



PLANNING  
INSTITUTE  
OF  
JAMAICA

ANNUAL REPORT

2011

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Annual Report 2011  
Published by Planning Institute of Jamaica  
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Kingston 5  
Jamaica, West Indies

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ISSN: 1013-91X

Printed 2012

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## Mission Statement

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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.

# Vision Statement

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*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***



# MEMBERS OF THE BOARD OF DIRECTORS



Dr Gladstone Hutchinson  
Director General &  
Chairman



Professor Alvin Wint



Mr Colin Steele



Mr Devon Rowe



Miss Joy Douglas



Mr Keith Collister



Mr Robert Wynter



Mr Rolf Simmonds



Mrs Sandra Glasgow

# DIRECTOR GENERAL'S STATEMENT

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**Dr Gladstone Hutchinson**  
**Director General**  
**Planning Institute of Jamaica**

During 2011, the Planning Institute of Jamaica (PIOJ) operated in an uncertain domestic and global environment. The economy operated within the context of a fragile global economic recovery where growth prospects dimmed, financial conditions deteriorated and downside risks were elevated primarily in response to the worsening European debt crisis. Although the Jamaican economy showed signs of recovery, it was readily recognized that the economy remained fragile and there was an urgent need for additional macroeconomic and structural reforms to solidify the gains already made. The social environment was also fragile due in part to increased job losses, which existed in spite of the return to economic growth in 2011. The issue of how to achieve sustainable economic growth with social equity, therefore, remained a matter of primary concern. This was central to the consideration of policies and measures to address the economic and social problems which confronted the country.

Against this background, the PIOJ was called upon to assist in finding viable solutions to forge the way forward. The PIOJ responded by providing evidence-based policy and planning advice through the conduct, analysis, promotion and dissemination of socio-economic research. The Institute was committed to providing policy advice which would stimulate sustained socially inclusive economic growth over the medium term. We partnered with other government agencies, our International Development Partners and the private sector in this pursuit.

Major areas of focus for the organization included: contin-

uous close monitoring, reporting and forecasting on the Jamaican economy; coordinating the official development assistance and ensuring successful execution of government's commitments associated with the release of funds under these programmes; monitoring the social sector and formulating and coordinating the implementation and evaluation of policies, plans and programmes in the sector; and playing a leading role in the development of a number of strategic climate change related projects. Activities associated with the Vision 2030 Jamaica – National Development Plan were ongoing based on the government's stated commitment to the plan. The Institute, consistent with its mandate to provide policy advice to government, prepared and provided several policy briefs and notes and Cabinet submissions to the government.

The Board of Directors, chaired by the Director General, meets on a monthly basis and provides general guidance and oversight of the Institute's work. During the year, Board Members saw the necessity to re-examine the role of the Board and subsequently developed terms of reference for two committees — (i) Audit and Finance; and (ii) Governance.

I would like to extend my deepest appreciation to the outgoing Board for their oversight and strategic management of the Institute. Board members partnered with the divisional directors and the wider staff in ensuring that the quality of the outputs and impact of the Institute are high, and are delivered in a timely and efficient manner. In addition, I would like to welcome the new members of our Board — Professor Brian Meeks, Dr Pauline Knight, Dr Ike Johnson and Dr Joy Moncrieffe — who will be joining Professor Alvin Wint, Mr Devon Rowe and Mr Robert Wynter. The Institute looks forward to continued collaboration as we forge ahead.

## MILESTONES

There were many accomplishments worth noting as a result of the work conducted throughout the year. The PIOJ completed the *Growth Inducement Strategy (GIS) for Jamaica in the Short and Medium Term* during the first quarter of 2011, a continuation of the work which started in 2010. The GIS, which is fully aligned with the *Vision 2030 Jamaica – National Development Plan*, provides a coherent and comprehensively structured package of strategies and initiatives to systematically address structural constraints and achieve sustainable economic growth with social equity. A draft of the strategy document was submitted to the Cabinet



and after extensive discussions, released in March 2011 and posted on the PIOJ's website. The PIOJ subsequently organized and hosted a public symposium, featuring analyses and critiques from expert panellists drawn from the private sector and civil society, as well as commentary from members of the public. Following further consultations, the GIS document was revised in December 2011.

The Community Renewal Programme (CRP), an integral part of the GIS, reflects government's efforts to create inclusive and socially just growth. The CRP addresses the empowerment, economic development and broadening of freedoms of residents in volatile and vulnerable communities. The programme seeks to provide a platform for the coordination and enhancement of the delivery of services to these vulnerable communities. This will be achieved through various activities to be undertaken in the areas of governance, social transformation, safety and justice, physical development, socio-economic development and youth development. The CRP is being coordinated through a secretariat established during the first quarter of 2011 and which is housed at the PIOJ.

The PIOJ, during the year, continued to build and enhance the capabilities of the tools and models used to conduct the work of the Institute. These were used to update, develop and create the various models, indicators and indices that facilitated the strengthening of our analytic capacity and enhanced the robustness of the policy advice offered to both government and private entities. Specific models which were updated were: (i) The Threshold 21 (T21) model, which was adjusted to facilitate the analysis of different policies; (ii) The Input-Output (I/O) model, updated to incorporate the Household Sector; and (iii) the Debt Dynamic model, which was used to conduct a summary on debt sustainability comparisons.

During the period, a draft two-year Progress Report on *Vision 2030 Jamaica* for FY 2009/2010 and FY 2010/2011 was finalized. As an integral part of the PIOJ's Quarterly Press Briefings in 2011, four quarterly reports were made on the National Dashboard of Indicators, introduced in 2010 to track progress towards achievement of the national goals of *Vision 2030 Jamaica*. During the period, the full framework of over 62 national indicators and targets used to track progress under *Vision 2030 Jamaica* was updated on the JamStats database, including time series data for available years, baseline values and targets for 2012, 2015 and 2030. The PIOJ, in its capacity as National Focal Point for *Vision 2030 Jamaica*, also embarked on a process to prepare the new Medium Term Socio-Economic Policy Framework (MTF) for FY 2012/2013 to FY 2014/2015. The new MTF will provide the strategic framework of development priorities at the national and sectoral levels over the three-year period.

A range of activities was completed during the period to support the communication programme for *Vision 2030 Ja-*

*maica*. These included: (i) the creation of a Braille version of the *Popular Version of Vision 2030 Jamaica*, which was distributed to agencies for the visually impaired; and (ii) the infusion of *Vision 2030* into national events such as Jamaica's Festival 2011.

During the year, the PIOJ continued to fulfil its mandate of coordinating Official Development Assistance (ODA) to further government's strategic goals as outlined in *Vision 2030 Jamaica – National Development Plan*. In executing this mandate, the Institute identified funding sources for proposed development projects; coordinated donor activities; negotiated loans and grants with bilateral and multilateral development partners; and monitored the implementation of projects and programmes financed by International Development Partners (IDPs). In 2011, the Institute oversaw a combined portfolio of approximately US\$2.8 billion (\$241.0 billion) for loans, grants and technical assistance from multilateral and bilateral agencies as well as counterpart resources from the Government of Jamaica. The PIOJ was instrumental in securing new ODA amounting to US\$541.6 million (\$46.6 billion). Disbursements totalling US\$595.8 million (\$51.3 billion) were facilitated. It should be noted that, unlike in 2010, when policy-based loans accounted for the largest share of disbursements, in 2011 disbursement was highest for investment projects. While there were achievements in meeting several policy reform actions, budget support financing was curtailed because of the lack of achievement of some policy actions under the IMF Stand-By Arrangement.

With respect to environmental stewardship, the PIOJ played a major role in the development of a number of strategic climate change related projects. This led to the endorsement of the Strategic Programme for Climate Resilience (SPCR) by the Climate Investment Fund and the programme concept "Enhancing the Resilience of the Agriculture Sector and Coastal Areas to Protect Livelihoods and Improve Food Security" by the Adaptation Fund Board. The SPCR was endorsed in the amount of US\$10.0 million in concessionary loans and US\$15.0 million in grants to implement three investment projects focused on improving the quality of climate information; mainstreaming climate change into development planning and increased adaptation by stakeholders; and institutionalizing financing mechanisms for climate change. The programme concept "Enhancing the Resilience of the Agriculture Sector and Coastal Areas to Protect Livelihoods and Improve Food Security" was endorsed in the amount of US\$9.95 million and paved the way for building the climate change adaptation capacity of local level stakeholders; the rehabilitation of a section of the Negril coastline; and building resilience among farmers and farming communities through water resources and land management initiatives.

On the social policy front, milestones achieved in 2011 included: the establishment of the Migration Policy Project Unit for the development of the National Policy and Plan of



Action on International Migration and Development; tabling in Parliament of Jamaica's National Report on the Millennium Development Goals (MDGs); completion of two studies under the Social Protection Project (GOJ/World Bank) Component: (i) Review of the Social Safety Net System; (ii) Review of the Beneficiary Identification System; and completion of one edition of the *Jamaica Survey of Living Conditions* and the 2008 Parish Report. The PIOJ also prepared a Cabinet Submission on the establishment of a locus of responsibility for poverty reduction coordination.

The Institute's monitoring, research and analytical functions enabled the preparation of special studies and papers during the year. The Millennium Development Institute, in collaboration with the PIOJ, completed a paper entitled "T21 Jamaica: A tool for Long Term Sustainable Development Planning". This was published in the *International Journal of Sustainable Development and Planning*, Volume 6, No.2. The Institute also facilitated the production of Jamaica's first report on the Effectiveness of Aid which informed on targets established under the 2005 Paris Declaration on Aid Effectiveness. The report acknowledged the contribution of ODA to meeting the country's development priorities as outlined in ***Vision 2030 Jamaica – National Development Plan***, but noted that progress in aid effectiveness was constrained by human and financial resources. The report has provided a sci-

entific database on which the GOJ will be able to negotiate with its development partners to effect changes to the aid infrastructure operations.

The Institute was mandated by the government to provide consultations and feedback on the Green Paper on Tax Reform, tabled in Parliament in May 2011, and hosted two Town Hall meetings in October in Manchester and St. James and co-hosted, with the University of Technology, another in Kingston. The Green Paper was presented by representatives from the Ministry of Finance and the Public Service and deliberations were guided by a distinguished panel from the Chamber of Commerce, Civil Society, PIOJ and experts in Tax Administration. Emphasis was placed on presenting the Paper within the context of stimulating economic growth and driving business activity within the community.

With regard to administrative matters, a Deputy Director General was appointed to strengthen the technical capabilities of the Director General's Secretariat. A draft Strategic Plan for the organization was formulated at the Institute's annual Management Retreat held in November. Towards the end of the year, the Management and Staff took time out to bid farewell to six outstanding stalwarts, who cumulatively served the PIOJ for a total of 149 years and the wider public sector for over 220 years.

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## DEPUTY DIRECTOR GENERAL

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Mr Everton McFarlane

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## DIRECTORS

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Miss Barbara Scott  
Director, External  
Cooperation Management



Mr Easton Williams  
Director (Actg.),  
Social Policy  
Planning and  
Research



Mr James Stewart  
Director (Actg.),  
Economic Planning  
and Research



Miss Claire Bernard  
Director, Sustainable  
Development and  
Regional Planning



Mr Kirk Philips  
Director, Corporate  
Services



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

# Director General's Secretariat

As head of the Planning Institute of Jamaica (PIOJ), the Director General has responsibility for the general strategic, technical and managerial leadership of the PIOJ. General oversight for the organization's governance and operational processes are also the responsibility of the Director General in his capacity as Chairman of the Board. Strategic leadership was provided through the following avenues:

- The Director General in collaboration with Directors of the various divisions and colleague board members ensured that the quality of the outputs and impact of the Institute are of high standards and are delivered in a timely and efficient manner. This was pursued through the holding of monthly Board and Committee of Management meetings
- With the support of Divisions internal to PIOJ and external ministries, departments and agencies (MDAs), the DG continued to provide policy advice to the Government of Jamaica on economic, social, environmental and external cooperation management matters
- The Director General led the PIOJ's collaboration and partnerships with International Development Partners (IDPs), the private sector and civil society in the pursuit of achieving national sustainable development to initiate and maintain support for various projects and programmes.

The Director General is supported by the Director General's Secretariat which comprises both technical and administrative staff. A Deputy Director General was appointed in July.

The work of the DGS is captured in the following four categories:

- Policy and Planning Advice
- External Management
- External Marketing
- General Management

## POLICY AND PLANNING ADVICE

The Director General's Secretariat, through the Director General and Deputy Director General continued to provide policy advice to the Government of Jamaica (GOJ) through various channels such as high level committees and meetings with various stakeholders. This policy interface included regular meetings with the Honourable Prime Minister, members of the Cabinet and assigned advisors to provide socio-economic

updates, policy advice and guidance on IDP relationships. Of note, the Director General, accompanied by senior technical PIOJ staff, attended weekly economic monitoring committee meetings, chaired by the Minister of Finance and the Public Service, actively participating in discussions on economic conditions and policy options. The Director General is a member of the Economic Development Committee (a sub-committee of Cabinet) in addition to being a member of the Partnership for Transformation committee. Attendance at these and other high level meetings was supported by various briefs, notes and cabinet submissions on a wide range of issues. Policy advice was also provided through the Director General's membership on various boards of public sector entities, namely: the Development Bank of Jamaica; Bank of Jamaica; and PetroCaribe Fund.

