understanding (MOU), which will help to strengthen partnerships and accountability for results among CRP partners working in target communities, was signed by two additional agencies, Operation Save Jamaica and Kingston Creatives, to facilitate greater collaboration.

The CRP M&E system has been enhanced by Delta GIS for the inclusion of the CSP framework. Training will be conducted on how to use the system in 2023.

Sustainable Development and Regional Planning

The PIOJ continued to pursue sustainable development efforts in alignment with its vision “to be proactive in the provision of strategic and innovative policy and programmatic responses to emerging issues at the national and organizational levels ...”. Priority inputs and activities were focused on improving national climate change adaptation and mitigation planning; strengthening mechanisms to conduct information-driven infrastructure risk assessment; and fostering a sustainable blue economy. Other areas of focus related to bolstering the science, technology and innovation policy framework; improving environmental stewardship and local sustainable development (SD) planning; and using geospatial technologies to inform more targeted initiatives for children and youth.

As part of the Institute’s policy advisory function, 13 briefs and related materials were produced and provided to key stakeholders. These covered the disciplines/areas of urban renewal, the blue economy, science technology and innovation, climate change adaptation strategies, and embedding risk in development planning.

Climate Change

The national climate change agenda was advanced through a number of resilience building efforts which align directly with national development strategies to “Develop measures to adapt to climate change” and “Improve resilience to all forms of hazards” under Outcome 14, Goal 4 of Vision 2030 Jamaica. These initiatives included further strengthening of climate information services and advanced preparation for national adaptation planning and coastal reinforcement/protective works in vulnerable areas. In respect of the former, the PIOJ signed a cooperation agreement worth US\$1.1 million with the United Nations Office for Project Services (UNOPS) to act as delivery partner for the Green Climate Fund (GCF)-funded Jamaica National Adaptation Plan (JaNAP). The project

aims to develop an inclusive, systematic, gender-responsive, and participatory national adaptation planning and implementation framework for Jamaica by 2025. Implementation commenced in November.

In terms of governance, the Institute continued its role as National Implementing Entity and Focal Point of the GOJ/Adaptation Fund Programme and the Climate Investment Funds – Pilot Programme for Climate Resilience (PPCR), respectively. In this regard, the PIOJ played a lead role in the strategic direction of the related projects, and in monitoring and reporting. The organization also contributed to the strengthening of the policy framework governing environmental stewardship by providing technical input on key policy documents, such as the Updated Climate Change Policy Framework for Jamaica, to increase the country’s adaptive capacity, reduce vulnerability and stimulate/facilitate the pursuit of low carbon development.

Climate Change Adaptation Programmes

The PIOJ implemented two climate change projects, viz., the GOJ/Adaptation Fund Programme (GOJ/AFP); and Improving Climate Data and Information and Management Project (under the Pilot Programme for Climate Resilience - PPCR).

GOJ/Adaptation Fund Programme

In 2022, the GOJ/AFP continued work towards improving the climate resilience of the north eastern coastline. In this regard, shoreline protection works in Annotto Bay progressed with up to 60 per cent of construction activities completed at the Site 3. Procurement opportunities were advertised and evaluations completed for four additional sites—Annotto Bay, Sites 4 and 5; Buff Bay, Site 2; and Orange Bay, Site 1. Among the other achievements under the project were a number of awareness-raising and capacity-building activities including:

- Two Shelter Management training sessions (Portmore and Trelawny Municipal Corporations) conducted in partnership with the Office of Disaster Preparedness and Emergency Management (ODPEM) and the respective Parish Disaster Coordinators. The training formed part of the ongoing roll-out of the Community Disaster Risk Management & Climate Change Adaptation Plan developed under the programme for strengthening local capacity and building disasters risk resilience in the face of climate change. Training was provided to 40 persons (24 females) from 25 communities across the parishes of St Catherine and Trelawny. The training sessions also included a segment on gender considerations during hazard events
- Publication of articles in commemoration of International Day of Forests and for CC-Connect, the official newsletter of the Climate Change Focal Point Network
- Completion and distribution of the GOJ/AFP newsletter to stakeholders in Annotto Bay, including councilors of the St Mary Municipal Corporation, and representatives of seven state and civic organizations
- Promotion of environmental stewardship by collaborating with the Annotto Bay Police Youth Club in the International Beach Clean-up Day activities on September 17, 2022; 32 bags of garbage weighing over 200kg were collected by 17 volunteers.
- The training report, 'Mainstreaming Gender in CCA/Shelter Management', produced from the shelter management training was used as a means of verification to satisfy specific reform targets under the GOJ/IDB Contingent Credit Facility.

The GOJ/AFP reforestation activities continued and included procurement, distribution and planting of 5 235 fruit and timber plants across several communities in the parishes of St Mary

and St Catherine. To date, 26 500 of the targeted 30 000 trees, have been distributed.

Improving Climate Data and Information Management Project (ICDIMP)

The ICDIMP closed out operations in December and was assessed by the World Bank and the Final External Evaluation as meeting the project development objective. Its implementation was rated as “highly satisfactory” against measures of relevance, effectiveness, efficiency, and sustainability. Most of the activities completed during 2022 were funded from cost savings accrued under the project and included:

- installation of 17 automatic weather stations and support structures (towers, fencing) bringing the total under the project to 52
- supply, installation and commissioning of standby generators at five health facilities in Bog Walk, Claremont, Falmouth, Lucea and Negril
- preparation of early warning messaging for six vulnerable groups²
- delivery of virtual training on the findings and use of the State of the Jamaican Climate Vol. III. The session targeted Municipal Corporations islandwide. A total of 29 professionals (23 females) from 10 Municipal Corporations, the PIOJ and the Climate Change Divisions attended the session.

It is to be noted that the Doppler radar which was installed and operational in an earlier period, developed mechanical defects during the reporting year. Several meetings were held with the manufacturers to have the issues corrected. The damaged antennae are to be replaced under warranty by the manufacturers. The repairs are scheduled for completion by the end of the 2nd Quarter of FY 2023/2024.

² Vulnerable population include low-income groups living in unplanned settlements in hazard-prone locations, elderly, women in general, pregnant women, children, and persons with disabilities, in addition to rural populations, especially farmers whose economic productivity are weather dependent.

PPCR Monitoring and Evaluation:

Monitoring and reporting (M&R) activities for the PPCR were conducted in keeping with COVID-19 restrictions and protocols. The PIOJ hosted a two-day virtual M&R Scoring Workshop and knowledge-sharing event with over 50 implementing partners and other stakeholders and submitted the M&R Scorecard to the CIF within the required deadline. Technical support was also provided to a group of facilitators of the Community Resilience Building in the Caribbean (CRB) Project through the delivery of a presentation on the format and process of the PPCR monitoring and reporting mechanism.

As focal point for the PPCR, the PIOJ continued to provide technical advice to all projects being implemented under the programme including the ICDIMP, the Promoting Community-Based Climate Resilience in the Fisheries Sector Project and the Adaptation Programme and Financing Mechanisms for the PPCR in Jamaica Project. In addition, the Institute supported CIF governance activities through its participation in the funds Operational and Governance Review, and semi-annual and inter-sessional meetings of the Joint Clean Technology Fund and Strategic Climate Trust Fund Committees. The PIOJ also participated in the CIF Transformational Change Learning Partnership workshop aimed at promoting climate neutral, inclusive, resilient, and sustainable development pathways.

Blue Economy

A baseline assessment of Jamaica's blue economy potential was completed in which gaps, barriers and pressures to blue economy development in Jamaica were identified. This was undertaken under Component 1 of a ProBlue-funded project which is intended to support efforts towards the creation of an enabling environment for fostering blue economy development in Jamaica. The information from this component will inform Component 2 of the project, which will focus on the creation of a blue economy framework and roadmap to address the gaps and challenges identified. Sustainable options

to finance the roadmap are also to be identified during this component which is scheduled to commence in February 2023.

A Position Paper entitled "The Blue Economy and Its Potential to Contribute to Emissions Reduction Targets in the Nationally Determined Contribution" was presented by the Director General to the Spring Meeting of the Nationally Determined Contribution (NDC) Partnership Steering Committee. The paper contended that blue economy issues need to be treated as priorities by the NDCP given their potential contribution in emissions reduction.

Disaster Risk Management (DRM)

Consistent with its role as chair of the Recovery Planning Committee and in alignment with its TOR, the PIOJ continued to build capacity of personnel in selected MDAs through the hosting of sensitisation sessions in the Post Disaster Needs Assessment methodology. Sector specific sensitisation sessions were held for members of staff of the Ministry of Education and Youth (MOEY) and over 30 personnel of the Social Development Commission (SDC). The latter was in response to a directive from the Minister of Local Government and Rural Development to ODPEM and the SDC, for an assessment of the cost of loss and damage to the commercial sector in Port Maria attendant on the February flood rains.

The monitoring and reporting process of the Sendai Framework was supported through the provision of information to update country indicators on the Sendai Framework online platform. The PIOJ also provided technical inputs in discussions led by the United Nations Office for Disaster Risk Reduction re the Small Island Developing States (SIDS): Gaps, Challenges and Constraints in Means of Implementing the Sendai Framework for Disaster Risk Reduction. Technical support was also provided in the development of the National Risk Information Platform, which is aimed at improving access to the country's information on hazard vulnerability and risk, to support development planning and decision-making.

Urban and Regional Planning

The Institute continued to support local and national sustainable development planning processes. This was achieved through technical input towards the preparation of several planning documents, including: the National Squatter Management Policy and Action Plan, the Hellshire Master Plan, and Local Sustainable Development Plans for Portmore and the parish of St Thomas. Briefs were also prepared to support the revision of the Portland Development Order.

Science Technology and Innovation

The PIOJ contributed to the strengthening of the science, technology and innovation (STI) ecosystem by launching "Mapping the Science, Technology and Innovation System in Jamaica" in collaboration with the Ministry of Science, Energy and Technology (MSET), the National Commission on Science and Technology (NSCT), and Jamaica National Commission for United Nations Educational, Scientific and Cultural Organization (UNESCO). This partnership will enable the development of Jamaica's STI policy system and assist with assessing the legal framework, institutional capacity and operational plans supporting the system.

One research paper, "Harnessing the Power of Research and Innovation to Drive Economic Resilience" was prepared and delivered as the Distinguished Lecture at the Scientific Research Council's Biennial Science and Technology Conference.

Geospatial Analysis

Geographic Information Systems (GIS) technology underpinned the preparation of Jamaica's Voluntary National Review Report on the 2030 Agenda and the Sustainable Development Goals. This included the collection and processing of geospatial data and the spatial representation of indicators such as forest cover, and terrestrial and marine protected

areas. A web mapping application was developed to assist data collectors with identifying the locations of sample units in the field. The application spatially references the 134 enumeration districts selected for data collection in the Jamaica Children and Youth Health and Well-being Survey. It includes widgets that, inter alia, provide data collectors with measurement and navigational capabilities. Training in the use and functionalities of the application was held with more than 40 data collectors.

GIS was also used to support external cooperation coordination and project monitoring activities through the commencement of work to spatially represent the reach of international development partner programmes/projects related to security and justice. A total of 99 data points were plotted towards this end, during the reporting year. Mapping of the hydrometeorological equipment installed under the ICDIMP was also completed. In addition, the PIOJ was integrally involved in the development and technical review of the prototype of the Jamaica Systemic Risk Assessment Tool (J-SRAT), an online spatial decision support application to enhance building climate resilient infrastructure and prioritize investment.

Research Coordination

A draft research paper "Revisiting Rural Development" was completed and reviewed internally. The paper is to be finalized for wider dissemination and discussion of its findings. Preliminary work was completed for the conduct of research pertaining to the impact of the COVID-19 pandemic on students with disabilities. Thus far, a Terms of Reference (TOR) has been finalized for a lead researcher and overtures made to potential partners for funding. The Research Unit was named the focal point for a gender-focused study, through the Foundations for Competitiveness and Growth Project, looking at women-owned businesses. At year's end, the TOR was being drafted.

External Cooperation Management and Project Development

The PIOJ continued to perform its mandate as the government's main interlocutor between International Development Partners (IDPs) and Ministries, Department and Agencies (MDAs), ensuring the alignment of Official Development Assistance (ODA)³ with the strategic priorities articulated in the current Medium-Term Socio-Economic Policy Framework (MTF) 2021–2024 of the Vision 2030 Jamaica – National Development Plan.