Consistent with the general thrust of the PIOJ to keep the public informed with timely provision of information, the Director General continued to host the quarterly press briefings. The primary objective is to update the media and the public on the performance of the economy and provide information on the out-turn of the global and domestic economy. Such a forum also provides an important avenue for public interaction and feedback primarily for members of the press, broadcast media and financial practitioners. Since 2010, the information released at the briefings have been expanded to include a summary of the *Vision 2030 Jamaica* Social, Governance and Environment Indicators, which gives an indication of the country's improvements in the indicators of well-being and track Jamaica's achievements towards *Vision 2030 Jamaica*. This information is presented in the format of a Dashboard of Indicators and complements the traditional economic performance indicators.

Work, which commenced in 2010 on the development of a Growth-Inducement Strategy (GIS), was finalized in the first quarter of 2011. The study was spearheaded within the Secretariat and reflects collaboration between the departments of the PIOJ, and consultations with a large number of persons in other MDAs of the Government of Jamaica, and colleagues representing community, private sector and civil society groups. The project was led by the Director General, Dr Gladstone Hutchinson, and the lead consultant for the project was economic growth expert Dr Donald J. Harris, Professor Emeritus of Economics, Stanford University. The GIS provides a coherent and comprehensively structured package of strategies and initiatives to systematically attack binding structural constraints and achieve sustainable economic growth with social equity. It should be noted that the strategic priorities outlined in the GIS will not only address the imperative for increased economic growth rates in the short- to medium-term, but also are fully aligned with the long-term goals



Director General, Statistical Institute of Jamaica, Ms Sonia Jackson (left), laughs heartily as she converses with Professor Alvin Wint (centre), Pro Vice Chancellor for the Board for Undergraduate Studies, UWI and Dr Gladstone Hutchison (right), Director General, PIOJ during the symposium on the Growth Inducement Strategy, held March 15 at the Jamaica Conference Centre.

of *Vision 2030 Jamaica* and will, therefore, contribute to the achievement of the medium- and long-term goals and outcomes of *Vision 2030 Jamaica*. The Growth-Inducement Strategy was launched in March 2011 when the Institute staged a symposium with distinguished panellists from the private sector, academia and the government to release the findings of the document and to ascertain feedback from the public.

Important elements of the GIS were incorporated in a limited way in the FY 2011/12 budget, reflecting continued fiscal constraints inherent in the need to maintain the credibility of the GOJ's economic programme agreed under the International Monetary Fund Stand-By Arrangement. Subsequent to its initial launch, the GIS underwent further review based on various feedback and public consultation. This included a public seminar held September 29, 2011 and hosted by the University of the West Indies (through the Sir Arthur Lewis Institute for Social and Economic Studies (SALISES) and the Department of Economics), which facilitated further critical analysis and discussion of the Growth Inducement Strategy. Following various iterations the GIS was revised in December 2011.

The Community Renewal Programme (CRP) is a centre-piece of the holistic growth strategy. The programme seeks to provide a platform for the coordination and enhancement of the delivery of services to volatile and vulnerable communities. This will be achieved through various activities to be undertaken in the areas of governance, social transformation, safety and justice, physical development, socio-economic development and youth development. The programme will be implemented in three phases in the 100 most volatile and vulnerable communities in the parishes of Kingston, St. An-

drew, Clarendon, St. Catherine and St. James. During 2011, there was substantial progress in the preparatory work for its implementation, notably:

- establishment and full operation of a CRP Secretariat housed in the Director General's Secretariat of the PIOJ
- selection of the 100 most volatile and vulnerable communities targeted for intervention over the 10-year life of the project
- identification of a funding envelope for the life of the project
- initial allocation of approximately \$3.9 billion in FY 2011/12 for the execution of CRP projects.

Work continued on the implementation of the country's first long-term strategic plan, *Vision 2030 Jamaica – National Development Plan* and the *Medium Term Socio-Economic Policy Framework (MTF) 2009–2012*. *Vision 2030 Jamaica* provides a comprehensive planning framework in which the economic, social, environmental and governance aspects of national development are integrated. The PIOJ continues to build the long-term sustainable framework for the implementation, monitoring, evaluation and communication of the Plan.

This period of review represents the third year of the 21-year implementation period. Over the period, several results were achieved. These include:

- continued institutionalization of *Vision 2030 Jamaica* in MDAs
- development of a robust performance monitoring and evaluation system
- commencement of preparation of the new *MTF 2012–2015*
- expansion of communication interventions

## EXTERNAL COOPERATION MANAGEMENT

The Director General was a part of the GOJ delegation at the annual meetings of the International Monetary Fund (IMF), the World Bank and the IDB, and participated fully in GOJ missions to the IMF to continue discussions of the performance of the country under the IMF Stand-By Arrangement. The GOJ's negotiations with other multilateral and bilateral agencies were at various times led and/or coordinated by the Director General and the Director General's Secretariat, with the operational and technical oversight provided by the PIOJ's External Cooperation Management Division to (a) ensure that projects were consistent with the country's strategic priorities, and (b) track the performance of indicators and/or conditionalities attached to various projects and programmes.

## **EXTERNAL MARKETING**

Throughout the year, the Director General and Deputy Director General participated and hosted various events with critical stakeholders in both the government and private sector on development issues of both national and international importance. Presentations geared towards providing socio-economic and sustainable information and raising awareness on the Institute's work were delivered both locally and abroad.

Unfortunately, in 2011 the annual Dialogue for Development Lecture was not held due to budgetary constraints. The Dialogue for Development Lecture is the vehicle through which the PIOJ interfaces with the public on developmental issues and garners feedback on matters of importance to the policy-making process.

## **GENERAL MANAGEMENT**

On a monthly basis, the Director General chairs the Committee of Management meeting which provides a forum for Directors to address the internal and external operational issues as well as strategic concerns affecting the Institute. The Committee of Management meetings give oversight to the quality and timely delivery of the products and services offered by the PIOJ.

The annual Strategic Retreat, led by the Director General, provided an important opportunity for the management team to critically review the historical operations of the Institute against the needs of our stakeholders and to simultaneously strategize for the future.



# Policy and Planning

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A key function of the PIOJ is the formulation of policies, plans and programmes to guide the economic, social and sustainable development of Jamaica, which it achieves through its technical divisions — Economic Planning & Research; Social Policy, Planning & Research; External Cooperation Management; Sustainable Development & Regional Planning; and the Plan Development Unit. Additionally, in the execution of its duties, the Institute continued to:

- monitor the social sector through the formulation of national policies and programmes
- provide technical advice for the development of sectoral policies and programmes
- conduct research
- monitor and evaluate macroeconomic and sectoral performance, and trade-related issues
- provide timely and appropriate advice to the government.

## ECONOMIC AND SECTORAL POLICY AND PLANNING

In 2011, the Institute continued to monitor and evaluate macroeconomic and sectoral performance; and provide timely and appropriate advice to the Government of Jamaica. The PIOJ also played an integral role in providing policy advice to the government on trade and trade-related issues. These functions were carried out against: 1) continued recovery in the global economy; however, with downside risk associated with the European debt crisis; 2) the Stand-By Arrangement entered into with the International Monetary Fund (IMF); and 3) recovery in the domestic economy, despite increased unemployment. As a result, a major area of focus for the organization related to assessing implications of various international and local economic developments as well as constantly reviewing the fiscal status of the economy.

As a result of the challenging global macroeconomic environment in which the economy operated — and which required effective policy and planning advice — the Institute provided weekly updates on developments in the global economy, particularly on international and domestic price movement to the weekly Post Cabinet Monitoring Committee as well as the preparation of the monthly Inflation report. The PIOJ also played a pivotal role in the IMF arrangement with Jamaica, these included: participation in economic review meetings, mission meetings regarding the Growth Inducement Strategy; and consultations regarding the performance and GDP projections for the real sectors.

Constant updates on the performance of the economy and

projections for the future were provided. Activities associated with the *Vision 2030 Jamaica – National Development Plan* were ongoing based on the government's stated commitment to the Plan.

The Institute, consistent with its mandate to provide policy advice to the government, prepared and provided several policy briefs and notes. These, for the most part, were related to events on the local and international scene that were of interest or would have impacted the country and included:

- Community Renewal Programme – Impact of Crime Reduction on GDP
- Energy Price Scenario – Impact of Lower Energy Price on GDP
- Infrastructure Investment – Impact of Investment Projects on Real GDP
- Impact of Oil Prices on GDP growth
- Socio-economic Impact of the Supplementary Budget FY 2011/12
- Debt Sustainability Comparison
- Growth Inducement Strategy – Impact of the Implementation of Selected National Works Agency Projects and other Investment Projects
- Impact of Changing the GCT Rate on Private Consumption
- Net Impact of GCT Reform and Income Tax Reform on the Cost of Consumption Basket of Employees
- Removal of Stamp Duty on Commercial Transactions.

Technical advice was provided on several documents including: the International Development Bank's (IDB's) Competitive Regional and Global Integration Strategy for the Caribbean; IDB's Tax Proposal; Poverty Line for Jamaica; Jamaica's Tax Model; Trade Policy; Development Plans for Bodles Agricultural Station; Energy Efficiency and Enhancement Projects; Tourism Impact Study; World Bank Report on Jamaica Country Economic Memorandum: Unlocking Growth: Impact Evaluation of the PATH Programme; Middle Income Countries in Latin America & the Caribbean: A Renewed Opportunity for Development.

The Institute prepared and contributed to the preparation of several assessments and reports, including: the Social Protection Module of the *JSLC*; Tertiary Enrolment Rate up to 2030; The Impact of Aid for Trade on Jamaica's Development Agenda; Green Paper on Tax Reform; The Community Renewal Programme; The GOJ-EU Debt Reduction and

Growth Enhancement Programme; Impact Assessment of Highway 2000; Jamaica's Competitiveness: Analysis of the Doing Business Report 2011; and the Global Competitiveness Report 2012.

## INTER-SECTORAL PROGRAMME DEVELOPMENT AND COORDINATION

The organization provided broad-based support to various sectors through its involvement in several sectoral committees and working groups including:

- The Ministry of Finance, Planning and the Public Service; Ministry of Health and Social Security - re Tax Reform (NIS merger with other statutory deductions)
- Ministry of Industry, Investment & Commerce - re Motor Vehicle Import Policy
- Ministry of Industry, Investment & Commerce - updating draft policy on the importation of damaged cars
- Ministry of Industry, Investment & Commerce - collaborated with the PIOJ in tracking quarterly performance in the manufacture industry
- Ministry of Energy and Mining - constructed a concentration index for energy supply
- PFT National Council to the Energy Conservation and Diversification Working Team — assisted in identifying and proposing i) areas that needed policy dialogue and attention to arrive at solutions aimed at reducing the cost of energy; and ii) areas related to opportunities for investments in renewable and other energy sources
- Ministry of Tourism and Entertainment - re the Tourism Impact Study
- Ministry of Education — part of the interview panel for post of senior project economist.

The PIOJ also collaborated with the:

- Public Sector Monitoring Committee (PSMC), which is charged with overseeing public sector wage negotiations, ensuring consistency with government policies and priorities
- Partnership for Transformation Tax Policy Sub-committee to discuss tax models used by agencies to generate tax estimates and projections with a view to improving tax revenue projections.

## SOCIAL POLICY AND PLANNING

The Institute continued to discharge its responsibility to lead and monitor the social sector, and to formulate and coor-



Delegates from across the region listen attentively to the discussions during the two-day Global Forum on Migration and Development, held September 7 & 8 at the Jamaica Conference Centre.

dinate the implementation and evaluation of policies, plans and programmes in the sector. Milestones achieved in 2011 included the establishment of the Migration Policy Project Unit for the development of the National Policy and Plan of Action on International Migration and Development; tabling in Parliament of Jamaica's National Report on the Millennium Development Goals (MDGs); completion of two studies under the Social Protection Project (GOJ/World Bank) Component 4: (i) Review of the Social Safety Net System; and (ii) Review of the Beneficiary Identification System; completion of the *Jamaica Survey of Living Conditions (JSLC) 2010* and *Jamaica Survey of Living Conditions 2008 Parish Report*. Other major achievements included the hosting of the fourth annual Labour Market Forum; and a seminar to disseminate the findings of the study "**Prostate Cancer in Jamaica: the effects of diet and lifestyle**". Work continued on the *Vision 2030 Jamaica – National Development Plan* and the establishment of Thematic Working Groups for the various social sector areas.

The work of the Institute covered a wide range of areas in the social sector, including: social protection; gender and vulnerable groups, persons with disabilities, children and the elderly; the labour market; youth issues; national security; justice; governance and community development; education and training; health; and population and demography. These areas of work are carried out by four Units, namely: Human and Community Development; Social Protection and Gender; Population and Health; and Policy Research.