The Institute led and assisted efforts to identify and secure investment and policy-based loans⁴ as well as grants and technical assistance from International Development Partners (IDPs). These resources sought to primarily address fiscal gaps and socio-economic imperatives, with a particular focus on the government's continued response to the COVID-19 pandemic; social protection strategies; efforts towards violence prevention; and the digital agenda.

In addition, the organization coordinated IDP-supported projects and programmes; provided technical support in project preparation and development; assisted in the negotiation of loans and grants with bilateral and multilateral development partners; monitored the implementation of projects and programmes, as well as facilitated the evaluation of projects, programmes and IDP portfolios.

Sectoral Distribution of New Approvals

In 2022, the PIOJ coordinated and monitored a combined portfolio of over 200 new and ongoing projects, programmes and initiatives totalling approximately US\$1.4 billion (\$215.9 billion)⁵ through funding in the form of loans, grants and technical assistance from multilateral and bilateral partners. Disbursements against the portfolio totalled US\$415.8 million (\$64.1 billion). Government counterpart and beneficiary⁶ resources of US\$223.5 million (\$34.5 billion) also augmented the portfolio.

Newly approved ODA totalled US\$169.7 million (\$26.2 billion), comprising loan financing of US\$100.1 million (\$15.4 billion), and grant approvals of US\$69.6 million (\$10.7 billion), recording a decrease of 41.0 per cent compared with the previous year when substantial resources were provided in a continuing response to the COVID-19 pandemic.

Of the US\$169.7 million (\$26.2 billion), in new ODA, a share of 96.1 per cent was allocated to support the priority areas of *Fiscal Prudence and Pursuit of a Credible Economic Programme, Human Capital Development and Improved Security and Safety* {Figure A}. These priority areas were critical to the Government's continued focus on the country's recovery from the effects of the pandemic, responding to the needs of the most vulnerable groups, and strategies to prevent acts of violence and crime across the society. Approvals from the Multilateral Financing Institutions of US\$103.7 million (\$16.0 billion) accounted for the majority of new ODA (Table 2).

3 ODA is defined as concessionary loans, grants and technical assistance to developing countries for the promotion of their economic development and welfare as its main objective.

4 These are loans that are approved and fully disbursed in the year of approval and are geared towards implementing sustainable macroeconomic reforms, such as government structural reforms, policy reforms; financial system reforms and debt management reforms among others. These resources also support sector programmes.

5 The annual average rate of US\$1.00: J\$154.21 is used throughout this section.

6 These beneficiaries include community-based organizations, non-governmental organizations and the private sector.

TABLE 2: SOURCES OF NEW OFFICIAL DEVELOPMENT ASSISTANCE, US\$MILLION^a

Source of Funding	Fiscal Prudence and Pursuit of a Credible Economic Programme	Economic Growth and Job Creation	Improved Security and Safety	Human Capital Development	Effective Social Inclusion and Protection	Environmental and Climate Change Resilience	Total
Multilateral Financial Institutions	101.6	1.3	0.0	0.5	0.3	0.0	103.7
Bilateral Cooperation	0.0	0.4	17.7	26.4	0.0	0.2	44.7
Multilateral Technical Cooperation	0.1	1.2	0.8	15.9	0.3	1.5	19.8
Global Environment Fund	0.0	0.0	0.0	0.0	0.0	1.1	1.1
Climate Investment Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multi-Donor Fund ^b	0.0	0.4	0.0	0.0	0.0	0.0	0.4
Total	101.7	3.2	18.5	42.8	0.6	2.8	169.1

^a Discrepancies in figure totals due to rounding

^b These are multi-donor trust funds administered by IDPs which includes: the Capacity Building Initiative for Transparency Trust Fund, Compete Caribbean Partnership Facility, Multi-donor AquaFund, Early Childhood Development Innovation Fund, Nordic Development Fund and Multi-donor Disaster Prevention Trust Fund and the SDG Joint Fund.

Source: Planning Institute of Jamaica, International Development Partners and the Ministry of Foreign Affairs and Foreign Trade

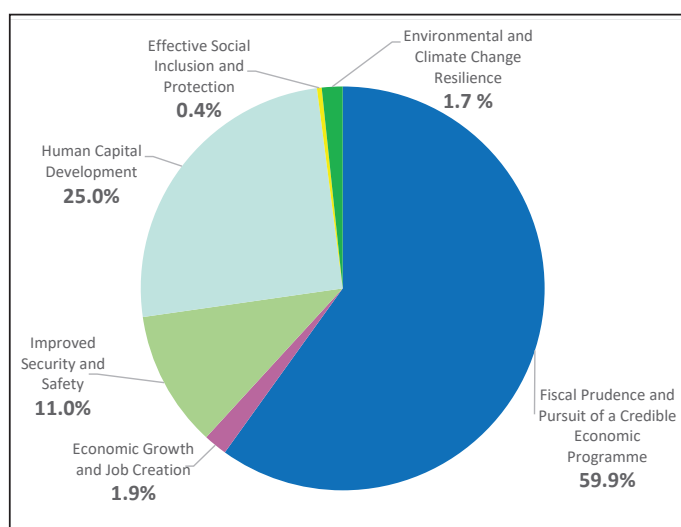


FIGURE 13: NEW OFFICIAL DEVELOPMENT ASSISTANCE - CABINET PRIORITIES

Portfolio Management

The Institute continued to focus its efforts on portfolio management in an effort to ensure the achievements of the development objectives of projects and programmes, despite fiscal and human resource constraints, as well as the continued challenges related to the COVID-19 pandemic.

HIGHLIGHTS

The organization spearheaded and provided technical oversight for a number of critical initiatives aimed at improving the efficiency and delivery of development assistance, as well as strengthening existing partnerships with key IDPs.

These initiatives included:

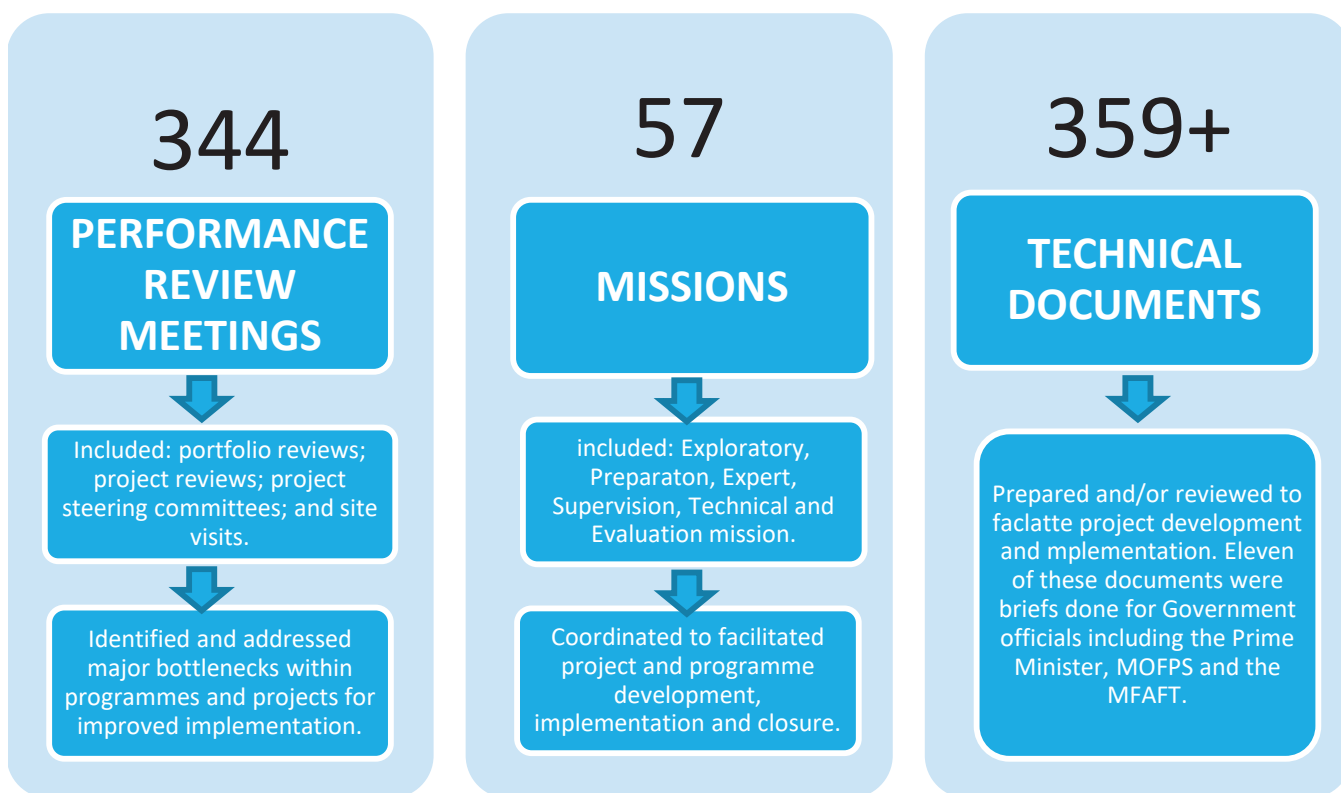
Coordination of International Development Partners – coordinated four Donor Coordination meetings in the areas of citizen security, digitalization and climate financing, which is a trending priority area for development partners.

Programme Development and Support to Strategic Areas

- *Support to the Government's COVID-19 Pandemic Response and Recovery Strategy*

The Institute continued to facilitate the engagement of several IDPs, which committed

US\$6.9 million (\$1.1 billion) in grant funding to assist the government with the country's COVID-19 response and recovery needs. A total of US\$6.6 million (\$1.0 billion) of these resources was disbursed, of which 87.6 per cent was provided to support the government's ongoing vaccination programme, provide personal protective equipment for health-care workers and secure medical equipment⁷ and supplies for five isolation areas⁸. This was also inclusive of oxygen supply and related equipment⁹ from the People's Republic of China and UNICEF, to respond to the country's oxygen shortage.



7 These are loans that are approved and fully disbursed in the year of approval and are geared towards implementing sustainable macroeconomic reforms, such as government structural reforms, policy reforms; financial system reforms and debt management reforms among others. These resources also support sector programmes.

8 Medical equipment included: 27 445 KN95 respirator masks, 457 372 surgical masks, nebulizers, automated external defibrillators, five resuscitation trolleys and patient monitors.

9 The PRC specifically provided 20 units of Vital Signs Monitor, 5 units of High Flow Nasal Cannula Oxygen System, 15 units of High Flow Nasal Cannula Oxygen System.

- *Support to the Government's Digital Agenda*

As the country continued to grapple with the lingering effects of the COVID-19 pandemic, the government sought to accelerate its ongoing effort to implement its digital agenda by securing grant resources to complement several ongoing investment loan projects aimed at strengthening the institutional framework and infrastructure for whole-of government digitalization. The organization worked alongside IDPs to secure grant resources totalling about US\$3.6 million (\$558.0 million) to support the government's digital agenda. Of this total, approximately US\$0.8 million (\$123.4 million) was used to support the following:

- Design of Jamaica's National Broadband Connectivity Plan
- Digital transformation of the Passports, Immigration, and Citizenship Agency of Jamaica
- Ministry of Education and Youth (MOEY) to advance the National Digital Transformation Roadmap.

In addition, consultations were facilitated between the Government of Jamaica and the EU Delegation in the preparation and submission of a new budget support programme, Digital Jamaica, at a cost of €9.5 million (\$1.5 billion). Implementation of the programme commenced in the 2023/24 fiscal year.

- *Other Specific Activities Facilitated by the Institute*

The PIOJ continued to partner with the UN Resident Coordinator's Office (UNRCO), as the UN Multi-Country Sustainable Development Framework (UN MSDCF) for the period 2022–2026 continued its implementation. Specifically, the Institute sought to develop and build out a monitoring and reporting system that supports both the government and UNRCO's recurrent data needs. In keeping with the current thrust of the UN to advance collaboration through a joint UN approach, there was an increase in the use of several joint programmes, particularly programmes supported by the Joint SDG Fund.

The Institute also coordinated and facilitated the fielding of several missions, to include:

- A Scoping mission led by the World Food Programme (WFP) to assess the status of Jamaica's school feeding programme, with the objective of identifying gaps which can be supported by the WFP
- A Country Evaluation Mission to review the Commonwealth Secretariat programme of support to Jamaica for the period 2017/2018 to the present. The evaluation was conducted to provide an assessment of the design, performance and results of the Secretariat's projects and engagements with Jamaica. It is anticipated that the results of the evaluation will be used to guide further programming and future collaboration.

Consultations and activities towards the design process for several major investment projects commenced. These projects will cover several priority areas to include: education, social protection system strengthening, Kingston Waterfront Improvement and the Kingston Harbour Walk coastal protection.

Additionally, the PIOJ played a critical role in re-scoping the following projects, for more effective implementation:

- *Security Strengthening*
- *Disaster Vulnerability Reduction*
- *Rural Economic Development Initiative II*
- *Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable (Chronic) Diseases (NCDs)*
- *Basic Need Trust Fund 9*
- *Promoting Community-based Climate Resilience in the Fisheries Sector.*

In collaboration with the Ministry of Foreign Affairs and Foreign Trade the organization continued to work closely with several partnering countries, to secure resources to address the residual issues associated with the pandemic, as a means to advance the government's general goal to "build

back better". The Institute also facilitated initiatives funded by Global Affairs Canada, the United Kingdom and USAID to, inter alia, secure resources towards the government's violence prevention and crime reduction strategies. One such programme is the *Violence Prevention in Targeted Communities and Schools in the Jamaica*, totalling US\$4.0 million (\$616.8 million) which aims to enhance safety and security through the implementation of evidence-based violence prevention initiatives in targeted communities in Jamaica.

Office of the National Authorizing Officer for the European Union (EU)

The PIOJ plays the role of Office of the National Authorizing Officer (NAO) under the Jamaica-EU cooperation programme. The NAO is the Minister of Finance and the Public Service. The Office of the NAO has the responsibility for preparing, executing and providing oversight to the GOJ-EU cooperation programme. Main activities included the following:

- the preparation of the analysis and justification dossiers for two budget support programme payments for *Addressing Environmental and Climate Change Challenges through Improved Forest Management in Jamaica*, totalling €2.7 million (\$431.7 million)¹⁰ and the *Programme to Support Citizen Security in Jamaica*, totalling €3.5 million (\$570.0 million). The funds were disbursed to the Consolidated Fund in December
- the processing of a total of €279 321 (\$45.5 million) for payments to various contractors
- the processing of a total of \$92.1 million for payments under the project *A Jamaican Path from Hills to Ocean*. A contract was signed for \$14.6 million to conduct a hydrological study of the Mason River Protected Area in Clarendon and St Ann. The study is intended to determine the impact of agricultural activities and that of residences in the surrounding communities on the wetland ecosystem, particularly on the water quality.
- commencement of implementation of the *EU-Jamaica Cooperation Facility (EU-JACF)* project,

at a cost of €1.5 million (\$244.3 million). The objective of the EUJTF is to provide support for the effective preparation, implementation and management of the EU-Jamaica cooperation. The multi-annual work plan (2022–2027) for \$94.5 million was prepared and approved by the Delegation of the European Union.

Office of the National Liaison Officer for International Atomic Energy Agency

The PIOJ is the office of the National Liaison Officer (NLO) under the cooperation programme between Jamaica and the International Atomic Energy Agency (IAEA). The role of the NLO has been recognized as pivotal in ensuring the optimal performance of the IAEA Technical Cooperation programme and in enhancing the benefits derived by Member States.

Activities of the NLO included the following:

- Coordinating a visit of the IAEA's Deputy Director General to participate in the opening of the Nuclear Medicine Division at the University Hospital of the West Indies. The IAEA provided resources of approximately €0.8 million to build the nuclear medicine facility, which will boost the services of the public health system by contributing to the Government's response to reduce the number of deaths and illnesses related to cancer through diagnosis and treatment. Diagnostic services will also be provided for other non-communicable diseases such as hypertension, diabetes and heart disease.
- Facilitating the launch of two new projects:
 - *Establishing National Capacity in Non-Destructive Testing (NDT) Techniques*, totalling €242 078, to establish a Centre of Excellence at the Caribbean Maritime University (CMU) to conduct material testing, as well as, train and certify a cadre of persons in the field of NDT regionally. The project is to be implemented by the CMU
 - *Strengthening National Capacities in Radiation Safety and Protection for the*

10 Annual average exchange rate of \$162.87 to €1.00, Bank of Jamaica.

Regulatory Body, End Users and Technical Service Organizations, totalling €96 642, to ensure radiation safety and protection in medical and industrial uses of ionizing radiation. The project is a joint effort between the Ministry of Health and Wellness, the Hazardous Substance Regulatory Authority, The University of the West Indies and the International Centre for Environmental and Nuclear Science

- Facilitating the submission of five new project concepts to the IAEA for consideration for their project cycle 2024/2025. The new projects will focus on the areas of Food Agriculture, Irradiation and Integrated Water Resource Management
- Facilitating a request by the Ministry of Health for an Expert Mission to assess and make recommendations on the expansion of the current facility for the installation of a second linear accelerator, HDR Brachytherapy and supporting clinical and administrative areas at the St Joseph's Hospital
- Participating in a meeting at the IAEA's headquarters in Vienna, Austria on the Regional Strategic Framework-2020–2026 for Technical Cooperation.

Development Fora, Trainings, Workshops, Presentations and Seminars

The PIOJ coordinated and executed a workshop on Social Policy Evaluation, which was funded by the Mexican Government and UNICEF and conducted by the Mexican agency, CONEVAL.¹¹ The purpose of the workshop was to strengthen the understanding of the concept of social policy evaluation, and to build national capacities in the application of best practices in social policy evaluation, towards improved outcomes for policy and programme implementation. It is anticipated that this training will strengthen the capacity of some 50 government officials in the use of evidence to support social policy development, monitoring and implementation.

The organization also facilitated the provision of over 300 online group training opportunities for Jamaicans, through the People's Republic of China. Training was offered in numerous areas such as logistics, health, emergency communication, water and engineering. Additionally, the PIOJ was instrumental in communicating scholarship offers to Jamaicans from a range of overseas universities, through the Organization of American States (OAS).

11 The National Council for the Evaluation of Social Development Policy (CONEVAL) is a decentralized public body of the Federal Public Administration, with autonomy and technical capacity to generate objective information on the situation of social policy and the measurement of poverty in Mexico, which will improve decision-making.

New Approvals

The Institute spearheaded and/or facilitated discussions with the IDPs for the approval of several initiatives, including the projects listed in the table, which are all aligned to Cabinet's priorities.

CABINET SECTORS	PROJECT AND FUNDER	OBJECTIVE	PROJECT TOTAL
FISCAL PRUDENCE AND PURSUIT OF A CREDIBLE ECONOMIC PROGRAMME	Strengthening Fiscal Policy and Management Programme to Respond to the Public Health Crisis and Economic Effects of COVID-19 in Jamaica II, funded by the IDB	To support the Government to develop a tagging methodology for reporting climate change expenditure on the Central Government Expenditure budget along with the approval of the Independent Fiscal Commission Bill, which should be operationalized in the fiscal year 2023/24. These resources also assisted with the Government's continued response to the COVID-19 pandemic.	US\$100.0 million
ECONOMIC GROWTH AND JOB CREATION	Improving Phytosanitary, Food Safety and market access opportunities along the Hot Pepper Value-Chain, funded by the FAO	To set and implement mechanisms that would enable Jamaican exporters to meet export quality requirements and respond to an increase in export demand, through stakeholder awareness and participation in the implementation of food safety management standards (GAPs, GMP GHP and HACCP) ¹² along the hot pepper value chain.	US\$1.1 million
	Preparation of Public-Private Partnerships (PPP) projects for the development of efficient and sustainable infrastructure in Jamaica through a Project Preparation Facility, funded by the IDB	To generate a pipeline of environmentally sustainable, bankable, fiscally responsible PPP projects in Jamaica that can increase the infrastructure investment in the country, promote good practices in project preparation and produce value for money for government, infrastructure-based service users and taxpayers.	US\$750 000
	Support to the design of Jamaica National Broadband Connectivity Plan, Funded by Korea	To design the Jamaica National Broadband Connectivity Plan.	US\$400 000
	Support for Investment Promotion in Jamaica, funded by the IDB	To increase investment leads to Jamaica in diversified business segments through supporting the hosting of strategic promotion events and to increase investment promotion for Jamaica in higher value-added outsourcing segments of the Global Services Sector.	US\$400 000
	Support to the Digital Transformation of the Passports, Immigration, and Citizenship Agency of Jamaica, funded by the IDB	To support the Passports, Immigration and Citizenship Agency in starting a process of digital transformation. It will do so by financing a readiness assessment for digital transformation; a transformation roadmap; and a business case detailing the economic and fiscal returns on investment of digital transformation.	US\$100 000

Continued on page 43

12 Good Agricultural Practices (GAP), Good Practices on Animal Feeding, Good Manufacturing Practices (GMPs), Good Hygiene Practices (GHPs) and Hazard Analysis and Critical Control Point (HACCP) systems

CABINET SECTORS	PROJECT AND FUNDER	OBJECTIVE	PROJECT TOTAL
HUMAN CAPITAL DEVELOPMENT	Canada's Vaccine Access Support, funded by Global Affairs Canada	To support the Government's COVID-19 programme.	US\$4.2 million
	Medical Supplies, funded by Korea	To support the health sector and general COVID-19 response efforts.	US\$1.0 million
	Digital Transformation for Teaching and Learning, funded by the IDB	To support the Ministry of Education and Youth (MOEY) to advance the National Digital Transformation Roadmap for Education through activities specific to two policy goals: Transforming the Teaching and Learning Process and Promoting the Development of Information and Communications Technology Innovations.	US\$300 000
EFFECTIVE SOCIAL INCLUSION AND PROTECTION	Innovative Community Based Caregiving for Older Adults in Jamaica, funded by the IDB	To propose a change in the way care for the elderly is usually conceptualized in Jamaica (and the rest of the Caribbean) for a more balanced investment between institutional care for the older adults and care in the community.	US\$300 000
	Strengthening Jamaica's resilience to food and water insecurity, funded by IOM	To support the Government of Jamaica (GOJ) efforts to leverage disaggregated information, data, analysis and methodologies to ensure that interventions identify, capture and support the most vulnerable and marginalized groups, namely rural communities and women, vis-à-vis the ongoing food-energy-water crisis and support the GOJ in the development of evidence-based management and in improving national policies impacting the food, water and rural development ecosystem.	US\$250 000
IMPROVED SECURITY AND SAFETY	Social Justice (SO-Just), funded by Global Affairs Canada and Administered by the UNDP	To support systemic change within the structure of the Ministry of Justice, its departments and agencies, the Courts and the Office of the Director of Public Prosecutions to improve social justice in Jamaica, using an equitable human rights and gender responsive approach.	US\$9.3 million
	We Talk for the Reduction of Gender Based Violence, Global Affairs Canada.	To reduce gender-based violence (GBV) in Jamaica against women, girls, boys and other disadvantaged groups.	US\$3.8 million
ENVIRONMENTAL AND CLIMATE CHANGE RESILIENCE	Reduce marine plastics and plastic pollution in Latin American and the Caribbean cities through a circular economy approach, funded by GEF, administered by the UNDP.	To address marine plastic and plastic pollution in keeping with the Government's objective of achieving a circular economy ¹³ .	US\$1.1 million
	Greening Jamaican Financial System, is a loan project funded by France.	To advance the Bank of Jamaica's and Financial Services Commission's understanding and management of climate-related risks	US\$105 615

Source: International Development Partners and the Planning Institute of Jamaica

13 Circular economy - in a circular economy, processes are innovated to repeatedly use and reuse materials.

Model Development and Analysis

The sustained updating and development of models are of utmost importance to the work of the Institute, in facilitating the improved estimation and projection capabilities of the organization. Ongoing work on building, maintaining and enhancing the capabilities of models and tools were undertaken. The utilization of these greatly enhanced the work of the organization and by extension its output. Some of the tools employed and the analysis undertaken are as follows:

System Dynamics

- **Threshold 21 (T21)** – was updated to facilitate analysis of the Public Sector Investment Policy and assessing the impact of natural disaster on Jamaica's GDP growth.