The PIOJ continued to provide evidence-based policy and planning advice through the conduct, analysis, promotion and dissemination of socio-economic research. During the year, the following were accomplished:

- Ongoing policy advice provided to the government





Members of the head table (l-r) Mr Pascal Peduzzi, head, Global Change & Vulnerability Unit, UNEP, Mr Christopher Cordin, Programme Officer, NEPA and Mrs Constance Trowers, Principal Director, Land Administration and Management, Ministry of Housing, Environment, Water and Local Government are ready to make their presentations during the **Risk and Vulnerability Assessment Methodology Project (RiVAMP)** sensitization session on Friday, December 9, 2011 at 9:00 a.m., at the Terra Nova All Suite Hotel.

through membership on the Human Resources Committee of Cabinet

- Establishment and participation in Thematic Working Groups to coordinate and monitor the implementation of initiatives of *Vision 2030 Jamaica* in the following areas
  - Population
  - Health
  - Education and Training
  - Governance
  - Effective Social Protection
- Completion of work on the MOE's National Education Strategic Plan 2010–2020; provision of policy advice for the implementation of the Literacy Assessment Monitoring of Programmes and the development of an Independent School Procedural Manual
- Support to the Ministry of Agriculture by leading a sub-committee on Food Access and finalizing the relevant sections of the draft Food and Nutrition Security Policy
- Participation in activities of the Global Forum on Migration and Development (GFMD) 2011 under the theme: “Taking Action on Migration and Development: Coherence, Capacity and Cooperation”. Activities included:
  - Regional Workshop on Domestic Care Workers at the Interface of Migration and Development held in Jamaica, September 7–8
  - Workshop on Managing Migration for Development, Marseille, France, June 13–15

- International Policy Seminar on “Mainstreaming Migration into Strategic Policy Development”, Chisinau, Republic of Moldova, October 12–13.
- Concluding Debate, Geneva, Switzerland, December 1–2
- Participation in activities of the International Organization for Migration (IOM) and the United Nations Institute for Training and Research (UNITAR) as follows:
  - 3<sup>rd</sup> Global Meeting of Chairs and Secretariats of Regional Consultative Processes on Migration, Republic of Botswana, October 25–26
  - UNITAR Seminar on Mainstreaming Migration into Development Planning, November 28

Several Cabinet Submissions, Notes, Briefs and Reports were completed over the period including:

- Cabinet Notes on the findings of *JSLC 2008* and *JSLC 2009*
- Cabinet Submission on decision to forgo fielding of *JSLC 2011*
- Cabinet Submission on the establishment of a locus of responsibility for poverty reduction coordination
- Jamaica's National Report on the Millennium Development Goals (MDGs) submitted for tabling in Parliament
- Briefs prepared for:
  - new Vital Statistics Commission (VSC) Chair
  - Jamaica's overseas missions in Geneva and Brussels on various migration related issues, including health and education
  - UNAIDS Joint Team Mission on HIV/AIDS Funding in Jamaica.

Provided technical advice:

- 2011 Population and Housing Census
- Community Health Aide Technical Monitoring Committee
- World Bank/Global Fund Mid-Term Review
- National Forum on Chronic Diseases
- Non-Communicable Diseases
- Health Information Systems Workshop
- Study on the Financial Sustainability of Jamaica HIV/AIDS Programme
- Strategic Programme of Work IDB: Social Sector Fund
- Review of Jamaica National HIV Strategic Plan 2013–2018
- Jamaica Constabulary Force's Anti-Gang Strategy
- Capacity Building Programme for Local Government
- UN Anti-Violence Prevention Project
- Development of a results framework for CSJP/CSI
- Development of a Youth Offender Management

## Strategy

- Partnership for Transformation Labour Market Working Group, OPM.

## SUSTAINABLE DEVELOPMENT AND REGIONAL PLANNING

In 2011, the Institute focused on the key areas of climate change adaptation and disaster risk reduction, science and technology, and development planning. It played a leading role in the development of a number of strategic climate change related projects; leading to the endorsement of both the Strategic Programme for Climate Resilience (SPCR) by the Climate Investment Fund, and the programme concept — “Enhancing the Resilience of the Agriculture Sector and Coastal Areas to Protect Livelihoods and Improve Food Security” by the Adaptation Fund Board. The Institute was also instrumental in the organization and delivery of a number of workshops and training sessions related to hazard mitigation and disaster risk reduction, and prepared a macro-socio-economic impact assessment report for rains between June 1 and 8, 2011. GIS technical support was also provided in the selection of communities for intervention under the Community Renewal Programme.

In the area of Policy and Planning, technical support and advice relating to climate change adaptation, disaster risk reduction, development planning, land use management, diversification of the energy mix and expansion of renewable energy, and community renewal were delivered to stakeholder Ministries, Departments and Agencies. In this regard, the following were achieved:

- The launch and ongoing coordination of the EU/UNEP/GOJ Climate Change Adaptation and Disaster Risk Reduction Project (CCA&DRRP). The Project Management Unit is located within the Sustainable Development and Regional Planning Division and coordinates the components of the project which are being implemented by the Forestry Department, National Environment and Planning Agency, the Meteorological Service and the Environmental Management Division. The Unit developed a communication plan and collateral material to assist in raising awareness and promoting visibility for the project. Additionally, the CCA&DRRP provided support to the International Day for Rural Women 2011 Symposium “Tackling Climate Change and Rural Poverty for Sustainable Development” in Endeavor District, Gibraltar, St. Ann and helped rural women make the link between adapting to climate change and preserving their livelihoods.
- The development and endorsement of Jamaica’s Strategic Climate Resilience Programme by the Climate Investment Fund and the World Bank. The SPCR was endorsed in the amount of US\$10.0 million in con-

cessionary loans and US\$15.0 million in grants to implement three investment projects. These projects focused on improving the quality of climate information; mainstreaming climate change into development planning and increased adaptation by stakeholders; and institutionalizing financing mechanisms for climate change.

- The endorsement of the concept “Enhancing the Resilience of the Agriculture Sector and Coastal Areas to Protect Livelihoods and Improve Food Security” by the Adaptation Fund Board. The total amount endorsed was US\$9.95 million and paves the way for building climate change adaptation capacity of local level stakeholders; the rehabilitation of part of the Negril coastline; and building resilience among farmers and farming communities through water resources and land management initiatives.
- Provision of technical input in the development of an institutional framework and work plan for the Small Island Developing States DOCK (SIDS DOCK). SIDS DOCK is a facility set up to help transform the energy sectors in SIDS to low carbon sectors. The PIOJ is the National Coordinator for the facility. Two Jamaican projects in the area of renewable energy were reviewed and submitted to SIDS DOCK for possible funding.

The Institute also provided technical comments and policy reviews for 15 policy/project documents, reports and studies which included:

- GOJ/World Bank Energy Security and Efficiency Enhancement Project
- Food and Nutrition Security Policy
- Draft Institutional Framework for Energy Efficiency
- Draft National Minerals Policy
- Marketing and Agriculture for Jamaica Improved Competitiveness Project (MAJIC)
- Community Based Landslide Risk Reduction Project
- Jamaica Biofuels Framework

Technical advice and support was provided to over 30 steering and planning committees and councils and three thematic working groups to support the *Vision 2030 Jamaica – National Development Plan*.

In the area of land management and development, contribution was made to the development of an implementation plan for the Manchester Parish Development Plan, the Greater Treasure Beach Sustainable Development Plan and the proposed methodology for prioritizing squatter settlements for intervention.

Technical Geographic Information Systems services and support was provided both internally and externally to support:

- the Community Renewal Programme, where GIS was used to select 100 communities for intervention under the programme and the creation of an online web map which can be accessed by committee members
- the preparation of maps of communities in which Rise Life Management Services operate in Kingston and St. Andrew
- the preparation of a draft map of the proposed Kingston 7 Postal Zone and Districts for the Post and Telecommunications Department
- the identification of possible locations for the proposed West Kingston Commercial Lifestyle Centre as well as the preparation of maps showing population, poverty and topography of communities in the area.

The Institute prepared a draft socio-economic and environmental impact assessment of the June 1–8 rains which affected the island. A scaled down version of the report was done due to the relatively small impact of the event. In addition, Jamaica's page on the Climate Investment Fund (CIF) networking platform, CIFNet was updated and a member of staff was appointed as Jamaica's Country Administrator and Project Implementor for CIFNet. The platform was developed to provide the CIF network of pilot countries, multilateral development banks (MDBs), development agencies and other stakeholders with a space to learn from each other's experience, knowledge and expertise.

## PROJECT COORDINATION

The PIOJ coordinated and provided oversight for the following projects during the period:

- Coastal Multi-hazard Mapping and Vulnerability Assessments Project in three communities — Manchioneal, Portland; Morant Bay, St. Thomas; and Portland Cottage, Clarendon. Under the project, the Institute coordinated the preparation and execution of three stakeholder workshops in the project communities and one national workshop to discuss the findings of the Multi-hazard Impact Assessment studies conducted for the communities. The major output of the project was the preparation of hazard maps showing the impact of storm surges; river flooding; seismic activity; landslides; and storm winds on the housing stock and critical facilities in the selected towns. The maps were distributed to the parish councils of the respective parishes to guide general development planning and inform the development approval process.
- Risk and Vulnerability Assessment Methodology Development Project (RiVAMP) — the Institute coordinated the preparation and delivery of a training

session in the RiVAMP methodology for 23 technical experts drawn from 13 government organizations and academia, 2 private sector agencies, 3 NGOs, and 1 participant from Saint Lucia. A sensitization workshop in which over 50 persons participated was also hosted. The purpose of RiVAMP is to use evidence-based, scientific and qualitative research to demonstrate the role of ecosystems in disaster risk reduction, and thus enable policymakers to make better-informed decisions that support sustainable development through improved ecosystems management.

- Five-Year Action Plan for Improving Integrated Risk Management — the PIOJ coordinated the procurement of professional services and supervised the preparation of the plan. The Plan will identify and prioritize specific activities to be undertaken in each of four strategic areas of integrated disaster risk management: risk identification; risk prevention and mitigation (reduction); institutional strengthening for disaster preparedness and response; and risk financing. The implementation of the plan is expected to lead to a reduction in the current exposure of Jamaica's physical assets and population to disaster risk as well as greater economic resilience in the face of disasters.

In addition, members of staff represented the country and the PIOJ at six international conferences including:

- Caribbean Regional Workshop on Science, Technology and Innovation (STI) Indicators in Grenada
- Climate Change Adaptation and Disaster Risk Reduction in Small Island Developing States, Samoa
- Regional Conference: Establishing a Policy and Research Agenda for the Urban Sector in the Caribbean, Georgetown, Guyana
- Caribbean Community Climate Change Centre (CCCCC) Climate Change Regional Strategy Workshop in Saint Lucia
- Inaugural National Coordinators meeting in New York, USA for SIDS DOCK – An Institutional Mechanism to Support Low Carbon Economic Growth and Generate Financial Resources to Support Adaptation to Climate Change in Small Island Developing States
- United Nations Climate Change Conference (UNFCCC) of Parties 17
- The Urban and Regional Information Systems Association Annual Conference, Indianapolis, USA.

Capacity building was done primarily in the areas of social statistics, the use of satellite imagery for disaster management, natural valuation and disaster mitigation. The training was extended to include:



- creating databases in the JamStats software
- the use of satellite imagery as a decision support tool for disaster management for which training was conducted by the Canadian Space Agency
- Natural Valuation Training conducted by the National Environment and Planning Agency (NEPA)
- the use of the RiVAMP methodology conducted by UNEP.

## VISION 2030 JAMAICA – NATIONAL DEVELOPMENT PLAN

During the period, the PIOJ continued to provide the long-term sustainable framework for the implementation, monitoring, evaluation and communication of *Vision 2030 Jamaica – National Development Plan and the Medium Term Socio-Economic Policy Framework (MTF) 2009–2012*.

## POLICY AND PLANNING

In the third year of its 21-year implementation period, several results have been achieved, including the continued institutionalization of Vision 2030 Jamaica in Ministries, Departments and Agencies (MDAs); development of a robust performance monitoring and evaluation system; commencement of preparation of the new MTF 2012–2015; and expansion of Communication Interventions. Other activities involved the preparation of Progress Reports; alignment of MDA Plans and Budgets; and infusion of communication of Vision 2030 Jamaica into national events.

## INSTITUTIONALIZATION OF VISION 2030 JAMAICA

Over the reporting period, the process of institutionalization internally within the PIOJ and externally with key MDAs to embed ownership of, and engender commitment towards implementation of Vision 2030 Jamaica continued.

### Mainstreaming the Plan in PIOJ

The process of mainstreaming the Plan within PIOJ by integrating Vision 2030 Jamaica in the corporate planning, policy development, and communications functions of the Institute was ongoing. The mainstreaming of Vision 2030 Jamaica was reflected in both the Organizational Review and the strategic planning exercise carried out by the organization in 2011.