- **Integrated Sustainable Development Goal (iSDG) model:** the development of the iSDG model, which is the successor of the T21 Model commenced.

Impact Assessments

- Assessed the impact of different production scenarios at one bauxite plant.
- Impact of Strike Actions on Real GDP at:
 - National Water Commission
 - Airports

Data Analytics & Visualization

The following tools were updated and developed to inform the work of the Institute:

Data Analytics:

Inform Short to Medium-Term Growth Outlook for:

- Economic Update & Outlook
- Fiscal Policy Paper
- Cabinet Retreat

Forecast GDP on a quarterly basis for all economic industries (12)

- Time series models
- Machine Learning models

Data Visualization

Interactive graphics showing:

- Domestic Agriculture hectares reaped by parish
- Electricity Sales by parish
- Water consumption by parish
- Rainfall as a percentage of 30 mean by parish
- Population Projections 2022–2100 (World Population Prospect 2022)
- Stopover Arrivals from All States in the USA (2021)

SENIOR EXECUTIVE COMPENSATION: January – December 2022

Names and Positions of Senior Executive	Salary (\$)	Gratuity * (\$)	Travelling Allowance (\$)	Pension (\$)	Other Allowances (\$)	Non-Cash Benefit (\$)	Total (\$)
Dr Wayne Henry Director General	12 239 817	8 742 261	1 697 148	-	-	-	22 679 227
R. E. Kirkland Philips Deputy Director General	5 615 844	1 382 783	1 697 148	-	-	-	8 695 775
Barbara Scott Deputy Director General	5 918 794		1 697 148	282 058	-	-	7 898 000
Claire Bernard Deputy Director General	6 555 135		1 697 148	308 299	-	-	8 560 582
James Stewart Director	5 919 319		1 697 148	265 406	-	-	7 881 873
Janelle Cox Director	6 051 658		1 697 148	219 299	-	-	7 968 105
Sandra Ward Director	5 938 978		1 697 148	219 299	-	-	7 855 425
Marcia Blake Hall Director	5 499 280		1 697 148	265 406	-	-	7 461 834
Easton Williams Director	7 396 766		1 697 148	106 974	-	-	9 200 887
Total	61 135 591	10 125 044	15 274 332	1 666 741	-	-	88 201 708

Notes:

*Gratuity – paid to Officers who are not members of the Pension Scheme

2022 YEAR IN REVIEW



Local producers at the Best Practice Symposium for Social and Community Development showcase their handcrafted items. The Local Economic Initiative Expo was a part of the symposium in Kingston on November 2 with partners PIOJ through its Community Renewal Programme (CRP), the Inter-American Development Bank (IDB), Jamaica Social Investment Fund (JSIF), Ministry of National Security (MNS), and the Social Development Commission (SDC). (Left to right) Deputy Director General, Corporate Governance and Management Mr Kirk Philips; Director, European Union Unit, Mrs Dianne Davis; and Project Economist, Mrs Alison Miller Green.



The PIOJ participated in the launch of the Jamaica Systemic Risk Assessment Tool (J-SRAT) on May 3 in Kingston. The modelling tool is being used to identify how critical infrastructure systems in the water, energy and transportation sectors are vulnerable to climate risks. The system was developed by the Coalition for Climate Resilient Investment (CCRI) using analytical techniques that were developed by the University of Oxford. At the lectern is Head of the Political and Development Team at the British High Commission, Mr Oliver Blake. (Centre) Minister Without Portfolio in the Ministry of Economic Growth and Job Creation, Senator the Hon. Matthew Samuda; and PIOJ Director General, Dr Wayne Henry.



The signing ceremony from the Jamaica Children and Youth Health and Wellbeing Study (CHEWS-JA) was held on June 2 at the PIOJ. Funding of US\$1.1 million, for the study, comes from the US President's Emergency Plan for AIDS Relief (PEPFAR). PIOJ Director General, Dr Wayne Henry (left) and Director, CDC Caribbean Regional Office, Dr Varough Deyde signed on behalf of their respective governments.



Senior Manager IT Compliance and Data Privacy, Mr Stuart Hylton of Symptai Consulting led sensitisation sessions in October to prepare PIOJ staff to implement the Data Privacy Framework in order to be compliant with the Data Protection Act.



Jamaica participated in and presented its second Voluntary National Review Report on the Sustainable Development Goals (SDGs) at the High Level Political Forum (HLPF), July 5–15 at the United Nations Headquarters in New York. The HLPF is the main forum on sustainable development that reviews and follows up on the commitments of the 2030 Agenda, including progress on the SDGs, and provides political leadership, guidance and recommendations. (Left to right): Deputy Permanent Representative to the United Nations, Mr Kurt Davis; PIOJ Senior Technical Advisor Mrs Rochelle Whyte; Representative from the Private Sector of Jamaica, Ms Gabrielle Grant; Director General, Planning Institute of Jamaica Dr Wayne Henry; Minister of Foreign Affairs and Foreign Trade, Senator the Hon. Kamina Johnson Smith; Permanent Representative of Jamaica to the United Nations, H.E. Ambassador Brian Wallace; Counsellor, Economic Affairs Permanent Mission of Jamaica to the United Nations, Ms Christine Bailey; Technical Information Manager PIOJ, Mrs Odean Cole-Phoenix; and Development Analyst at the SDG Secretariat, Mr Carlos Applewhaite.



Representatives from the Planning Institute of Jamaica Community Renewal Programme (PIOJ CRP) on February 2 toured sections of the Water Lane Art Walk and office of Kingston Creative as a part of its monitoring and coordination of the US\$595,000 IDB-sponsored CreaTech programme. Participating in the tour were (left to right): Programme Director, CRP, Mr Charles Clayton; Executive Director and Founder of Kingston Creative, Mrs Andrea Dempster-Chung; Director General, PIOJ, Dr Wayne Henry; Technical Specialist, CRP, Ms Charmaine Brimm; Research Officer, CRP, Mrs Kimberley Wellington; Community Liaison Officer, Kingston Creative Ms Samantha Harvey.



Deputy Director General, Sustainable Development and Social Planning, PIOJ, Ms Claire Bernard delivers the opening remarks at the Improving Climate Data and Information Management Project (ICDIMP) Project Closeout Ceremony, held August 30 in Kingston. Seated (left to right) are: Senior Operations Officer, World Bank, Mr Federico Baechli; Minister of State in the Ministry of Finance and Public Service, Hon. Marsha Smith, MP; Director, Meteorological Service Jamaica, Mr Evan Thompson; and Project Manager, ICDIMP, Mr Lehome Johnson.



The launch of the EU/GOJ funded climate resilience project, "A Jamaican Path: from Hills to Ocean" was held July 19. The project is being coordinated by the PIOJ, with technical input from the Public Gardens Division of the Ministry of Agriculture and Fisheries; the Rural Agricultural Development Agency (RADA); and the National Environment Protection Agency (NEPA). Main speakers at the event were (left to right): Deputy Director General, Directorate-General for International Partnerships, European Commission, Ms Myriam Ferran; Minister Without Portfolio in the Ministry of Economic Growth and Job Creation, Senator the Hon. Matthew Samuda; Chief Technical Director, Special Projects, Ministry of Agriculture and Fisheries, Mr Courtney Cole; Sanctuary Manager, White River Marine Association/White River Fish Sanctuary, Ms Reanne McKenzie; and Director, Planning, Projects, Monitoring, Evaluation and Research, NEPA, Mr Ainsworth Carroll.



AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2022

(Expressed in Jamaican dollars unless otherwise indicated)

PLANNING INSTITUTE OF JAMAICA

YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Planning Institute of Jamaica

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Planning Institute of Jamaica (the "Institute"), which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Directors of the Planning Institute of Jamaica (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Directors of the Planning Institute of Jamaica (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Chartered Accountants
Kingston, Jamaica

29 June 2023

**PLANNING INSTITUTE OF JAMAICA
STATEMENT OF FINANCIAL POSITION**

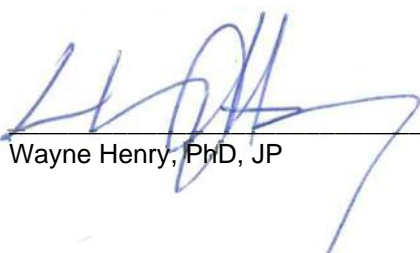
AS AT 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Non-current assets			
Property and equipment	6	430,252	410,397
Intangible assets	7	11,435	21,691
Retirement benefit asset	8	-	406,023
Long-term receivables	9	3,185	3,990
		<u>444,872</u>	<u>842,101</u>
Current assets			
Receivables and prepayments	10	62,764	57,189
International Development Partners funded projects	11	169,646	205,213
Cash and bank balances	11	118,945	51,385
		<u>351,355</u>	<u>313,787</u>
Total Assets		<u>796,227</u>	<u>1,155,888</u>
EQUITY AND LIABILITIES			
Equity			
Government's contribution to equity	12	353	353
Accumulated surplus		239,447	602,265
		<u>239,800</u>	<u>602,618</u>
Non-current liability			
Long-term portion - deferred income	13	302,473	311,836
Current liabilities			
Owed to projects	14	121,642	104,338
Payables and accruals	15	117,494	122,223
Current portion – deferred income	13	14,818	14,873
		<u>253,954</u>	<u>241,434</u>
Total Equity and Liabilities		<u>796,227</u>	<u>1,155,888</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 29 June 2023 and are signed on its behalf by:


Wayne Henry, PhD, JP Director


Mark Tracey Director

**PLANNING INSTITUTE OF JAMAICA
STATEMENT OF COMPREHENSIVE LOSS**

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 \$'000	2021 \$'000
INCOME			
Government subventions	16	831,213	799,776
Interest income		2,229	2,264
Other income	17	57,371	52,179
		<u>890,813</u>	<u>854,219</u>
EXPENSES			
Staff costs	18	545,595	524,256
Property expenses	18	102,648	96,340
Consultancy and professional fees	18	15,191	21,410
Depreciation and amortisation	6,7,18	52,299	46,245
Other operating expenses	18	126,160	105,084
Finance costs	18	625	529
		<u>842,518</u>	<u>793,864</u>
NET SURPLUS		48,295	60,355
OTHER COMPREHENSIVE LOSS			
<i>Other comprehensive loss not to be reclassified to income in subsequent periods:</i>			
Remeasurement losses on defined benefit plan	8.4	<u>(411,113)</u>	<u>(64,394)</u>
TOTAL COMPREHENSIVE LOSS		<u><u>(362,818)</u></u>	<u><u>(4,039)</u></u>

The accompanying notes form an integral part of these financial statements.

**PLANNING INSTITUTE OF JAMAICA
STATEMENT OF CHANGES IN EQUITY**

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	Government Contributions to Equity \$'000 (Note 12)	Accumulated Surplus \$'000	Total \$'000
Balance at 1 January 2021		353	606,304	606,657
Net surplus for the year		-	60,355	60,355
Other comprehensive loss	8.4	-	(64,394)	(64,394)
Total comprehensive loss for the year		-	(4,039)	(4,039)
Balance at 31 December 2021		353	602,265	602,618
Net surplus for the year		-	48,295	48,295
Other comprehensive loss	8.4	-	(411,113)	(411,113)
Total comprehensive loss for the year		-	(362,818)	(362,818)
Balance at 31 December 2022		353	239,447	239,800

The accompanying notes form an integral part of these financial statements.