### Strategic Consultations with MDAs

In keeping with Cabinet Decision 20/09, which directed all MDAs to align their corporate and operational plans with Vision 2030 Jamaica and the MTF, the PIOJ as the National

Focal Point for Vision 2030 Jamaica continued to carry out meetings with MDAs to facilitate:

- alignment of the corporate and operational plans of MDAs with Vision 2030 Jamaica and the MTF
- alignment of key national policies and strategies with Vision 2030 Jamaica, including the National Minerals Policy (draft) 2010–2030 and the State of the Environment Report 2010
- the revision and finalisation of performance indicators and targets for key MDAs including the Ministries of National Security, Justice, Education, Energy and Mining, Health, Labour and Social Security, and the Environment
- progress towards agreement on coordination and reporting requirements.

The PIOJ continued to work closely with the Cabinet Office to complete the alignment of the new Strategic Business Plan templates by the Cabinet Office in FY 2011/2012 with the goals and outcomes of Vision 2030 Jamaica, including the explicit alignment of the 3-year plans and budgets for the eight pilot ministries under the phased establishment of the Performance Monitoring and Evaluation System (PMES) in the public sector.

The PIOJ also continued to work closely with the Public Sector Transformation Unit (PSTU) in the alignment of the proposed rationalization of the public sector through collaboration in islandwide parish consultations with public sector employees and the commencement of preparation of a draft Strategic Policy Framework for the public sector.

The Growth-Inducement Strategy and Community Renewal Programme, which were developed as key initiatives aligned with the priority National Outcomes of the MTF in consultation with stakeholders in the public and private sectors, and civil society, were also completed.

### Establishment of a Robust Performance Monitoring and Evaluation System

### Thematic Working Groups

Thematic Working Groups (TWGs), with membership drawn from the public and private sectors, civil society and international development partners, are being established as part of the monitoring and evaluation framework for Vision 2030 Jamaica. TWGs provide a dynamic framework in which to plan, implement, monitor and evaluate strategic priorities and actions; track indicator progress; identify and mobilize resources for the sector or thematic area; promote new policies and projects; share information, knowledge and expertise; and ensure concerted and coordinated technical support towards national development. It is expected that a total of 17 TWGs will be established and that each will meet at least

once per quarter. By the end of 2011, the PIOJ facilitated the establishment of 10 TWGs — Education and Training; National Security and Justice; Strong Economic Infrastructure; Effective Social Protection; Energy and Minerals Development; Environment and Natural Resources Management; Hazard Risk Reduction and Adaptation to Climate Change; Population; Tourism; and Health.

### Consultations toward an Integrated Monitoring and Evaluation Framework

The Vision 2030 Jamaica monitoring and evaluation framework is being built on existing systems and processes within the public sector. During 2011, the PIOJ continued to participate in high-level meetings among key agencies including the Office of the Prime Minister (OPM), the Cabinet Office and the Ministry of Finance and the Public Service (MFPS) to ensure the integration of Vision 2030 Jamaica with proposed and existing national and sectoral processes and mechanisms for planning, budgeting, monitoring and evaluation in the public sector. The overall expected outcome is an integrated national framework for monitoring and evaluation which is consistent with current public sector transformation efforts and the government's commitment to Results-Based Management (RBM), and which is fully aligned to Vision 2030 Jamaica.

### Capacity Strengthening

During the period, members of the organization participated in training in the application and use of the JamStats DevInfo system for national statistics. The JamStats system is used as the database for the framework of national indicators and targets used to track progress under Vision 2030 Jamaica.

### Performance Reporting

A draft two-Year Progress Report on Vision 2030 Jamaica for FY 2009/2010 and FY 2010/2011 was finalized. As an integral part of the PIOJ Quarterly Press Briefings in 2011, four quarterly reports were made on the National Dashboard of Indicators, introduced in 2010 to track progress towards achievement of the national goals of Vision 2030 Jamaica, using the following eight areas of measurement of national development and social well-being:

- Health Status
- Education Status
- Labour Force Quality
- Security Status
- Justice Status
- Economic Growth
- Employment
- Environmental Stewardship Status.

The full framework of over 62 national indicators and tar-

gets used to track progress under Vision 2030 Jamaica was updated on the JamStats database, including data time series for available years, baseline values and targets for 2012, 2015 and 2030.

### Commencement of Preparation of the New MTF 2012–2015

FY 2009/2010 represented the first year of implementation of Vision 2030 Jamaica; and the Plan and the MTF are now in the third year of implementation. The long-term implementation of Vision 2030 Jamaica as approved by Cabinet calls for the preparation of a new MTF for the next three-year period for FY2012/2013 – 2014/2015. The PIOJ, in its capacity as National Focal Point for Vision 2030 Jamaica, has therefore embarked on a process to prepare the new Medium Term Socio-Economic Policy Framework (MTF) for FY2012/2013 to FY2014/2015. The new MTF 2012–2015 will provide the strategic framework of development priorities at the national and sectoral levels over the three-year period FY2012/2013 to FY2014/2015.

The steps taken during the period for the preparation of the new MTF 2012–2015 include:

- Recruitment of Plan Review Consultant to lead preparation of the new MTF
- Establishment of MTF Planning Committee to provide oversight to preparation of the new MTF
- TOR for Review of MTF 2009–2012 finalized and procurement of National Consultant for MTF Review commenced
- Preparatory meetings held with key stakeholders including Cabinet Office, Bank of Jamaica, Sir Arthur Lewis Institute of Social and Economic Studies (SALISES), National Centre for Youth Development, Social Development Commission, Ministry of Foreign Affairs and Foreign Trade and JAMPRO
- Preparation of supporting documentation including MTF Preparation Brief, draft Jamaica Country Assessment Report, draft Environmental Scanning Report and draft MTF Progress Report.

The schedule for preparation of MTF 2012–2015 envisages the staging of a Country Assessment Workshop in February 2012 to arrive at a consensus among national stakeholders on the main economic, social and environmental issues and challenges for Jamaica's development over the medium term. It is planned that the draft MTF 2012–2015 will be prepared by April–May 2012 and the final MTF 2012–2015 will be completed for submission to Cabinet by August 2012.

# Programme/Project Development, Coordination and Monitoring

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## EXTERNAL COOPERATION MANAGEMENT

The PIOJ continued to fulfil its mandate of coordinating Official Development Assistance (ODA) to further government's strategic goals as outlined in *Vision 2030 Jamaica – National Development Plan*. In executing this mandate, the Institute identified funding sources for proposed development projects; coordinated donor activities; negotiated loans and grants with bilateral and multilateral development partners; and monitored the implementation of projects and programmes financed by International Development Partners (IDPs).

The Institute facilitated the production of Jamaica's first report on the Effectiveness of Aid which provided information on targets established under the 2005 Paris Declaration on Aid Effectiveness. The report acknowledged the contribution of ODA to meeting the country's development priorities as outlined in *Vision 2030 Jamaica – National Development Plan*, but noted that progress in aid effectiveness was constrained by human and financial resources.

In 2011, the Institute oversaw a combined portfolio of approximately US\$2.8 billion<sup>1</sup> (\$241.0 billion<sup>2</sup>) for loans, grants and technical assistance from multilateral and bilateral agencies as well as counterpart resources from the Government of Jamaica. New ODA was US\$541.6 million (\$46.6 billion). Disbursements totalling US\$595.8 million (\$51.3 billion) were facilitated.

## BILATERAL COOPERATION

The PIOJ coordinated and monitored grants, loans and technical assistance provided under bilateral cooperation arrangements with more than 10 countries. During the year, to-

tal disbursements amounted to US\$284.5 million (\$25.5 billion), of which approximately 89.0 per cent went to the Economic Infrastructure sector. Assistance in this sector financed the rehabilitation of roads and the construction of business, educational and cultural facilities. The portfolio of projects and programmes managed by the unit amounted to US\$875.37 million. Of this amount, new ODA accounted for US\$52.8 million (\$4.5 billion).

Activities during the year included:

- Participation in a Joint Preparatory Meeting for the **Colombia**–Bi-National in July. Proposed areas of assistance included support to the security sector, and economic and trade areas.
- Negotiations with the People's Republic of **China** for support of US\$7.75 million (\$667.1 million) in grant resources. Assistance to the Ministries of Agriculture and Fisheries as well as Youth and Culture is contemplated.
- Participation in the launch of the implementation phase of the C\$18.5 million (\$1.6 billion) **Canadian International Development Agency** (CIDA) funded Justice Undertakings for Social Transformation (JUST) programme. JUST is designed to strengthen *inter alia*, the technical and administrative capacity of the Ministry of Justice, the Office of the Director of Public Prosecution and the Court Management Service.
- Management of the \$45.0 million (\$3.9 billion) Canadian Cooperation Fund (CCF), Phase II for the Institutional Strengthening of the PIOJ which ended during the year. The Unit hosted a Mission from CIDA that undertook an end of project audit.
- Participation in the Fourth Consultative Meeting of the CARICOM Committee on CARICOM/Canada Technical Assistance where programme strategy and implementation mechanisms were discussed.
- Preliminary discussions with the design team from

<sup>1</sup> Amounts are rounded to one decimal point.

<sup>2</sup> The average exchange rate of US\$1.00 = J\$86.08 is used.

CIDA for the C\$20.0 million (\$1.7 billion) CARICOM Regional Justice programme. The programme is intended to offer assistance in justice sector reform priorities, capacity development and regional integration.

- Meetings with a delegation from CIDA to undertake an evaluation of CIDA projects over the period 2005–2010. The mission assessed, *inter alia*, the performance of the programme in achieving results of relevance, sustainability and efficiency. The team also undertook an assessment of the delivery channels of cooperation and the delivery models.
- Review meeting with a mission from **Japan** undertaking an assessment of the Jamaican macro economy which would help to determine additional project assistance to Jamaica.
- Participation in the ex-post evaluation of the North Coast Development Project funded by the Government of Japan.
- Negotiations with the Japan International Cooperation Agency (JICA) for a Compost Production Project Based on Green Waste valued at US\$0.3 million (\$25.8 million). The project will help to reduce the volume of waste at Riverton and other landfills by adopting more efficient composting methods, thereby ensuring the extension of the life of landfills islandwide.
- Acting as focal point for the Japan Overseas Cooperation Volunteers and Dispatch of Experts Programmes. During the year, 12 Japanese nationals were assigned to the areas of education, environment, and industry and commerce.
- Coordination and participation in an Implementation Survey Mission from the **Republic of Korea** for the Cadastral Mapping project valued at US\$2.0 million (\$172.2 million). Project initiation activities were discussed and visits were undertaken to the proposed sites. The project will identify and survey new land boundaries for 1 000 beneficiaries in the parishes of St. Mary, St. Ann and Portland and facilitate the acquisition of registered Certificates of Titles.
- Initiated discussions with the Republic of Korea for the introduction of a Korean Volunteer programme in Jamaica.
- Represented Jamaica in **Mexico** at the Regional Workshop on Funds and Instruments for financing South-South Cooperation projects in Latin America and the Caribbean.
- Spearheaded the preparation of the **United Kingdom's** (UK) Commonwealth Debt Initiative (CDI) Report which highlights the government's efforts to

meet specified targets and is the basis for the granting of debt relief to Jamaica. Consequently, debt relief of £2.47 million (\$340.2 million) was granted.

- A meeting with British Minister of State for the Department for International Development (DFID) during which regional grant funding of £7.25 million (\$999.0 million) for the Citizen Security and Justice Programme and £10.0 million (\$1.4 billion) for COMPETE Caribbean was announced.
- Planned meetings for the merger of the DFID funded Community Security Initiative with the Citizen Security and Justice project financed by the Inter-American Development Bank.
- Participated in the Public Financial Management Risk Assessment Review undertaken by the **United States Agency for International Development (USAID)**.
- Portfolio Review 2011 of the USAID programmes under the new Country Assistance Strategy (2010–2014), which will focus on: education, health, agriculture, peace and security as well as the promotion of economic prosperity and sustainable development.
- Debt Swap Consolidation meetings with stakeholders in order to reach agreement for the consolidation of the debt swap resources of the Environmental Foundation of Jamaica and the Forest Conservation Fund. A merger of the Fund would be the basis for USAID's consideration of Jamaica's request for a third debt swap.

The preparation of programme briefs, position papers, and review of project documents/proposals submitted for project funding were regular elements of the work of the organization. Coordination of formulation/review missions continued as well as the participation in site visits, ad hoc and project steering committee meetings to monitor project status and resolve bottlenecks affecting the pace of project implementation.

## EUROPEAN UNION

The execution of the government's Cooperation Programme with the European Union (EU) is the responsibility of the office of the National Authorizing Officer (NAO), which is located at the PIOJ. The portfolio is diverse and wide-ranging covering, among other things, agriculture, security and justice, debt reduction, infrastructure and poverty reduction.

The EU remained the single largest donor of grant resources to Jamaica. Programmes and projects under the Cooperation Programme were financed from the 9<sup>th</sup> and 10<sup>th</sup> European Development Funds (EDF) and the Annual Gen-



eral Budget of the EU. In 2011, the cooperation portfolio consisted of grants totalling €234.7 million (\$27.9 billion)<sup>3</sup> for 15 programmes and projects. Government counterpart resources totalled €3.5 million (\$421.8 million). Budget support programmes accounted for 82.0 per cent of the Cooperation Programme portfolio.