**PLANNING INSTITUTE OF JAMAICA
STATEMENT OF CASH FLOWS**

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus		48,295	60,355
Adjustments for:			
Asset write-off	6	-	309
Deferred income	13	(15,768)	(14,503)
Depreciation and amortisation	6,7,18	52,299	46,245
Interest income		(2,229)	(2,264)
Loss on disposal of property and equipment		348	1,112
Retirement benefit plan charge	8.3	7,119	5,272
		<hr/>	<hr/>
Operating cash flows before movement in working capital		90,064	96,526
Decrease/(Increase) in International Development Partners funded projects		35,567	(25,957)
Increase in receivables and prepayments		(5,575)	(24,428)
Increase in owed to projects		17,304	13,725
(Decrease)/Increase in payables and accruals		(4,729)	8,062
		<hr/>	<hr/>
Cash provided by operating activities		132,631	67,928
Contributions to retirement benefit plan	8.7	(12,209)	(11,928)
		<hr/>	<hr/>
Net cash provided by operating activities		120,422	56,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,305	2,474
Acquisition of property and equipment	6	(57,348)	(32,367)
Proceeds from sale of property and equipment		43	193
Acquisition of intangible assets	7	-	(16,198)
Long-term receivables (net)		805	36
Grants received	13	1,409	-
		<hr/>	<hr/>
Cash used in investing activities		(52,786)	(45,862)
		<hr/>	<hr/>
INCREASE IN CASH AND BANK BALANCES		67,636	10,138
		<hr/>	<hr/>
OPENING CASH AND BANK BALANCES		51,240	41,102
		<hr/>	<hr/>
CLOSING CASH AND BANK BALANCES	11	118,876	51,240
		<hr/> <hr/>	<hr/> <hr/>
Non-cash transactions:			
The following are the non- cash transactions which are not reflected in the statement of cash flows:			
Capital grants received	6,13	4,941	5,245
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements.

PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

1 IDENTIFICATION

1.1 General information

Planning Institute of Jamaica (the “Institute”) was established as a body corporate under the Planning Institute of Jamaica Act on 9 April 1984. Formerly called the National Planning Agency in 1972 and the Central Planning Unit in 1955, the Institute was established specifically to strengthen the planning capability of the Government. The registered office of the Institute since April 2008 is at 16 Oxford Road, Kingston 5, Jamaica. Prior to that, the registered office was located at 10-16 Grenada Way, Kingston 5, Jamaica. The Institute is domiciled in Jamaica.

The Institute is funded by grants received from the Government of Jamaica and is exempted from income tax, customs duty, stamp duties and transfer tax.

1.2 Principal activities

The objectives of the Institute include:

- (i) Initiation and coordination of planning for the economic, financial, social, cultural and physical development of Jamaica;
- (ii) Monitoring the implementation of plans so initiated or co-ordinated;
- (iii) Consultancy activities for Government Ministries, Agencies and Statutory Bodies;
- (iv) Management of technical co-operation agreement programmes.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

2.1 New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure

The Institute applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Institute has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2022, they did not have a material impact on the annual financial statements of the Institute.

- **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**
The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments are effective for annual periods beginning on or after 1 January 2022 and had no impact on the financial statements of the Institute.
- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
In May 2020, the IASB issued amendments to *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a ‘directly related cost approach’.

PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (CONTINUED)

2.1 *New and revised Standards and Interpretations affecting the reported financial performance and/or financial position or disclosure (continued)*

• **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (continued)**

The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments are effective for annual periods beginning on or after 1 January 2022 and had no impact on the financial statements of the Institute.

• **Annual Improvements 2018 - 2020 Cycle (issued in May 2020)**

These improvements include:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter- effective 1 January 2022*
- IFRS 9 *Financial instruments – Fees in the 10 “per cent” test for derecognition of financial liabilities - effective 1 January 2022*
- IAS 41 *Agriculture -Taxation in fair value measurements– effective 1 January 2022*

These amendments had no impact on the financial statements of the Institute.

• **Reference to Conceptual Framework- Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations* - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB’s Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the *Amendments to References to the Conceptual Framework* in IFRS Standards (March 2018). The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use. These amendments are effective for annual periods beginning on or after 1 January 2022 and had no impact on the financial statements of the Institute.

2.2 *New and revised Standards and interpretations in issue but effective after the year end*

• **Classification of Liabilities as Current or Non-current - Amendments to IAS 1**

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current.

PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (CONTINUED)

2.2 *New and revised Standards and interpretations in issue but effective after the year end (continued)*

• ***Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (continued)***

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification
- Disclosures

Right to defer settlement

The Board decided that if an entity’s right to defer settlement of a liability is subject to the entity complying with the period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B apply only to liabilities arising from loan arrangements.

Existence at the end of the reporting period

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations

IAS 1.75A has been added to clarify that the ‘classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period’. That is, management’s intention to settle in the short run does not impact the classification. This applies even if a settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term ‘settlement’

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by ‘settlement’ of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

Settlement by way of an entity’s own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute a settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current

Unchanged from the current standard, a rollover of borrowing is considered the extension of an existing liability and is therefore not considered to represent ‘settlement’.

PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (CONTINUED)

2.2 *New and revised Standards and interpretations in issue but effective after the year end (continued)*

• ***Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (continued)***

Disclosures

IAS 1.76ZA has been added to require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities.

These amendments are effective for annual periods beginning on or after 1 January 2024. Management has not yet assessed the impact of these amendments on the Institute’s financial statements.

• ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors’ interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Institute will apply these amendments when they become effective, but they are not expected to have an impact on the financial statements.

• ***IFRS 17 Insurance Contracts***

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that were issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Institute does not have insurance contracts therefore the standard is not expected to have an impact on its financial statements.

PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (CONTINUED)

2.2 *New and revised Standards and interpretations in issue but effective after the year end (continued)*

• **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Changes in accounting estimates

The amended standard clarifies that the effects on an accounting estimate of a change in input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB.

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities’ financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Institute.

• **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* (the PS), which provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Replacement of the term ‘significant’ with ‘material’

In the absence of a definition of the term ‘significant’ in IFRS, the IASB decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

(Expressed in Jamaican dollars unless otherwise indicated)

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (CONTINUED)

2.2 *New and revised Standards and interpretations in issue but effective after the year end (continued)*

- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (continued)*

Disclosure of standardised information

Although standardised information is less useful to users than entity-specific accounting policy information, the IASB agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in financial statements. In those situations, standardised accounting policy information is material, and should be disclosed. The amendments to the PS also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS may be considered material accounting policy information.

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

Entities should carefully consider whether ‘standardised information, or information that only duplicates or summarises the requirements of the IFRS’ is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Institute.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12*

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Determining the tax base of assets and liabilities

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Changes to the initial recognition exception

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences).

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2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (CONTINUED)

2.2 *New and revised Standards and interpretations in issue but effective after the year end (continued)*

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (continued)*

Changes to the initial recognition exception (continued)

In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss. An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations. These amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments will not have an impact on the Institute’s financial statements.

- ***Lease Liability in a Sale and Leaseback – Amendments to IFRS 16***

In September 2022, the Board issued *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16).

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments are not applicable to the financial statements of the Institute.

3 SCOPE OF FINANCIAL STATEMENTS

The financial statements reflect the assets, liabilities and transactions relating to the Administration and Resource Management activities (“Recurrent Programme”) and the Research and Investigations/Developmental programmes (“Capital A Projects”) of the Institute only. The financial statements do not reflect assets and liabilities and transactions of special projects (in particular technical assistance programmes) being administered on behalf of various agencies and funded wholly by those agencies or by those agencies and the Government of Jamaica (“Capital B Projects”).

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4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of compliance

The Institute's financial statements have been prepared in accordance and comply with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

4.2 Basis of preparation

These financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These financial statements are expressed in Jamaican dollars which is the Institute's functional currency.

The presentation in the notes is broadly in the order of the items in the statement of financial position and the statement of comprehensive loss.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense will not be offset in the statement of comprehensive loss unless required or permitted by an accounting standard or interpretation, as specifically disclosed in the accounting policies of the Institute.

4.3 Judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

4.4 Current versus non-current classification

The Institute presents its statement of financial position in current versus non-current classifications.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Institute classifies all other liabilities as non-current.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 22.10.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Institute.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Institute determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.6 Property and equipment

Property and equipment are stated at cost, less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. The costs of the day-to-day servicing of property and equipment are recognised in surplus or deficit.

Depreciation is charged so as to write off the cost of property and equipment less residual values, over the estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at each year's end, with the effect of any changes in estimate accounted for on a prospective basis.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 *Property and equipment (continued)*

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in surplus or deficit.

Construction in progress is stated at cost, net of accumulated impairment losses.

The following useful lives are used in the calculation of depreciation:

Building	-	40 years
Leasehold improvements	-	3 years
Furniture, fixtures and equipment (including computer equipment)	-	8-20 years
Motor vehicles	-	5 years

4.7 *Intangible assets*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognised as an expense incurred. Costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Website costs apply to costs in relation to a website designed for use by the Institute in its operations.

An intangible asset is recognised for website development costs only if it meets the general recognition requirements, the most important of which is the requirement to demonstrate how the website will generate probable future economic benefits.

Computer software costs are amortised using the straight-line method over their useful lives, at a rate of 33.3% per annum.

Website development costs are amortised using the straight-line method over their useful lives, at a rate of 20% per annum.

4.8 *Impairment of long-lived assets*

At the end of each reporting year, the Institute reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as a surplus or deficit.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in surplus or deficit immediately.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 *Employee benefit costs*

Pension obligations

A defined benefit plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. These schemes are generally funded through payments to insurance companies or Trustee-administered funds, determined by periodic actuarial calculations.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. Assets are only recognized to the extent that the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan exceeds the fair value of the plan assets less the present value of the defined benefit obligations.

Defined benefits obligations for the plan are calculated annually by independent actuaries. The cost of providing benefits is determined using the Projected Unit Credit Method.

The Institute recognizes actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, in the period in which they occur, in other comprehensive loss. Current service costs and any past service costs, together with the unwinding of interest on the plan assets and liabilities at the discount rate are included within operating costs through surplus or deficit for the year.

Leave entitlements

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Institute recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

4.10 *Financial instruments*

Financial assets and financial liabilities are recognised when the Institute becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities or are recognised immediately in surplus or deficit, as appropriate, on initial recognition.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 *Financial instruments (continued)*

Financial assets

4.10.1 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Institute holds the trade receivables with the objective to collect the contractual cash flows. These cash flows are solely payments of principal and interest ("SPPI"). A provision for impairment of these receivables is established in accordance to IFRS 9. The amount of the expected credit loss is the difference between the carrying amount and the recoverable amount.

4.10.2 Other financial assets at amortised cost

The Institute classifies its other financial assets at amortised cost, as these assets are held only within a business model, where the objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Other financial assets at amortised cost include cash and bank balances, other receivables and long-term receivables.

4.10.3 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances including short-term deposits with maturities ranging between one and three months which is calculated from the date of the transaction to the maturity date. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits. Cash and cash equivalents are carried in the statement of financial position at amortized cost less provision for expected credit loss in accordance with IFRS 9.

4.10.4 Impairment

The Institute recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9.

The Institute always recognises lifetime ECL for trade receivables by applying the IFRS 9 simplified approach.

The expected credit losses on these financial assets are estimated based on the Institute's historical credit loss experience, adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Institute's past experience of collecting payments and an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 *Financial instruments (continued)*

Financial assets (continued)

4.10.4 Impairment (continued)

For all other financial instruments, the Institute recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Institute measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, a 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Institute in accordance with the contract and all the cash flows that the Institute expects to receive, discounted at the original effective interest rate.

4.10.5 Write-off

Financial assets are written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Subsequent recoveries of amounts previously written off are recognised in surplus.

4.10.6 Derecognition of financial assets

The Institute derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in surplus or deficit.

On derecognition of a financial asset other than in its entirety (e.g. when the Institute retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Institute retains control), the Institute allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 *Financial instruments (continued)*

Financial assets (continued)

4.10.6 Derecognition of financial assets (continued)

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised in surplus or deficit.

4.10.7 Classification as debt or equity

Debt and equity instruments issued by the Institute are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

4.10.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities and equity instruments issued by the Institute

4.10.9 Financial liabilities

4.10.9.1 Financial liabilities of the Institute are classified as other financial liabilities.

Other financial liabilities are initially measured at fair values net of transaction costs and subsequently measured at amortised cost using the effective interest rate method.

4.10.9.2 Derecognition of financial liabilities

The Institute derecognises financial liability when, and only when, the Institute's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus or deficit.

4.11 *Related party transactions and balances*

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity"):

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 *Related party transactions and balances (continued)*

- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan established for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction includes the transfer of resources or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions and balances are recognised and disclosed in the financial statements (Note 19).