The organization provided oversight for critical projects such as the *Poverty Reduction Programme II* which facilitated socio-economic projects and small grants to community-based organizations in volatile and vulnerable communities; the *Banana Support Programme* which supported diversification of the banana industry through educational and vocational skills training programmes, as well as employment and income generating activities; and budget support programmes that supported key policy reforms in, among other things, taxation, fiscal responsibility, the sugar sector, the justice sector, and the security sector with a focus on reform of the Jamaica Constabulary Force. The PIOJ was directly responsible for implementation of the *Institutional Strengthening of the Deputy NAO*, which provided capacity building for the PIOJ and other MDAs involved in the Cooperation Programme; the *Technical Cooperation Facility II*, which facilitated participation of government officials in international fora and consultancies to assist with programme implementation; and the construction and equipping of the Lucea Family Courthouse.

The country was ranked among the 19 best performers of the 79 African, Caribbean and Pacific (ACP) group of countries, under the 10<sup>th</sup> EDF (2008–2013). This ranking was based on a mid-term review and resulted in a decision to increase the National Indicative Programme<sup>4</sup> by 20.0 per cent or €22.0 million (\$2.6 billion), in support of the attainment of Millennium Development Goals 4 and 5 (child and maternal mortality).

The government signed one Financing Agreement in the amount of €20.8 million (\$2.5 billion) for **Support to the Sugar Cane Sector** from the 2010 Accompanying Measures for Sugar<sup>5</sup> (AMS). This new allocation brought the total amount for the Support to the Sugar Cane Sector since 2006 to €56.8 million (\$6.7 billion).

Proposals for the following four programmes were prepared and submitted:

- Poverty Reduction Programme III for €9.5 million (\$1.1 billion)

<sup>3</sup> Exchange rate: €1.00:\$118.8508

<sup>4</sup> The National Indicative Programme (NIP) sets out the agreed priorities of cooperation between Jamaica and the EU. The allocation to the 2008–2013 NIP was €110.0 million (\$13.1 billion). This allocation is separate from allocations from the EU's own budget as well as EU–ACP and EU–CARIFORUM allocations.

<sup>5</sup> The Accompanying Measures for Sugar was put in place to assist countries that had preferential trade arrangements with the EU to transition to reciprocal trade arrangements, following the 2004 ruling of the World Trade Organization against such preferential arrangements.

<sup>6</sup> The first eligibility condition for budget support, a stability-oriented macroeconomic policy framework, is largely assessed through the reviews of the IMF.



Director General, PIOJ, Dr Gladstone Hutchinson (left) and Mr Robert Fuderich, UN Resident Coordinator (right), peruse the document during the signing ceremony between the Government of Jamaica (represented by the PIOJ) and the United Nations Development Assistance Framework (UNDAF), to support the implementation of the country's long-term development and medium-term strategic plans. Overseeing the process is Ms Barbara Scott, Director, External Cooperation Management Division, PIOJ. The ceremony was held at the PIOJ's offices on May 4.

- Economic Partnership Agreement Capacity Building Programme for €2.25 million (\$267.4 million)
- Institutional Strengthening of the Planning Institute of Jamaica III for €1.0 million (\$118.9 million)
- Support to the Sugar Cane Sector – AMS 2011 for €32.0 million (\$3.8 billion).

The Institute also processed payments under works, grants, supplies and service contracts, and budget support disbursements. Total disbursements were €17.3 million (\$2.1 billion), representing a reduction of 78.7 per cent compared with 2010. This reduction is mainly attributed to Jamaica's ineligibility for budget support, due to the cessation of reviews of the Stand-By Arrangement (SBA) with the International Monetary Fund (IMF<sup>6</sup>).

Management of the Cooperation Programme continues to be executed via close daily interaction with the EU Delegation and government ministries, departments and agencies (MDAs). This was supported through regular monthly and quarterly steering committee meetings, site visits and two GOJ–EU Cooperation Programme Review meetings.

## MULTILATERAL TECHNICAL COOPERATION

The Institute manages the programme of cooperation negotiated with the agencies of the United Nations (UN) including the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the United Nations Environment Fund (UNEP), the Food and Agriculture Organization (FAO) and the International Atomic Energy Agency (IAEA) and the Pan American Health Organization (PAHO). The organization also monitors the technical cooperation programme with the Organization of American States (OAS), the Commonwealth Fund for Technical Cooperation (CFTC) and the Global Fund to Fight Aids, Tuberculosis and Malaria.

The agencies provided resources totalling US\$21.3 million (\$1.8 billion) to support ongoing projects. Approximately 80.0 per cent of new initiatives were directed to the Social Infrastructure sector. **The Global Fund**, which supports the national HIV/AIDS prevention programme, contributed the largest volume of resources, followed by the UNDP and UNICEF.

The year marked the end of the 2007–2011 five-year programming cycle for the UN system and the focus was on the consolidation and finalization of projects under the cycle. In instances where resources were non-transferrable and time bound, with a possibility of loss due to non-use, organizations were urged to expedite project implementation, while ensuring the production of outputs and attainment of outcomes. Much effort was also expended in the work to complete the design of new cooperation programmes for the new 2012–2016 cycle.

In May, the government and the UN Agencies in Jamaica signed the United Nations Development Assistance Framework for 2012–2016. The framework identified three areas of focus for the period: Environment; Social Empowerment and Equity; and Safety, Security and Justice. It is estimated that the sum of US\$39.4 million (\$3.4 billion) will be required to achieve the results anticipated. The UNDP, UNICEF, and the FAO subsequently prepared individual country programme documents in areas where they each have a comparative advantage, detailing the programme of work to be undertaken in support of the development objectives of the government.

Support was provided to MDAs in the preparation of project proposals; facilitation of the matching of projects with suitable donor partners; and the monitoring of initiatives to ensure the timely production of outputs. Several meetings were held with implementing agencies to expedite project implementation, including the Ministry of Education, Ministry of Health, Ministry of Justice, and Ministry of Agriculture and Fisheries. The Institute played a pivotal role on various Project Boards and project steering committees, in guiding the implementation process, viz.:

- National Selection Committee of the Small Grants Programme of the Global Environment Facility
- GOJ/Inter-American Children's Institute project to review the National Plan of Action for Children and Violence
- Sustainable Land Management Project
- Natural Resource Valuation Project
- National Protected Area System
- Establishing a National Statistical System project
- Rural Youth Employment Project
- Strengthening Community Safety thorough Local Government
- Enhancing Participation in Local Governance for Community Safety
- Mainstreaming Migration in National Development Strategies
- Capacity Development for Energy Efficiency and Security in Jamaica
- Strategic Funding Facility
- National Commission for UNESCO.

During the year, the Institute coordinated missions from the IAEA, which sought to work with the Bureau of Standards Jamaica to initiate the establishment of a Radiation Safety Authority in Jamaica, including capacity assessment of the Bureau to host the Authority. Efforts to encourage the finalization of the draft Bill on Radiation Safety continued.

The focus of the government on the production and consumption of local produce was supported by the FAO through the disbursement of US\$294 284.00 (\$25.3 million) to support studies to guide the development of various high value products, and to provide technical assistance to farmers to encourage increased production, through the adoption of cost-effective irrigation techniques, low cost mechanization and efficient disease and pest control measures.

The importance of an efficient system of local governance to the development process assumed added significance with the initiation of the Community Renewal Programme. The PIOJ recognized that the several initiatives impacting various aspects of the local government reform process could result in duplication of efforts. To facilitate the coordination and synchronization of the interventions, an inter-sectoral Committee was established, which met monthly to provide guidance to the following projects:

- Enhancing Civil Society Participation in Local Governance for Community Safety
- Building Civil Society Capacity to Support Good Governance by Local Authorities

- Capacity Building of Local Government/Local Governance organizations in Jamaica.

The Committee, which is expected to evolve into the Thematic Working Group on Governance, succeeded in mobilizing resources from the CFTC to undertake training of the local government representatives who would assume office at the local government elections to be held in 2012. The CFTC is also committed to financing a long-term programme in which an expert will be assigned to Jamaica to undertake a period of mentoring of local government officials in the principles of local governance for development.

As an adjunct to its coordinating role, the organization was required to perform the role of manager of two multi-sectoral projects — the Millennium Development Goals (MDGs) Project and the DFID funded, UNDP administered, Strategic Flexible Funding Facility — to support Jamaica's efforts to meet the MDGs and the conditionalities of the various loan programmes.

One highlight of the year was the preparation of the Jamaica and CARICOM report on Aid Effectiveness. The PIOJ also participated in and prepared a document for presentation at the Fourth High Level Event on Aid Effectiveness which sought to assess progress in the achievement of the Paris Declaration principles. The meeting recognized that countries and development partners had exceeded the targets with regard to coordinated technical cooperation — a measure of the extent to which donors provide aid in support of country capacity development objectives in a coordinated way. Little or no progress had, however, been made with regard to:

- aid for the government sector being captured in partner country budgets and public accounts
- joint missions and joint analytical work
- reduction in aid fragmentation
- improving medium term predictability of aid
- increasing mutual accountability through implementing thorough review structures.

The report has provided a scientific database on which the government will be able to negotiate with its development partners to effect changes to the aid infrastructure operations.

Four missions were coordinated and five site visits conducted, and the Institute facilitated the participation of 10 persons in international meetings and 32 persons in training courses ranging from short programmes lasting from one week to long-term PhD programmes.

## MULTILATERAL FINANCING

During the year, the Institute monitored the implementation of 87 projects in the loan and grant portfolios of the Inter-American Development Bank, the World Bank and the

Caribbean Development Bank (CDB), totalling US\$1.5 billion (\$129.1 billion). Financing from these Multilateral Financing Institutions (MFIs) continued to support government's broad development imperatives of macroeconomic growth, social inclusive growth, citizen security and justice, infrastructure development, education and training, disaster risk management and climate change adaptation. These broad priority areas are the underpinnings of the 2009–2012 Medium Term Socio-Economic Policy Framework (MTF).

The Institute facilitated and participated in the negotiation of six loans totalling US\$443.0 million (\$38.1 billion). The largest loan negotiated — an amount of US\$133.0 million (\$11.4 billion) — will support the National Water Commission's Kingston Metropolitan Water Supply Improvement Programme. Two loans totalling US\$35.0 million (\$3.0 billion), representing US\$20.0 million (\$1.7 billion) from the IDB and US\$15.0 million (\$1.3 billion) from the World Bank, were negotiated to support the government's energy efficiency and conservation programme.

The PIOJ also facilitated disbursements totalling US\$370.2 million (\$31.9 billion): US\$181.4 million (\$15.6 billion) from the IDB, US\$126.3 million (\$10.9 billion) from the World Bank and US\$62.5 million (\$5.4 billion) from CDB. Unlike in 2010 when policy-based loans accounted for the largest share of disbursements, in 2011 disbursement was made up largely of investment projects. While there were successes in meeting several policy reform actions, budget support financing was curtailed because of the lack of achievement of some policy actions under the IMF Stand-By Arrangement.

The PIOJ continued its collaboration with MDAs and the MFIs to facilitate improved project implementation. This was achieved through portfolio reviews, continued participation in Steering Committee Meetings, and through policy dialogue with the MFIs. The capacity of the organization to monitor the IDB grant portfolio, which consisted of 46 projects valued at US\$24.1 million (\$2.1 billion), was enhanced during the year. This is expected to improve project implementation. The organization provided clearance and logistical support, as well as participated in 69 missions during the year. Requests were made to both the IDB and the World Bank for grant financing to facilitate an assessment of the national procurement system which was identified as a constraint to the performance of all portfolios.

Technical advice was provided through policy notes and briefings to senior government officials to facilitate participation in high level meetings with heads of the MFIs. Several discussions on the IDB's 2011–2015 Country Strategy were held, but the document was still not finalized by the end of the calendar year.

The organization facilitated a Ghanaian Delegation which



visited Jamaica from May 25 to 28, 2011 on a study tour which was aimed at knowledge sharing, and an exchange of lessons learnt in the implementation of programmes in the areas of youth development and poverty alleviation, with special focus on social protection projects. The visit was facilitated by the World Bank and included the deputy minister for Local Government (Team Leader), project coordinators, and senior officials from Ghana's National Youth Employment Programme (NYEP), Livelihood Empowerment Against Poverty Programme (LEAP) and the Vocational Training Programme (COTVET).

## SOCIAL POLICY PLANNING AND RESEARCH

The Institute continued to contribute to programme/project development, coordination and monitoring through the provision of leadership, technical advice and secretariat services. The following were accomplished:

- Participated and provided technical advice to various Boards, Commissions and Committees
- Chaired and provided secretariat services for quarterly meetings of the Labour Market Information Technical Advisory Committee (LMITAC); the Social Safety Net Reform Programme Implementation Committee (SSNPIC); Project Board — Policy on International Migration and Development; *JSLC* and the JamStats Steering Committee
- Managerial oversight to the Community Renewal Programme Secretariat
- Provided administrative support to the Management Institute of National Development (MIND) for the Social Research Methods and Policy Analysis Training Programme
- Submitted update on the MDGs to the Ministry of Foreign Affairs and Foreign Trade for a "Follow up Meeting on MDGs" held in Japan in June
- Continued work on the Review of Poverty Estimation project; hosted closed forum to review consultants' recommendations in July
- Prepared Terms of Reference (TOR) for proposed HIV AIDS Study on Sustainability and Financing
- Provided technical advice for a proposed GOJ-EU Cooperation Programme on MDGs 4 and 5 (Child and Maternal Health)
- Participated in several tripartite Country Programme reviews with UNICEF, UNDP, UNFPA and USAID
- Provided input to the GOJ/ILO Tackling Child Labour through Education — TACKLE project through its social intervention sub-committee
- Continued social development dialogue on issues impacting disability, children's education and development, social protection of the elderly, ageing as a population phenomenon and gender mainstreaming
- Coordinated and chaired Steering Committee for UNICEF's Situational Analysis on the Rights of Children and Women in Jamaica
- IDB/GOJ Human Capital Protection Programme, chaired the Technical Working Group established to review key studies under a Technical Cooperation Agreement focusing on Understanding the Social Impacts of the Financial Crisis
- GOJ/IIN (Inter-American Children's Institute) Child Rights Project:
  - provided leadership and coordination for the project, including chairing and providing secretariat services to the Project Steering Committee
  - the project assisted in the further preparation and finalization of a draft National Plan of Action for an Integrated Response to Children and Violence and its accompanying monitoring and evaluation framework
- GOJ/IDB Disability Registry Project — technical guidance and input were provided to the Project Steering Committee; development of Terms of Reference, and the general progress of the components of the project.

The PIOJ serves as the Implementing Agency for projects relating to the Civil Registration and Vital Statistics System, Migration and Development, and Social Protection.

The Modernization Programme of the Civil Registration and Vital Statistics System continued to meet its objectives with work on the following deliverables:

- completion of draft proposal of intra and inter-agency guidelines, procedures, and formal data-sharing agreements within and among relevant stakeholder agencies
- development of a proposal for a common technological platform to allow inter-connectivity and inter-operability across each of the agencies' systems
- development of a methodology to track an individual's vital history from birth to death across each agency collecting vital data
- a detailed evaluation of death registration coverage for 2008, assessing data quality indicators, including timeliness, completeness, coverage of registration and proportion of deaths assigned to ill-defined causes
- development of proposal to enhance streamlining of information gathering, verification and reporting process within and across agencies involved in death registration
- design and development of public education material

for the Registrar General's Department

- facilitation of five regional consultations islandwide to sensitize stakeholders on standards manual
- preparation of report outlining legislative requirements and amendments needed to facilitate issuing of a lifetime identification number unique to citizens of Jamaica or other individuals ordinarily resident in Jamaica.

The activities of the Migration Policy Project, for the development of the National Policy and Plan of Action on International Migration and Development, were funded by the International Organization for Migration's (IOM) 1035 Facility; the Swiss Development Corporation grant, administered through the Global Migration Group, with UNDP Jamaica as Executing Agency; and the EU; with technical support from UNFPA.

Activities included:

- project launch, May 5
- establishment of the National Working Group on International Migration and Development (NWGIMD)
- establishment of the Project Board for the National Policy and Plan of Action
- identification of eight thematic areas for the sub-committees through which the policy issues will be addressed
- convening of National Consultation for the Migration Profile.

Social Protection Project (GOJ/World Bank) Component 4 achieved the following:

- completed two studies: (1) Review of the Social Safety Net System; (2) Review of the Beneficiary

Identification System

- initiated one study: Review of the Capacity of the State to prepare Child Wards for Independent Living
- prepared and disseminated Analytic Report on Study Tour to Brazil to examine elements of its social protection system
- prepared extensive Terms of Reference for the development of a comprehensive Social Protection Strategy
- organized seminar to benefit NGOs under the theme "Building the Assets of the Poor"
- provided leadership to the Impact Evaluation of PATH study through technical advice, input to questionnaires and the coordination of the Inter-sectoral Steering Committee.

The organization was involved in the monitoring and evaluation processes with several International Development Partners (IDPs) with respect to various social sector projects. These included:

- the USAID Basic Education Project and USAID Community of Practice
- IDB for development of Country Programmes for Post-Secondary Education
- IDB-funded Youth Development Programme
- World Bank for a Policy-Based Loan for Education
- advice and chairmanship provided for two IDB-funded research on School Effectiveness and Adolescent Dislocation
- World Bank and IDB Mission meetings.

# Research and Information Services

The PIOJ, as one of its critical functions, provides technical and research support to Cabinet Office along with the provision of socio-economic data, which is distributed through its publications. The *Economic and Social Survey Jamaica 2010* and the *Economic Update & Outlook* continued to target a wide cross section of the Institute's stakeholders and the public.

## MODEL DEVELOPMENT AND ANALYSIS

The Institute continued to build and enhance the capabilities of the tools and models used in carrying out the work of the organization. These were used to update, develop and create the various models, indicators and indices that facilitated the organization's work in a number of areas including:

**Threshold 21 (T21)** – was adjusted to facilitate the analysis of different policies. Areas of analysis included:

- Community Renewal Programme: prepared policy note on the impact of crime reduction on real GDP
- Energy Price Scenario: prepared policy note on the impact of lower energy price on real GDP
- Infrastructure Investment: prepared policy note on the impact of investment projects on real GDP
- Impact of oil price on GDP growth — prepared policy note on the impact of US\$10 and US\$15 per barrel on GDP growth for the short and the long run
- Socio-economic Impact of the Supplementary Budget FY 2011/12: T21 Analysis — the supplementary budget of FY 2011/12 was compared with the initial budget of FY 2011/12 using five socio-economic indicators: 1) Real GDP Growth; 2) Employment; 3) Access to Basic Health Care; 4) Poverty; and 5) Crime.

**Debt Dynamic Model** – was updated and used to carry out a summary on debt sustainability comparisons. Projections of Debt to GDP under two primary balance assumptions, 7.5 per cent and 5.0 per cent were analysed.

**Input-Output (I/O) Model** – was updated to incorporate the Household Sector. This allowed for impact assessment analysis to include the induced effects created by household consumption. The model was used to analyse the impact of proposed construction investments by the Jamaica Mortgage Bank and to assess the impact of the implementation of other

selected projects such as: i) NWA projects, ii) repair of some farm roads under the Rural Agricultural Development Authority, iii) Micro Credit Loan Project; and iv) the Community Renewal Programme.

**Econometrics** – the econometric model was used in the projection of GDP (constant and current prices).

It was also used to develop a rudimentary time series model to project the tertiary enrolment rate up to 2030 and to do poverty forecasts.

**CGE Model** – is a taxation model developed to facilitate macroeconomic analysis of the impact of tax changes on the economy, and was used to measure the impact of changes in the GCT rate on consumption.

## TRAINING AND WORKSHOPS

Members of staff participated in a number of training activities aimed at enhancing and improving the output of the organization. These training activities included courses, workshops, conferences and seminars, and were facilitated by international, regional and local agencies as well as internally. Some of the activities participated in were:

- the Economic Community of West Africa States Community Development Programme Regional Training in Planning and Modelling in System Dynamics (T21 Model); 15 member countries were represented
- Seminar “Jamaica’s Energy Future” hosted by the Petroleum Corporation of Jamaica to address the hurdle to widespread adoption of energy conservation and energy efficiency
- Workshop by the Statistical Institute of Jamaica (STATIN) to discuss the national Statistics System
- JAMPRO’s Doing Business Roundtable to outline the major areas of weaknesses and the steps taken to address deficiencies
- IDB’s video consultation conference on Competitive Regional and Global Integration Strategy for the Caribbean
- Symposium to inform and solicit feedback from the public on the Growth Inducement strategy
- CARICOM training Seminar aimed at providing in-

formation on issues with Agricultural Trade in member states for Jamaican Officials

- Seminar hosted jointly by the World Bank and UWI on “Unlocking Growth in the Jamaican Economy”
- Workshop on “Concepts, Measurement and Policy” aimed at exposing participants to the new indicators introduced in the *Human Development Report*
- Workshop on “A Review of Economies of Climate Change in the Caribbean” with respect to the Tourism and Health sectors
- World Trade Organization (WTO) Conference on Aid for Trade in Geneva, Switzerland
- Workshop on Climate Change, Vulnerability Assessment and Adaptation Prioritization
- World Population Day 2011 workshop entitled “The World at 7 Billion: Population Ageing Implications for Development in Jamaica”
- Workshop on the National Resource Valuation to sustainable development
- Workshop on “Impact Evaluation of Policies: Quantitative and Qualitative Approaches”
- Research conference hosted by the Bank of Jamaica
- Growth Inducement Strategy workshop hosted by the University of the West Indies
- Training course in Project Analysis, which enabled participants to understand the basic financial and economic analyses of projects and programmes
- Workshop on Environmental Scanning, which enabled participants to identify priority areas of focus for continued implementation of *Vision 2030 Jamaica*
- Workshop on the Social Impact of Tax Reform Methodology
- Public Sector Modernization Workshop on the state of the Jamaican economy.

## PUBLICATIONS

The Institute provides socio-economic data through its publications to its stakeholders and members of the public. The *Economic and Social Survey Jamaica (ESSJ)* and the *Jamaica Survey of Living Conditions* are the organization’s premier publications. In addition to the wide array of material which is available, the organization also produced the latest version of the following publications:

- *ESSJ 2011*
- *EU&O 15 #4 January–March 2011*

- *EU&O 16 #1 April–June 2011*
- *EU&O 16 #2 July–September 2011*
- *EU&O 16 #3 October–December 2011*
- *LMIN 61 March 2011*
- *LMIN 62 September 2011*
- *Popular Version of the Vision 2030 Jamaica – National Development Plan (Braille version)*
- *Inflation Report*
- *Beginnings*

The publications are available for sale online and at the PIOJ’s bookstore, with the exception of the Inflation Report and *Beginnings* e-newsletter, which are both available for download on the PIOJ’s website. The Popular Version is distributed free of cost. Publications can also be acquired at the University of the West Indies bookstore; SALISES bookshop; the Northern Caribbean University, and more recently, from MICO University.

## SPECIAL STUDIES/ SPECIAL PAPERS/PUBLICATIONS

The Institute’s technical divisions also conduct research, and in collaboration with external partners prepared a number of papers/publications as follows:

- **Prostate Cancer in Jamaica, the Effects of Diet and Lifestyle**
- **Domestic Care Workers at the Interface of Migration and Development**, Global Forum on Migration and Development.
- T21 Jamaica: A tool for Long Term Sustainable Development Planning. This was published in the *International Journal of Sustainable Development and Planning*, Vol. 6, No. 2: 135–151.
- Updating Jamaica’s Poverty Line – this positional note recommended a change in updating the poverty line using both the food and non-food inflation for the food and non-food portion of the poverty line.
- Jamaica’s Adult Equivalent Scale – this positional paper shows that the adult equivalent scale accounts for the size and composition of the household.
- Discretionary Waivers: Trends and Options – this report seeks to capture discretionary waivers by economic industry with a ranking profile calculated using five economic indicators.
- Labour Market and GDP Dynamics: The Jamaican Economy from Growth to Recession – this paper analyses the period 2004–2010 to ascertain the factors that accompanied changes in per capita GDP dur-



ing the growth period (2004–2007) and recession period (2007–2010).

- Analysis of Selected Tax Reform Proposals on the Public Sector Workers – this paper examined the potential impact of GCT, Income Tax and Pension Reform on public sector workers' purchasing power from 2012 to 2016.
- GCT Reform and Cost of Consumption Basket – this paper examined the impact of the proposed GCT reform on: i) all Jamaicans ii) Jamaican households without an employed member by consumption deciles.

The organization also continued work under the Economic Commission for Latin America and the Caribbean (ECLAC)-sponsored **National Transfer Accounts Research Project**, which examines the labour market, social security and human development components of population ageing.

## LIBRARY SERVICES/INFORMATION MANAGEMENT

The Wesley Hughes Documentation Centre provides quality information services for the staff of the Planning Institute of Jamaica to enable them to formulate effective economic and social policies. It also offers reference services to external clients including researchers, students and those referred to by other libraries.

### *Acquisitions & Database Management*

A total of 2 233 documents were acquired in 2011 compared with 1 707 in 2010. Sources of new publications included the Houses of Parliament, the Statistical Institute of Jamaica (STATIN), the Ministry of Finance and the Public Service, the Bank of Jamaica, the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), the International Labour Office, the United Nations Educational Scientific and Cultural Organization (UNESCO), the International Development Bank (IDB) and the World Bank.

The bibliographic database now contains 15 124 records, up from 14 597 in 2010.

*Capacity Building:* one scanner was received from the European Union Unit and the Jamaica Social Investment Fund



Members of staff from the PIOJ, Ms Yvonne Smith (left) and Mrs Sheneico Allen Morgan assist students, as they peruse the publications. The PIOJ mounted a display at the CARICOM Energy Week hosted by the University of the West Indies (UWI) on Friday, November 12, UWI

provided the following items to be used for the project, the JSIF Collection: one multimedia cabinet; two desktop computers; three shelving units; and 233 audio visual materials.