4.12 *Government grants*

Government grants are not recognised until there is reasonable assurance that the Institute will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in surplus or deficit on a systematic basis over the periods in which the Institute recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary conditions are that the Institute should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Institute with no future related costs are recognised in surplus or deficit in the period in which they become receivable.

4.13 *Revenue recognition*

4.13.1 *Sale of publications*

Revenue from contracts with customers is recognised when control of the sale of publications and services is transferred to the customer at an amount that reflects the consideration to which the Institute expects to be entitled in exchange for those goods or services. The Institute has generally concluded that it is the principal in its revenue arrangements because it typically controls the publications and services before transferring them to the customer.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Revenue recognition (continued)

4.13.1 Sale of publications (continued)

Revenue is recognised at a point in time in the amount of the price expected to be received by the Institute for publications supplied, as contractual performance obligations are fulfilled, and control of publications is passed to the customer. Revenue is decreased by any discounts granted to customers. However, discounts are usually minimal to the overall revenue recognised in the statement of comprehensive loss.

4.13.2 Government grants

The Institute's policy for recognition of revenue from Government grants is described in Note 4.12 above.

4.13.3 Rental income

The Institute's policy for recognition of revenue from operating leases is described in Note 4.14 below.

4.13.4 Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Institute and the amount of the income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

When calculating the effective interest rate the estimates future cash flows consider all contractual terms of the financial instrument, but not ECL.

4.13.5 Building management fees

Building management fees are charged to tenants on an accrual basis as a percentage of annual maintenance expenses incurred.

4.14 Leases

The Institute as a lessee

The Institute assesses whether a contract is or contains a lease, at the inception of the contract. The Institute recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture). For these leases, the Institute recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Leases (continued)

Lease liability (continued)

Lease payments included in the measurement of the lease liability comprise:

- (i) Fixed lease payments, less any lease incentives receivable;
- (ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- (iii) The amount expected to be payable by the lessee under any residual value guarantees;
- (iv) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Institute remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value.
- A lease contract is modified and the lease modification is not accounted for as a separate lease.

The Institute did not make any such adjustments during the periods presented as there are no operating leases that fall under IFRS 16.

Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Institute expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Institute applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Leases (continued)

The Institute as lessor

The Institute enters into lease agreements as a lessor with respect to its owned property.

Leases for which the Institute is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Institute applies IFRS 15 to allocate the consideration under the contract to each component.

4.15 Foreign currencies

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Institute operates (its functional currency).

In preparing the financial statements of the Institute, transactions in currencies other than the Institute's functional currency, the Jamaican dollar, are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in surplus or deficit in the period in which they arise.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Institute's accounting policies, which are described in Note 4, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5.1 Critical judgments in applying accounting policies

Judgments made by management in the application of IFRS that had a significant effect on the amounts recognised in the financial statements are as follows:

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5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5.1 *Critical judgments in applying accounting policies (continued)*

5.1.1 Allowance for impairment losses on receivables

The Institute recognises an allowance for expected credit losses on its lease receivables using the simplified approach. Lease receivables are assumed to be in default when they are 90 days past due which is also considered to be a significant increase in credit risk since initial recognition, in the absence of more forward-looking information and actual default experience. An impairment of 50% of the outstanding 90 days past due receivable is made and incorporating the time value of money over the expected lease period, and any reasonable and supporting information that is available at the reporting date about current conditions and expected future development affecting collection.

5.2 *Key sources of estimation uncertainty*

The following is a key source of estimation uncertainty at the end of the reporting period that has a significant risk of causing a material adjustment to the carrying amount of retirement benefit assets within the next financial year.

5.2.1 Retirement benefits

As disclosed in Note 8, the Institute operates a defined benefit pension plan. The retirement benefit asset disclosed in the statement of financial position \$Nil (2021: \$406.02 million) in respect of the defined benefit plan is subject to estimates in respect of periodic costs where costs are dependent on returns on assets, future discount rates, rates of salary increases and inflation rate in respect of the pension plan.

The estimated return on pension assets assumption is determined by considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The Institute estimates the appropriate discount rate annually, this rate is used to determine the present value of estimated cash outflows expected to be required to settle the pension and post-retirement benefit obligations. Actuaries are contracted in this regard.

To determine the appropriate discount rate in the absence of high-quality corporate bonds, the interest rate on government bonds that have maturities approximating the related pension liabilities was considered.

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6 PROPERTY AND EQUIPMENT

	Freehold building \$'000	Leasehold improvements \$'000	Furniture, fixtures and equipment \$'000	Motor vehicles \$'000	Work in progress \$'000	Total \$'000
Cost						
1 January 2021	455,654	10,425	330,645	10,616	309	807,649
Additions	-	-	32,367	-	-	32,367
Additions from capital grants (Note 6 (a))	-	-	5,245	-	-	5,245
Disposals	-	-	(15,616)	-	-	(15,616)
Write-off	-	-	-	-	(309)	(309)
31 December 2021	455,654	10,425	352,641	10,616	-	829,336
Additions	-	-	57,348	-	-	57,348
Additions from capital grants (Note 6 (a))	-	-	4,941	-	-	4,941
Disposals	-	-	(6,656)	-	-	(6,656)
31 December 2022	455,654	10,425	408,274	10,616	-	884,969
Depreciation						
1 January 2021	149,979	10,425	227,539	8,239	-	396,182
Disposals	-	-	(14,311)	-	-	(14,311)
Charge for year	11,391	-	24,758	919	-	37,068
31 December 2021	161,370	10,425	237,986	9,158	-	418,939
Disposals	-	-	(6,265)	-	-	(6,265)
Charge for year	11,391	-	29,731	921	-	42,043
31 December 2022	172,761	10,425	261,452	10,079	-	454,717
Carrying Amount						
31 December 2022	282,893	-	146,822	537	-	430,252
31 December 2021	294,284	-	114,655	1,458	-	410,397

(a) During the current year, the Institute received donations of used computers and equipment valuing \$4.94 million (2021: \$5.25 million). These amounts were also recognised in deferred income within the statement of financial position. (See Note 13 (a)).

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7 INTANGIBLE ASSETS

	Website development \$'000	Computer software \$'000	Total \$'000
At Cost			
1 January 2021	4,752	25,509	30,261
Additions	-	16,198	16,198
As at 31 December 2021 and 31 December 2022	4,752	41,707	46,459
Amortisation			
1 January 2021	950	14,641	15,591
Charge for the year	950	8,227	9,177
31 December 2021	1,900	22,868	24,768
Charge for the year	951	9,305	10,256
31 December 2022	2,851	32,173	35,024
Net Book Value			
31 December 2022	1,901	9,534	11,435
31 December 2021	2,852	18,839	21,691

A useful life between three to five years is used in the calculation of the amortisation of intangible assets.

8 RETIREMENT BENEFIT ASSET

The Institute operates a defined benefit plan for its permanent staff. The assets of the scheme are held separately from those of the Institute in funds under the control of trustees and administered by an insurance company. The plan is funded by contributions made by the employees and the Institute. The Institute contributes the balance of the cost determined periodically by actuaries subject to a minimum of 5% of pensionable salaries. Employees contribute 5% of the pensionable salaries as a basic contribution with an option to contribute an additional 5% of pensionable earnings. The pension benefits are determined on a prescribed benefit basis and are payable at a rate of 2% of annualised salary at exit, times the pensionable years of service.

Sagikor Life Jamaica Limited and its subsidiary, Employee Benefits Administrator Limited are contracted as Investment Manager and Administrator of the Plan, respectively. The Plan invests all contributions in the Sagikor Pooled Pension Investment Funds ("SPPIF"). The underlying assets of the SPPIF are held in the name of Sagikor Pooled Pension Investment Funds Limited as agent or nominee for the Trustees of the Plan in executing the investment management contract. Government of Jamaica bonds are included in the underlying assets within the fixed income fund within the SPPIF, which has exposure to asset volatility and other risks detailed in Note 8.13.

The most recent annual actuarial valuation was carried out at 31 December 2022 by Rambarran & Associates Limited, consulting actuaries. The present value of the defined benefit obligation and the related current service costs and past service costs have been measured using the Projected Unit Credit Method.

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8 RETIREMENT BENEFIT ASSET (CONTINUED)

8.1 The principal assumptions used for the purpose of the actuarial valuation were as follows:

	2022	2021
Net discount rate	13.0%	8.0%
Expected rate of salary increases	5.5%	5.5%
Future pension increases	5.5%	5.0%
Inflation rate	5.5%	5.0%
Minimum funding rate	5.0%	5.0%

Demographic assumptions include assumed retirement age of 65 for all employees which is the normal retirement age. Assumptions regarding future mortality are based on American 1994 Group Annuitant Mortality Static (GAM94S) table with a five year mortality improvement.

The weighted average duration of the defined benefit obligation as at 31 December 2022 is 27 years (2021: 28 years) for active members totalling 93 (2021: 89) and 19 years (2021: 17 years) for deferred pensioners totalling 12 (2021: 10).

The Institute expects to make a contribution of \$12.731 million to the defined benefit plan during the next financial year. Total contribution inclusive of employee contributions is expected to be \$31.098 million.

8.2 The amount included in the statement of financial position arising from the Institute's obligation in respect of its defined benefit plan is as follows:

	2022 \$'000	2021 \$'000
Present value of defined benefit obligations	(867,007)	(1,462,025)
Fair value of plan assets	2,087,514	2,211,867
Surplus	1,220,507	749,842
Unrecognised asset due to asset ceiling	(1,220,507)	(343,819)
Net asset recognized in the statement of financial position	-	406,023

8.3 Amounts recognised in income in respect of the plan are as follows:

	2022 \$'000	2021 \$'000
Current service cost	40,777	48,306
Net interest cost:		
Interest cost on defined benefit obligation	115,348	127,605
Interest income on plan assets	(176,512)	(184,590)
Interest effect of the asset ceiling	27,506	13,951
Net expense recognized in statement of loss (Note 18)	7,119	5,272

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8 RETIREMENT BENEFIT ASSET (CONTINUED)

8.4 Amounts recognised in other comprehensive loss in respect of the plan are as follows:

	2022	2021
	\$'000	\$'000
Remeasurement (losses) gains:		
Actuarial changes arising from changes in financial assumptions (Note 8.5)	645,653	(248,063)
Experience adjustments (Note 8.5)	(207,584)	358,521
Change in effect of the asset ceiling (Note 8.6)	<u>(849,182)</u>	<u>(174,852)</u>
Net loss recognized in other comprehensive loss	<u>(411,113)</u>	<u>(64,394)</u>

8.5 The remeasurement gains/(losses) in other comprehensive loss are further analyzed as follows:

2022	Financial Assumptions	Experience Adjustments	Net
	\$'000	\$'000	\$'000
Defined benefit obligation (Note 8.8)	682,756	45,027	727,783
Fair value plan assets (Note 8.9)	<u>(37,103)</u>	<u>(252,611)</u>	<u>(289,714)</u>
Recognised in OCI (Note 8.4)	<u>645,653</u>	<u>(207,584)</u>	<u>438,069</u>
2021	Financial Assumptions	Experience Adjustments	Net
	\$'000	\$'000	\$'000
Defined benefit obligation (Note 8.8)	(255,785)	384,900	129,115
Fair value plan assets (Note 8.9)	<u>7,722</u>	<u>(26,379)</u>	<u>(18,657)</u>
Recognised in OCI (Note 8.4)	<u>(248,063)</u>	<u>358,521</u>	<u>110,458</u>

This remeasurement is on the return on plan assets and excludes any amounts included in net interest expense.