### *Socio-Economic Information Network*

The Wesley Hughes Documentation Centre coordinates the establishment of a database consisting of the records of 70 library/ information centres in the socio-economic field — the SECIN database or Union Catalogue. One database was added to the Union Catalogue from the Ministry of Mining. The Network housed a two-day cataloguing and classification workshop and distributed four issues of *SECIN News*. At the end of the year, the Network held an appreciation function for Mrs Arlene Ononaiwu, former Chair of SECIN, in honour of her sterling service to the Network.

### *Access To Information (ATI) & Reference Queries*

A total of 45 ATI requests were satisfied compared with 60 in 2010; additionally, 706 reference queries were processed and recorded. The number of loans recorded increased to 5 685 from 5 491.

# External Communication and Marketing

The external communication and marketing activities were in high gear this year, although budgetary constraints continued to impact the marketing of the publications to schools and tertiary institutions islandwide. Activities relating to the communication aspects of the organization were also curtailed and the annual Dialogue for Development Lecture was not held.

The PIOJ continues to generate visibility and provide socio-economic information to its stakeholders, media and the public, and market its publications through a number of ways including public fora; presentations/speakers bureau; interviews; news releases and direct marketing to tertiary institutions. In addition to these activities, the Institute created a Facebook Fan page, using social media as a means of capturing a wider audience base and increasing its visibility.

## WEBSITE

The PIOJ's website is one of the major tools used in disseminating socio-economic and sustainable development data/information to a wide cross section of the public and key stakeholders. The web store, which allows customers to purchase publications online, was very active this year. Requests for publications have been made from within the region, the United States, the United Kingdom and Japan. In May, the PIOJ created a Facebook Fan page; for easy access, a link has been created from the PIOJ's website directly to the page. In addition, customers can access the Vision 2030 Jamaica website [www.vision2030.gov.jm](http://www.vision2030.gov.jm) which was upgraded this year and the JamStats website through a link from the PIOJ's website. The Institute's press releases, speeches, job vacancies, tender documents, photographs and events are also posted. Information provided on the website is current, as the site is updated on a monthly basis. The PIOJ's website can be viewed at [www.pioj.gov.jm](http://www.pioj.gov.jm).

## QUARTERLY PRESS BRIEFINGS

The Institute's press briefings continued to be held on a quarterly basis. The primary objective is to provide information on the out-turn of the global and domestic economy. Since 2010, the information released at the briefings has been expanded to include a summary of the *Vision 2030* Social, Governance and Environment Indicators, which gives an indication of the country's improvements in the indicators of well-being and progress that track Jamaica's achievements towards *Vision 2030 Jamaica*. The *Economic Update &*

*Outlook*, the source of information for the press briefings, provides information on a quarterly basis.

## TOWN HALL MEETINGS ON TAX REFORM

Mandated by the government to provide consultations and feedback on the Green Paper No: 1-2011 on Tax Reform for Jamaica, the PIOJ played the lead role in hosting two Town Hall meetings. These were held during the month of October in the parishes of Manchester and St. James; and another was staged in St. Andrew in conjunction with the University of Technology. The Green Paper was presented by representatives from the Ministry of Finance and the Public Service and the deliberations were guided by a distinguished panel from the Chamber of Commerce, Civil Society, PIOJ and experts in Tax Administration. Emphasis was placed on presenting the Paper within the context of stimulating economic growth and driving business activity within the community. Feedback from the consultations was filtered into the Green Paper.

The PIOJ collaborated with the Social Development Commission and the Chamber of Commerce to publicize the event throughout various communities in Manchester and St. James. Representatives from Manchester, Clarendon, St. Elizabeth and St. James, as well as key stakeholders from the respective parishes, participated in the discussions.

## SYMPOSIUM – GROWTH INDUCEMENT STRATEGY

The Institute developed a document — **Growth Inducement Strategy for Jamaica in the Short and Medium Term**, which outlines a strategic framework for achieving robust economic growth aligned with *Vision 2030 Jamaica – National Development Plan* over the next one to three fiscal years. In March, the Institute staged a symposium with distinguished panellists from the private sector, academia and the government to release the findings of the document and to ascertain feedback from the public.

Approved by Cabinet and endorsed by the International Monetary Fund, the Growth Inducement Strategy seeks, through proactive partnership between the government and the private sector, to build and sustain an enabling environment for creative and enterprising stakeholders to seize emerging opportunities for value-creation that link local competitive advantages to rapidly changing conditions of the



Director (Actg.) Economic Planning & Research Division, PIOJ, Mr James Stewart addresses the audience at the Town Hall meeting on Tax Reform in Manchester at the Golf View Hotel. Seated at the head table l-r are: Councillor, Brenda Ramsay, Mayor of Mandeville; Mr Herbert Brown, JP, Former President, Lay Magistrates Association (partially hidden); Dr Fabian Lewis, Ministry of Finance & the Public Service; and Mr Dayle Blair, Manager, Global Accounting & Auditing Tax Services.

global economy.

The symposium was attended by scores of representatives from the government; academia; trade unions; our International Development Partners; diplomatic corps and various non-governmental organizations. A video, highlighting excerpts of the symposium, was produced and aired during the first week of May.

## DIALOGUE FOR DEVELOPMENT LECTURE

Budgetary constraints impacted the staging of the PIOJ's annual Dialogue for Development Lecture which was not held. Plans are, however, in place for the staging of the Lecture in 2012. The Dialogue for Development Lecture is the vehicle through which the PIOJ interfaces with the public on developmental issues and garners feedback on matters of importance to the policy-making process.

## OTHER EVENTS

The organization continued to collaborate with international partners and government entities in the staging of events geared towards providing socio-economic and sustainable information and raising awareness of the Institute's work. Among the events held during the year were the project launch of the **Climate Change Adaptation & Disaster Risk Reduction Project** in February; the two-day Global Forum on Migration and Development held in conjunction with the International Organization for Migration (IOM), UN Women, the MacArthur Foundation and the Swiss GFMD Chair-in Office; and the launch of the Vital Statistics publica-

tion, *Standard Definitions of Vital Statistics and Vital Events and Standards for Calculations of Vital Statistics* funded by the UNFPA, and developed by the Vital Statistics Commission. Working with the IOM, the PIOJ also launched three projects geared towards a **National Policy and Plan of Action on International Migration and Development** in May. The Institute again collaborated with the Sir Arthur Lewis Institute of Social and Economic Studies (SALISES); the University of the West Indies; UNICEF; the Environmental Foundation of Jamaica; the Caribbean Child Development Centre, and the Office of the Children's Advocate and other entities for the sixth staging of the Caribbean Child Research Conference in October. The PIOJ recognizes the importance that science, technology and innovation play in the development of the country, and in November joined forces with the Scientific Research Council to stage a panel discussion entitled, *Innovate or Die*.

Other activities staged during the year included the annual World Population day in conjunction with the UNFPA, United Nations Population Fund. This year's theme was **the World at 7 Billion—Population Ageing: Implications for Development in Jamaica**. The organization also staged the Labour Market Forum in December, for the fourth time, in conjunction with the Information Technical Advisory Committee (LMITAC), under the theme **The Future of Work**.

## PRESENTATIONS

The Institute interfaces directly with external clients — schools and tertiary institutions to provide information on socio-economic and sustainable development planning. A number of presentations were made including the following:

- the PIOJ's socio-economic publications to tertiary institutions
- various presentations on the *Vision 2030 Jamaica – National Development Plan* to a number of key stakeholders, including the public and private sectors, and civil society
- “Capacity Development for Climate Change Adaptation and Disaster Risk Reduction” to the Lessons for Future Action Conference: Climate Change Adaptation and Disaster Risk Reduction in SIDS, Samoa
- The PIOJ's Experience with the Adaptation Fund — “Benefits of being a National Implementing Entity”, United Nations Climate Change Conference (UNFCCC) of Parties 17 Side Event, Durban, South Africa
- “Aligning Downtown Kingston Redevelopment to *Vision 2030 Jamaica*” at a seminar on the Downtown Redevelopment Project
- “Assessing the Cost of Disasters on Jamaica's Infrastructure” presented to the Jamaica Institution of En-





A cross section of the audience who participated in the Town hall meeting on Tax Reform in Manchester held in October.

gineers to influence building standards and practices

- “Developing a National GIS-based Addressing System for Jamaica: Addressing the Issues” at the Urban and Regional Information Systems Annual Conference. The presentation was based on lessons learned from the use of GIS in the Community Renewal Programme.

## PROMOTIONAL/MARKETING ACTIVITIES

The organization increased its efforts to identify opportunities to market the publications and highlight the Institute’s work at various exhibitions, conferences and seminars islandwide; although budgetary constraints continued to hamper the promotion of the Institute’s publications to schools. The Institute continued to promote and market the publications to the tertiary institutions. This year, the PIOJ made arrangements with two of Kingston’s largest tertiary institutions, the MICO University and the University of Technology (UTech) to distribute its publications. In September, the PIOJ met with 20 representatives from the College Libraries Information Network (COLINET) which comprises approximately 34 Libraries from across the island. Arrangements were put in place to supply some seven institutions from this group with over 30 copies of the PIOJ’s publications, including the flagship publication, the *ESSJ* and the *Jamaica Survey of Living Conditions*.

Some 33 displays were mounted at various seminars/workshops/conferences and schools across the island to promote and market the Institute’s publications.

Promotional work continued to broaden awareness of the *Vision 2030 Jamaica – National Development Plan* across

the island. Last year, the Popular Version of *Vision 2030 Jamaica* was completed in July. This year, a Braille version of the Popular Version of *Vision 2030 Jamaica* was developed and distributed to agencies for the visually impaired. The PIOJ also collaborated with the Social Development Commission (SDC) to hold a series of 16 Train the Trainer Workshops islandwide between November 2010 and February 2011 to train SDC staff and community leaders on how to use the Popular Version to apply Vision 2030 Jamaica to development planning at the parish and community levels. The document will be used to disseminate information on *Vision 2030 Jamaica* in public sector schools through the Ministry of Education’s Citizenship Education Programme. Workshops were held with the Education Officers from all regions of the island on how to use the Popular Version to apply *Vision 2030 Jamaica* to development planning in schools. At the end of December, approximately 26 957 copies of the Popular Version had been distributed to various stakeholders.

Approximately 2 219 copies of the National Development Plan, 991 copies of the *Medium Term Socio-Economic Policy Framework (MTF) 2009–2012*, 1 068 CDs containing the Plan and MTF, and Sector Plans were distributed by the end of the year to a wide cross section of stakeholders including: the Governor General and immediate past Governor General; the Prime Minister; parliamentarians; the Opposition Leader and members of the Shadow Cabinet; two former Prime Ministers; Ministries, Departments and Agencies; private sector entities; schools; libraries and civil society groups.

In-depth discussions were held with the Jamaica Cultural Development Commission (JCDC) to incorporate Vision 2030 Jamaica into the activities of Jamaica Festival 2011 and 2012. Consequently, presentations on the Plan were made to trainers of prospective entrants in the competitions in the various performing art forms and Festival Queen Contest, at the regional planning workshops of the JCDC during November–December 2010. The PIOJ presented trophies and cash awards for the presentations that best exemplified Vision 2030 Jamaica in the various categories of the performing arts and the Festival Queen Contest at the parish and national levels.

Other activities undertaken during the period to support the communications programme for *Vision 2030 Jamaica* included:

- forging of an agreement with the Jamaica Information Service (JIS) to improve the visibility of the Plan in the media
- collaboration with SDC to promote *Vision 2030 Jamaica* through the Community 20/20 Cricket Competition and the activities of Community Month
- collaboration with the St. Ann Inter-Agency Network for Transforming Social Services (SAINTSS) initiative to promote *Vision 2030 Jamaica* at the parish

level in St. Ann

- commencement of the development of an Information Video on *Vision 2030 Jamaica* by Creative Sounds Limited
- ongoing special presentations and consultations conducted islandwide to sensitise a wider cross section of the population about the Plan
- discussions, interviews, press releases, news stories and features on the Plan in the print and electronic media (JIS radio & print, Nationwide, KLAS FM, HOT 102, CVM TV, TVJ, *Daily Gleaner* & *Jamaica Observer*)
- preparation of promotional documents including production and distribution of 6 000 brochures to various target groups across the island
- production and electronic distribution to various target groups, including the Diaspora, of the quarterly newsletter — *Vision 2030 Jamaica Update*.

## CUSTOMER SERVICE

Customer service is of paramount importance to the PIOJ and the organization continues to strive towards maintaining high quality and efficient service in responding to the requests/needs of its external clients on a timely basis. In order to improve customer service standards, the Office of the Prime Minister's Standards and Monitoring Unit implemented the Customer Service Monitoring and Evaluation (CSME) Framework in 2010.

The CSME enables the PIOJ to measure and analyse its



Representatives from the community play a friendly game of cricket during the Social Development Commission (SDC) and Vision 2030 Community 20/20 Cricket Competition held Sunday, September 4 in the parish of St Elizabeth.

service delivery and assess the needs and satisfaction level of its customers, using an evidence-based methodology. A score card template was introduced at the PIOJ in 2010 replacing the previous customer service reports. The score card maps the level of customer service performance of the Institute and is submitted to Cabinet Office on a quarterly basis. In addition to the CSME system, the PIOJ regularly monitors customer satisfaction through its Customer Comment cards and through its Communications Committee. The organization is also in the process of updating its Citizen's Charter and this will be completed in 2012.