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8 RETIREMENT BENEFIT ASSET (CONTINUED)

8.6 Movement effect of the asset ceiling

	2022	2021
	\$'000	\$'000
Opening effect of asset ceiling	(343,819)	(155,016)
Interest effect of asset ceiling	(27,506)	(13,951)
Remeasurement recognized in OCI (Note 8.4)	<u>(849,182)</u>	<u>(174,852)</u>
Closing effect of asset ceiling	<u>(1,220,507)</u>	<u>(343,819)</u>

8.7 Movements in the net assets in the current period are as follows:

	2022	2021
	\$'000	\$'000
Opening balance	406,023	463,761
Amounts charged to income (Note 18)	(7,119)	(5,272)
Employer's contributions	12,209	11,928
Remeasurements recognized in OCI	<u>(411,113)</u>	<u>(64,394)</u>
Closing balance	<u>-</u>	<u>406,023</u>

8.8 Changes in the present value of the defined benefit obligation are as follows:

	2022	2021
	\$'000	\$'000
Opening defined benefit obligations	1,462,025	1,437,078
Service cost	40,777	48,306
Interest cost on defined benefit obligations	115,348	127,605
Members' contributions	17,796	17,481
Value of annuities purchased	20,557	28,717
Benefits paid	(61,713)	(68,047)
Remeasurement – changes in financial assumptions (Note 8.5)	(682,756)	255,785
Remeasurement losses on obligation for OCI (Note 8.5)	<u>(45,027)</u>	<u>(384,900)</u>
Closing defined benefit obligations	<u>867,007</u>	<u>1,462,025</u>

8.9 Changes in fair value of plan assets are as follows:

	2022	2021
	\$'000	\$'000
Opening fair value of plan assets	2,211,867	2,055,855
Members' contributions	17,796	17,481
Employer's contributions	12,209	11,928
Value of annuities purchased	20,557	28,717
Interest income on plan assets	176,512	184,590
Benefits paid	(61,713)	(68,047)
Remeasurement – changes in financial assumptions (Note 8.5)	(37,103)	7,722
Remeasurement losses on assets for OCI (Note 8.5)	<u>(252,611)</u>	<u>(26,379)</u>
Closing fair value of plan assets	<u>2,087,514</u>	<u>2,211,867</u>

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8 RETIREMENT BENEFIT ASSET (CONTINUED)

8.10 The fair value of the plan assets is analysed as follows:

	2022		2021	
	\$'000	%	\$'000	%
Equity fund	585,334	27	670,727	31
Fixed income fund	285,513	14	296,064	13
Foreign exchange fund	327,143	16	372,606	17
Mortgage and real estate fund	379,192	18	364,610	17
Money market fund	53,888	3	53,504	2
CPI Fund	326,497	16	291,849	13
Other	129,947	6	162,507	7
Fair value of plan assets	<u>2,087,514</u>	<u>100</u>	<u>2,211,867</u>	<u>100</u>

The majority of the plan assets are invested in the Sagicor Pooled Pension Investment Funds.

The plan assets do not include any of the Institute's own financial instruments, nor any property occupied by or other assets used by the Institute.

8.11 Sensitivity analysis

The present value of the defined benefit obligation was analysed based on a 1% increase or decrease (2021: 1%) in the discount rate applied and the impact on the fund determined. The impact of a 1% increase or decrease (2021: 1%) in the future salary rate on the net present value of the fund was also determined. The table below summarises the results of the analysis:

	2022			
	Discount rate		Future salary	
	1%	1%	1%	1%
	Increase	Decrease	Increase	Decrease
	\$'000	\$'000	\$'000	\$'000
Impact on the present value of defined benefit obligations	(73,052)	88,977	27,763	(24,535)

	2021			
	Discount rate		Future salary	
	1%	1%	1%	1%
	Increase	Decrease	Increase	Decrease
	\$'000	\$'000	\$'000	\$'000
Impact on the present value of defined benefit obligations	(197,216)	256,328	90,358	(77,278)

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8 RETIREMENT BENEFIT ASSET (CONTINUED)

8.11 Sensitivity analysis (continued)

	2022			
	Life Expectancy		Pension increase	
	1 Year	1 Year	1%	1%
	Increase	Decrease	Increase	Decrease
	\$'000	\$'000	\$'000	\$'000
Impact on the present value of defined benefit obligations	10,061	(10,330)	73,497	(64,253)

	2021			
	Life Expectancy		Pension increase	
	1 Year	1 Year	1%	1%
	Increase	Decrease	Increase	Decrease
	\$'000	\$'000	\$'000	\$'000
Impact on the present value of defined benefit obligations	31,261	(31,408)	177,767	(150,762)

8.12 Fair value of plan assets:

The five-year trend for the fair value of plan assets, the defined benefit obligations, the surplus in the plan and experience adjustments for the plan asset and liabilities is as follows:

	2022	2021	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value of plan assets	2,087,514	2,211,867	2,055,855	2,301,839	1,965,423
Defined benefit obligations	(867,007)	(1,462,025)	(1,437,078)	(1,179,225)	(1,059,110)
Surplus	1,220,507	749,842	618,777	1,122,614	906,313
Experience adjustments					
Defined benefit obligations	(207,584)	358,521	(89,257)	(58,733)	231,514

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8 RETIREMENT BENEFIT ASSET (CONTINUED)

8.13 Risks associated with pension plans and other employee benefit plans

Through its defined benefit pension plan, the Institute is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Institute intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds included in the fixed-income fund largely represent investments in Government of Jamaica securities.

However, the Institute believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Institute's long-term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings included in the fixed income fund.

Inflation risk

A higher inflation rate will lead to higher liabilities in the event that discretionary pension increases are granted. The majority of the plan's assets are either unaffected by fixed-interest securities or loosely correlated with the inflation rate, meaning that an increase in the inflation rate will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary rate increases result in higher sensitivity to changes in life expectancy.

9 LONG-TERM RECEIVABLES

These include:

	2022	2021
	\$'000	\$'000
Staff loans receivable (Note 9 (a))	4,975	6,670
Less: Current portion of staff loans included in other receivables (Note 10.2)	(1,790)	(2,680)
	<u>3,185</u>	<u>3,990</u>

(a) Staff loans are in relation to advances for purchase of motor vehicles which are secured by bills of sale on the motor vehicles and are recoverable by instalments through salary deductions.

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9 LONG-TERM RECEIVABLES (CONTINUED)

- (b) Interest on these loans range from 2% to 3% per annum and have tenure of five years. Included in staff loans is \$2.267 million (2021: \$3.742 million) for key management personnel.

10 RECEIVABLES AND PREPAYMENTS

10.1 These include:

	2022	2021
	\$'000	\$'000
Trade receivables (sale of publications) (Note 10.1 (a))	80	87
Prepayments and deposits	54,368	51,995
Other receivables (Note 10.2)	8,531	5,322
	<u>62,979</u>	<u>57,404</u>
Less loss allowance	<u>(215)</u>	<u>(215)</u>
	<u><u>62,764</u></u>	<u><u>57,189</u></u>

- (a) Trade receivables are past due at the reporting date. However, the Institute considers these amounts to be recoverable based on the credit quality of the debtors amounts which are outstanding. The Institute does not hold any collateral over these balances. The average age of these receivables is 30 days (2021: 30 days).

The average credit period granted on sale of publications is 30 days (2021: 30 days). No interest is charged on outstanding balances. Credit is granted to selected ministries, departments and agencies of government on request and approved by management within limits. Collection is monitored on an ongoing basis. There is no customer that represents more than 5% of total balance of trade receivables.

10.2 Other receivables include:

	2022	2021
	\$'000	\$'000
Advances to staff	3,879	-
Current portion of long-term receivables (Note 9)	1,790	2,680
Other	2,862	2,642
	<u>8,531</u>	<u>5,322</u>

The Institute considers that all amounts classified as other receivables are recoverable.

10.3 Movement in loss allowance

	2022	2021
	\$'000	\$'000
Opening balance	215	215
Charge for the year on other receivable	<u>-</u>	<u>-</u>
Balance at end of year	<u><u>215</u></u>	<u><u>215</u></u>

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11 CASH AND BANK BALANCES

11.1 Cash and bank balances comprise the following:

	2022	2021
	\$'000	\$'000
Funds held for recurrent and resource management	106,887	38,356
Building maintenance fund	11,989	12,884
Cash and bank balances	118,876	51,240
Interest accrued	69	145
	118,945	51,385
International Development Partners (“IDPs”) funded projects (see Note 11.2)	169,646	205,213
	<u>288,591</u>	<u>256,598</u>

11.2 Movement in International Development Partners (“IDPs”) funded projects:

	2022	2021
	\$'000	\$'000
Opening balance	205,213	179,256
Funds received during the year	1,299,517	1,049,297
Funds disbursed during the year	(1,335,084)	(1,023,340)
Closing balance	<u>169,646</u>	<u>205,213</u>

11.3 Foreign currency bank balances amounted to US\$113,018 or J\$17.076 million (2021: US\$71,222 or J\$10.901 million). Bank balances include interest-bearing accounts totalling J\$272.309 million (2021: J\$246.443 million), including a foreign currency current account amounting to \$11,399 (2021: US\$10,678). Interest on local currency deposits are at rates ranging between 1% and 2.45% (2021: 1.0% and 2.95%) per annum and on foreign currency deposits at an average rate of 0.05% (2021: 0.05%) per annum.

11.4 Funds held in bank accounts for International Development Partners (IDPs) funded projects are segregated from the Institute’s operating cash resources. See Note 14.

11.5 Funds being held in bank accounts in the name of the Institute, but which are not accounted for in these financial statements (Note 3) amounted to approximately \$619.616 million at 31 December 2022 (2021: \$392.744 million). The funds held in these bank accounts are funds received from IDPs for projects implemented by the Institute.

12 GOVERNMENT’S CONTRIBUTION TO EQUITY

This represents the net assets taken over from the National Planning Agency.

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13 DEFERRED INCOME

This represents the value of property and equipment (net of depreciation) acquired from special grants received for such purposes (Note 4.12).

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	326,709	335,967
Capital grants received (Note 13 (a))	4,941	5,245
Grants received in cash	1,409	-
Transferred to other income (see Note 17)	<u>(15,768)</u>	<u>(14,503)</u>
Balance at the end of the year	<u>317,291</u>	<u>326,709</u>
	2022 \$'000	2021 \$'000
Current portion	14,818	14,873
Long-term portion	<u>302,473</u>	<u>311,836</u>
	<u>317,291</u>	<u>326,709</u>

(a) The Institute received donations of used computers and equipment. These amounts were also recognised in property and equipment within the statement of financial position. (See Note 6)

14 OWED TO PROJECTS

	2022 \$'000	2021 \$'000
Opening balance	104,338	90,613
Funds received during the year	242,129	181,029
Funds disbursed during the year	<u>(224,825)</u>	<u>(167,304)</u>
Closing balance	<u>121,642</u>	<u>104,338</u>

These include funds owed to projects funded by the Government of Jamaica and/or overseas funding agencies. See Note 11.4 above.

Owed to projects comprise the following:

	2022 \$'000	2021 \$'000
Community Renewal Programme	11,762	3,667
National Development Plan	42,434	22,455
Mainstreaming Migration into National Development Strategies	5,775	6,116
International Organization for Migration	3,027	-
Growth Secretariat	5,365	8,112
Labour Market Reform Committee Secretariat- Administration	-	5,810
National Poverty Reduction	18,263	8,836
Jamaica Survey of Living Conditions 2008 Project	8,253	7,738
Government of Jamaica Civil Registration & Vital Statistics	<u>21,492</u>	<u>13,696</u>
Balance brought forward	<u>116,371</u>	<u>76,430</u>

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14 OWED TO PROJECTS (CONTINUED)

	2022	2021
	\$'000	\$'000
Balance carried forward	116,371	76,430
Vital Statistics Commission	12,942	12,942
Multi-sectoral Health Study	5,771	9,110
Jamaica Competitive Enhancement	3,164	4,247
United Kingdom/Jamaica Violence Prevention Partnership (Note 14 (a))	(4,267)	-
Pilot Programme Climate Resilience Project ("PPCR") (Note 14 (a))	(11,875)	-
Jamaica National Adaptation Process ("Ja-Nap") (Note 14 (a))	(1,861)	-
Hills to Ocean ("H2O") Administration	187	-
Other Projects	1,210	1,609
	<u>121,642</u>	<u>104,338</u>

(a) These projects were initially financed from the Institute's funds instead of the funds of the project which were not available at the time the project expenses were incurred. These amounts are receivable from the Ministry of Finance and the Public Service to fund these project expenses.

(b) Amounts received during the year from the Ministry of Finance and the Public Service amounting to \$59.66 million (2021: \$15.74 million) relate to projects which are managed by the Institute but not recorded in these financial statements.

15 PAYABLES AND ACCRUALS

	2022	2021
	\$'000	\$'000
Short-term employee benefits:		
Other staff	53,431	52,933
Key management personnel	20,507	20,316
Other payables and accruals	43,556	48,974
	<u>117,494</u>	<u>122,223</u>

The credit period on purchases of goods/services from the Institute's major suppliers ranges from 30 - 60 days (2021: 30 - 60 days). The Institute has financial risk management procedures in place to ensure that all payables are paid within the agreed credit period.

16 GOVERNMENT SUBVENTIONS

Government subventions include recurrent amounts received from the Ministry of Finance and Public Service.

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17 OTHER INCOME

	2022	2021
	\$'000	\$'000
Rental income – lease	33,267	30,352
Building management fees	7,082	6,224
Gain on sale of publications	617	494
Loss on disposal of property and equipment	(348)	(1,112)
Deferred income (see Note 13)	15,768	14,503
Other	985	1,718
	<u>57,371</u>	<u>52,179</u>

18 EXPENSES

	2022	2021
	\$'000	\$'000
Staff costs		
Salaries and allowances	368,464	359,398
Retirement benefits plan charge (Notes 8.3 & 8.7)	7,119	5,272
Travelling and motor vehicle upkeep	96,775	96,655
Statutory contributions	18,988	17,017
Staff welfare and subsistence	49,129	37,262
Accrued vacation	5,120	8,652
	<u>545,595</u>	<u>524,256</u>
Property expenses		
Parking	2,273	4,407
Security	15,759	13,140
Utilities	42,891	34,901
Landscaping	673	831
Cleaning and maintenance	14,033	12,103
Insurance	8,382	7,434
Repairs and maintenance	17,770	22,803
Property tax	515	407
Subsistence	352	314
	<u>102,648</u>	<u>96,340</u>
Consultancy and professional fees	<u>15,191</u>	<u>21,410</u>
Depreciation and amortisation (Notes 6 & 7)	<u>52,299</u>	<u>46,245</u>
Other operating expenses		
Foreign travel	8,493	1,433
Motor vehicle expenses	1,935	1,812
Computer and supplies	32,218	39,940
Postage	58	32
G.C.T. expense	45,148	32,417
Stationery and office supplies	5,088	4,450
Balance brought forward	<u>92,940</u>	<u>80,084</u>

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18 EXPENSES (CONTINUED)

	2022	2021
	\$'000	\$'000
Other operating expenses (continued)		
Balance carried forward	92,940	80,084
Advertising, special events and publications	13,248	13,251
Other general expenses	19,972	11,749
	<u>126,160</u>	<u>105,084</u>
Finance costs		
Interest expense	625	529
	<u>842,518</u>	<u>793,864</u>

19 RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were carried out with related parties comprising directors and key management personnel:

	2022	2021
	\$'000	\$'000
Salaries and allowances including statutory contributions	88,202	74,208
Pension contributions	1,886	1,396
Directors' fees	637	835

The remuneration of directors and key management is determined by the Ministry of Finance and the Public Service.

20 COMMITMENTS

Capital commitments

	2022	2021
	\$'000	\$'000
For acquisition of equipment and supplies	8,375	14,478
For acquisition of building equipment	1,925	13,277
	<u>10,300</u>	<u>27,755</u>

The Institute also entered into contractual agreements as at 31 December 2022 to provide technical guidance and support for the Implementation of the Data Protection and Privacy Programme. The contract was signed in December 2022 with Symptia Consultants contract price is \$13,675,000.

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21 LEASING ARRANGEMENTS

The Institute as Lessor

The Institute leases part of its owned office building under an operating lease for a term of five years with a five years extension option. The lease includes clauses to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The upward revision clause also applies in the event that the lessee exercises its option to renew. The lessee can terminate the lease by giving a one-year written notice of its intention.

Maturity analysis of operating lease payments to be received:

	2022	2021
	\$'000	\$'000
Year 1	35,274	29,152
Year 2	38,802	32,068
Year 3	42,682	-
Year 4	46,950	-
Year 5	51,645	-
	<u>215,353</u>	<u>61,220</u>

Rental income recognised in net surplus on operating lease during the year is \$33.27 million (2021: \$30.35 million).

Future contracted minimum rentals receivables under the operating lease as at 31 December are as follows:

	2022	2021
	\$'000	\$'000
Within 1 year	35,274	29,152
Later than 1 year and no longer than 5 years	180,079	32,068
	<u>215,353</u>	<u>61,220</u>

The Institute as a Lessee

Minimum lease payments under operating leases in respect of car parks and equipment leased, recognised as an expense during the year totalled \$3.28 million (2021: \$5.633 million).

Leases are negotiated for an average of one-year recurring on a month-to-month basis.

22 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS

22.1 Capital risk management

The Institute manages its capital to ensure that the entity will be able to continue as a going concern. The Institute is a Government owned entity and its operations are funded by the Government of Jamaica. The Board of Directors is responsible to obtain adequate funding from the Government of Jamaica for its operations to ensure that the Institute meets its operational objectives and remains a viable entity. The Institute's overall capital risk management strategy remains consistent with the prior year.

The capital structure of the Institute consists of accumulated surplus and equity attributable to the Government of Jamaica.

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22 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS (CONTINUED)

22.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 4 to the financial statements.

22.3 Categories of financial instruments

	2022	2021
	\$'000	\$'000
Financial assets (at amortised cost)		
Including cash and bank balances	<u>296,987</u>	<u>261,792</u>
Financial liabilities (at amortised cost)		
Other financial liabilities	<u>171,832</u>	<u>161,607</u>

22.4 Financial risk management objectives

The Institute's financial risk management policies are directed by the Board of Directors, assisted by a committee of the Board and the senior management. The Institute's activities expose it to credit-related risks, liquidity risks and market risks that include foreign currency risks and interest rate risks.

The annual budgeting exercise and the continuous monitoring of the operations of the Institute against the budgets allow the Board and the senior management to achieve its objectives and to manage relevant financial risks that could be faced by the Institute.

22.5 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Institute. The Institute's principal financial assets are cash and bank balances, receivable and long-term receivables.

The Institute holds all its short-term deposits with First Caribbean International Bank Jamaica. This institution is owned by the CIBC Banking Conglomerate with headquarters in Canada which has an AAA rating by more than one international rating agencies.

In respect of receivables, the risk is minimised by extending credit to or placing deposits with credit-worthy parties. Long-term receivables representing staff loans are secured by bill of sales over motor vehicles financed. Further, unpaid balances are deducted from emoluments due in agreed installments.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Institute's maximum exposure to credit risk.

The gross carrying amount of the other receivables balance is reduced by an allowance for expected credit losses.

The allowance is based on historical loss experience, specific risks identified in collection matters, and analysis of past due balances identified in the aging detail and expectations of future behavior as informed by economics or other environmental situations. As at 31 December 2022 and 31 December 2021, the Institute recorded ECL of \$0.215 million (2021: \$0.215 million).

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22 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS
 (CONTINUED)

22.5 **Credit risk (continued)**

Cash and cash equivalents are held with reputable banks with ratings of at least BB or B2 and higher as such management determined that any ECL would not be material to the financial statements.

22.6 **Liquidity risk management**

Liquidity risk, also referred to as funding risk, is the risk that the Institute will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Directors do not consider that there is a significant liquidity risk because the operations are funded by the Government of Jamaica.

The table below summarises the Institute's remaining contractual maturities for the financial liabilities:

	Carrying amount \$'000	Contractual cash flow \$'000	1 to 12 months \$'000
31 December 2022			
Financial liabilities			
Payables	50,190	50,190	50,190
Owed to projects (Note 14)	121,642	121,642	121,642
	<u>171,832</u>	<u>171,832</u>	<u>171,832</u>
	Carrying amount \$'000	Contractual cash flow \$'000	1 to 12 months \$'000
31 December 2021			
Financial liabilities			
Payables	57,269	57,269	57,269
Owed to projects (Note 14)	104,338	104,338	104,338
	<u>161,607</u>	<u>161,607</u>	<u>161,607</u>

22.7 **Market risk**

The Institute's investment activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. (See Notes 22.8 and 22.9).

There has been no change to the manner in which the Institute manages and measures this risk.

22.8 **Foreign currency risk management**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Institute undertakes certain transactions denominated in currencies other than the Jamaican dollar.

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22 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS
(CONTINUED)

22.8 *Foreign currency risk management (continued)*

The following balances held in United States dollars are included in these financial statements:

	2022 \$'000	2021 \$'000
Cash and bank deposits - United States dollars (Note 11.3)	<u>17,076</u>	<u>10,901</u>

22.8.1 Foreign currency sensitivity analysis

The Institute's deposits are exposed to the United States dollar. The Institute's sensitivity to 1% revaluation or 4% devaluation (2021: 2% revaluation or 8% devaluation) in the Jamaican dollar against the United States dollar is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rate in the short-term.

The sensitivity to a 1% revaluation or 4% devaluation (2021: 2% revaluation or 8% devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J\$0.171 million or an increase of J\$0.683 million in net income (2021: a decrease of J\$0.218 million or an increase of J\$0.872 million in net income).

The foreign currency sensitivity reflects an increase in deposits held in foreign currency.

22.9 *Interest rate risk management*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates for the Institute's financial assets and financial liabilities at the end of the reporting year as these are substantially the interest-sensitive instrument impacting financial results. For floating rate cash deposits, the analysis assumes the amount of assets outstanding at year-end was outstanding for the whole year.

An increase of 100 basis points and a decrease of 50 basis points on Jamaican dollar (J\$) deposits and an increase of 100 basis points and a decrease of 50 basis points for United States dollar (US\$) deposits represents management's assessment of the reasonable possible change in interest rates in the short-term. In 2021, the assumptions were an increase/decrease of 100 basis points for J\$ deposits and an increase/decrease of 100 basis points for US\$ deposits.

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22 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS (CONTINUED)

22.9 Interest rate risk management (continued)

If market interest rates had been 100 basis points higher or 100 basis points lower on J\$ deposits and 100 basis points higher or 100 basis points lower on US\$ deposits and all other variables were held constant:

	2022	2021
	\$'000	\$'000
Effect on net surplus increase of 1% in interest rate (2021: 1%) (J\$ deposits)	2,715	2,455
Effect on net surplus decrease of 0.5% (2021: 1%) (J\$ deposits)	(1,358)	(2,455)
Effect on net surplus increase 1% (2021: 1%) (US\$ deposits)	171	109
Effect on net surplus decrease 0.5% (2021: 1%) (US\$ deposits)	(85)	(109)
	<u>(85)</u>	<u>(109)</u>

22.10 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Generally, judgement is necessarily required in interpreting market data to develop estimates of fair values. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Institute would realise in a current market exchange.

The following methods and assumptions have been used in determining the fair values of financial assets and financial liabilities:

- (i) The carrying amount of cash and bank balances, receivables and payables that mature within one year are assumed to approximate their fair value.
- (ii) The fair values of long-term receivables have not been estimated as these are staff loans to employees at interest rates below market rates. However, based on the market rates there are no significant changes between the carrying amount and the fair values.

Fair value measurements recognised in the Statement of Financial Position

There were no financial instruments that were measured or disclosed subsequent to initial recognition at fair value.

For assets and liabilities that are recognised in the financial statements, the Institute determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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22 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS
(CONTINUED)

22.10 *Fair value of financial instruments (continued)*

Fair value measurements recognised in the Statement of Financial Position (continued)

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

	Carrying amount \$'000	Fair values \$'000
31 December 2022		
Financial assets		
Cash and bank balances (Note 11.1)	118,945	118,945
Trade and other receivables	8,396	8,396
International Development Partners funded projects ("IDPs") (Note 11.2)	<u>169,646</u>	<u>169,643</u>
Financial liabilities		
Payables	50,190	50,190
Owed to projects (Note 14)	<u>121,642</u>	<u>121,642</u>
	Carrying amount \$'000	Fair values \$'000
31 December 2021		
Financial assets		
Cash and bank balances (Note 11.1)	51,385	51,385
Trade and other receivables	5,194	5,194
International Development Partners funded projects ("IDPs") (Note 11.2)	<u>205,213</u>	<u>205,213</u>
Financial liabilities		
Payables	57,269	57,269
Owed to projects (Note 14)	<u>104,338</u>	<u>104,338</u>