# Governance and Management

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During the year, the Institute adopted a more broad based organizational review and continued support to the public sector transformation programme. Internet Banking was introduced which enabled more timely payment of expenses, monthly reconciliation and a reduction in the cost of bank charges both to the Project and Subvention accounts.

The Institute continued to strengthen its capacity to enhance the reporting of financial information to managers and other users. While each staff member is considered an “expert” in his or her area of responsibility, staff members are cross-trained to ensure that the organization’s operations continue to run smoothly regardless of personnel absences or changes.

The organization continued its thrust to use Information and Communications Technologies to foster efficiency and improve productivity. Despite the limited budget, efforts were made to extend the life of existing hardware while pursuing strategies to move the organization’s core infrastructure to a modern platform conducive to growth and next generation technology. To this end, plans were effected for the implementation of an enterprise virtualization solution and Phase 1 of migration to this platform was completed. Procurement and configuration of equipment and software to meet industry standards for office productivity tools, security and network management continued. The VOIP PBX and Unified Messaging Systems were upgraded for improved performance and lower cost of operation. The Access Control and Surveillance Systems were also upgraded for enhanced security. There was general adherence to Service level agreements through an effective monitoring and compliance programme. The data management programme continued to improve delivery of information to internal clients. The PIOJ Consultants System was developed, the PIOJ and Vision 2030 websites and Intranet were maintained, while the Financial Management System, Mail Management System and Projects Database System were further enhanced. The organization continued its provision of technical advice to JAMSTATS, the Vital Statistics Secretariat and other capital projects under management and worked with other GOJ entities on pre-design activities for government-wide systems.

The Institute embarked on a number of cost containment and income generation activities. One strategy utilized was purchasing supplies for building improvement and repairs directly from suppliers in order that General Consumption Tax charges would no longer be hidden in the costs to the Institute. Another cost-effective measure adopted was the intro-

duction of a water filtration station, which eliminated the cost associated with the purchase of bottled water. The Institute’s occupancy rate increased to 100.0 per cent as a tenant was secured for the vacant space on the ground floor.

Regular maintenance of the building was performed with waterproofing work undertaken to stop rainwater from entering the building during heavy rainfall. This was completed in November. In order to enhance safety, a fire drill was conducted in January and the results showed an overall improvement in responsiveness over 2010. In addition, sirens were installed on all emergency doors in an effort to increase the monitoring of the Institute’s assets.

The Board of Directors, chaired by the Director General, meets on a monthly basis and provides general guidance and oversight of the Institute’s work. Specifically, the Board is instrumental in the:

- financial and procedural oversight of (i) internal and external audits; (ii) audited financial statements; and (iii) execution of procurement and disposal procedures
- provision of valuable advice on various current and emerging socio-economic matters which are brought to their attention
- development of the PIOJ’s Strategic Plan in collaboration with staff.

Board members deemed it necessary to re-examine the role of the Board and subsequently developed terms of reference for two committees — (i) Audit and Finance; and (ii) Governance. In addition, in partnership with the divisional directors and the wider staff, Board members ensured that the quality of the outputs and impact of the Institute are high, and are delivered in a timely and efficient manner.

## STAFFING AND SENIOR MANAGEMENT APPOINTMENTS

Mr Everton McFarlane was appointed to the position of Deputy Director General in July. In this capacity, Mr McFarlane has responsibility for the implementation of broad management decisions in the areas of research and planning, with direct leadership and oversight for economic policy. Added to his portfolio is the coordination and management of the newly established Policy Logistics Unit, which is to become the focal point for policy planning and development.



A cross section of the PIOJ staff who participated in the discussions during the Institute's Learning Hour session on *Dress for Success* in the Don Mills Training Room, PIOJ on August 25, 2011.

## TRAINING AND DEVELOPMENT

The Myers Briggs Type Indicator (MBTI) was introduced and several employees have completed assessments and done individual and group briefing. The MBTI is a tool designed to help individuals better understand their strengths and blind spots, and to understand others, help to develop leadership skills, and improve employee performance.

### *Performance Based Management System (PBMS)*

The **Balanced score card** methodology was introduced as a pilot to members of staff in the Corporate Services Division

using the World Style café approach. The sessions highlighted the impact of employee engagement linkages with the strategic planning process and the integral role played by the Division in facilitating corporate objectives.

## PENSION ADMINISTRATION

The management of the Pension Fund is performed jointly by the Board of Trustees Planning Institute of Jamaica and Sagicor Life Jamaica Limited. As at December 2011, the Fund stood at \$660.4 million.

## INTERNAL COMMUNICATIONS

Updating staff on the internal/external activities of the organization and creating opportunities that provide staff interaction and sharing of information is an important part of the internal communications of the organization. The intranet; in-house newsletter, the *PIOJ Highlights*; the Learning Hour sessions and the inter-collaboration divisional meetings are some of the methods employed in this regard.

Four Learning Hour sessions were held during the year covering a range of topics including gender mainstreaming; dressing for success; and a special session was hosted by SAINTSS on Community Development & *Vision 2030 Jamaica*. Only one inter-collaboration divisional meeting was held due to the work load of the various divisions.

The organization continues to find innovative measures to create staff interaction, and in August, the staff was engaged in a series of fun activities dubbed *Emancipendence* to mark the Independence period.



# BOARD OF DIRECTORS COMPENSATION

## JANUARY – DECEMBER 2011

Board	Fees (\$)	Motor Vehicle Up-keep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Dr. Gladstone Hutchinson	Nil	-	-	-	Nil
Robert Wynter	7 500	-	-	-	60 000
Colin Steele	7 500	-	-	-	15 000
Sandra Glasgow	7 500	-	-	-	37 500
Professor Alvin Wint	7 500	-	-	-	60 000
Keith Collister	7 500	-	-	-	52 500
Devon Rowe	7 500	-	-	-	22 500
Joy Douglas	7 500	-	-	-	22 500
Rolf Simmonds	7 500	-	-	-	37 500
Total	60 000	-	-	-	307 500

## SENIOR EXECUTIVE COMPENSATION

Position of Senior Executive	Year	Salary (\$)	Gratuity (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Director General (Contract)	2011	11 097 943	-	140 000	-	-	65 000	11 302 943
Deputy Director General (incumbent retired April 2011)	2011	1 699 414	-	265 500	-	-	-	1 964 914
Deputy Director General (incumbent assumed duties July 2011)	2011	3 070 573	-	398 250	-	-	-	3 468 823
Director, Corporate Services	2011	3 743 543	-	796 500	-	-	-	4 540 043
Director, External Cooperation Management	2011	3 624 697	-	796 500	-	-	-	4 421 197
Director, Sustainable Development & Regional Planning	2011	4 088 225	-	796 500	-	-	-	4 884 725
Director, Economic Planning & Research (incumbent acting since Sept 2010)	2011	3 505 851	-	796 500	-	-	-	4 302 351
Director, Corporate Affairs, Marketing & Communication Division	2011	3 387 005	-	796 500	-	-	-	4 183 505
Director, Social Policy, Planning & Research (incumbent acting since September 2009)	2011	3 150 666	-	796 500	-	-	-	3 947 166
Total	2011	37 367 917	-	5 582 750	-	-	65 000	43 015 667

### Notes

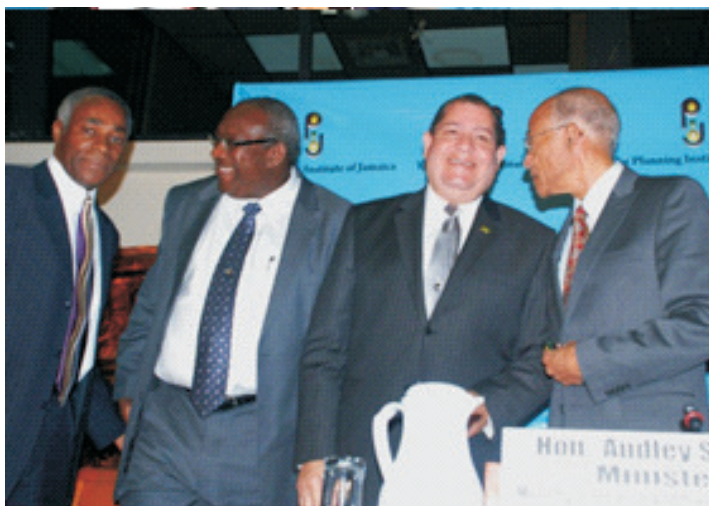
1. All contracts are in Jamaican currency.
2. Director General's security is part of a contract agreement
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

# 2011 Year in Review



Patrick Johnson (centre) Capacity Building Co-ordinator, Social Development Commission (SDC), addressing community leaders in St. Catherine, at a workshop held on February 18 at the Social Development Commission (SDC) office in Spanish Town, to sensitise them about the ***Vision 2030 Jamaica, National Development Plan***. Looking on is Ms Carmen Miller (right standing), Communication Specialist, Plan Development Unit, PIOJ.

The Hon. Audley Shaw (second right), Minister of Finance & the Public Service shares a light moment with Professor Donald Harris, Professor Emeritus of Economics, Stanford University and Consultant (right), Professor Alvin Wint (left), Pro Vice Chancellor for the Board for Undergraduate Studies, UWI and Dr Gladstone Hutchison, Director General, PIOJ during the Growth Inducement Strategy symposium at the Jamaica Conference Centre on March 15, 2011.



Professor, Anthony Clayton (standing), Alcan Professor of Caribbean Sustainable Development, University of the West Indies, makes his presentation during the Labour Market Forum 2011, held in the Don Mills Training Room, PIOJ on December 1. Seated at the head table are (l-r) Mr Charles Clayton, Social Sector Specialist, Plan Development Unit, PIOJ and Mrs Patricia Bryan-Fletcher, Assistant Chief Education Officer, Ministry of Education.

# 2011 Year in Review



Ms Claire Bernard, Director, Sustainable Development & Regional Planning Division (at the podium) addresses the audience during the launch of the Climate Change Adaptation and Disaster Risk Reduction Project on Wednesday, February 2, 2011 at the Office of the Prime Minister. Looking on are Mr Christopher Cordin, Programme Officer, NEPA (centre) and Dr Marco Mazzocchi-Alemanni, Head of the European Union (left).

Mr Easton Williams (right), Director (Actg.) Social Policy Planning & Research Division, PIOJ warmly greets Ms Geeta Sethi, Director, UNFPA, United Nations Population Fund (centre), while Dr Rudolph Stevens, Senior Medical Officer, Victoria Jubilee Hospital looks on. The occasion was the launch of the State of World Population Report 2011—the World at 7 Billion, held on October 31 at the Victoria Jubilee Hospital.



Deputy Director General, PIOJ, Mr Everton McFarlane (centre) converses with Professor Ronald Young (left), Board Chairman, Scientific Research Council (SRC); Pro Vice Chancellor, UWI and Mr Simon Roberts (right), Grace Kennedy Executive; CEO, Hardware & Lumbar Ltd., during the SRC/PIOJ panel discussion, entitled **Innovate or Die**. The event was held at the Wyndham Hotel, on November 29, 2011.



Staff from the PIOJ listen attentively during the launch of a Manual entitled: *Standard Definitions of Vital Statistics and Vital Events & Standards for Calculations of Vital Statistics*. The Manual **which is the first of its kind to be produced within the Caribbean** is intended to contribute to the standardization and harmonization of some of the components of the Jamaican Civil Registration and Vital Statistics System. The event was held at the Jamaica Pegasus Hotel on June 28.



**THE PLANNING INSTITUTE OF JAMAICA**  
**YEAR ENDED DECEMBER 31, 2011**

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## INDEPENDENT AUDITORS' REPORT

To the members of

THE PLANNING INSTITUTE OF JAMAICA

### Report on the financial statements

We have audited the financial statements of The Planning Institute of Jamaica (the Institute), set out on pages 2 to 30, which comprise the statement of financial position as at December 31, 2011, the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

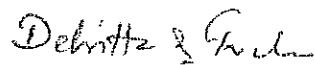
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Report on the financial statements (Cont'd)**

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Institute as at December 31, 2011, and of its financial performance, and cash flows for the year then ended in accordance with International Financial Reporting Standards.

  
Chartered Accountants

Kingston, Jamaica,  
July 17, 2012

## THE PLANNING INSTITUTE OF JAMAICA

## STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2011

	<u>Notes</u>	<u>2011</u> \$'000	<u>2010</u> \$'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property and equipment	6	388,199	414,275
Long-term receivables	7	1,874	2,913
Retirement benefit asset	8	<u>110,384</u>	<u>157,313</u>
		<u>500,457</u>	<u>574,501</u>
<b>Current assets</b>			
Inventories	9	5,413	5,548
Receivables and prepayments	10	29,631	30,086
Cash and bank balances	11	<u>185,775</u>	<u>92,416</u>
		<u>220,819</u>	<u>128,050</u>
<b>Total assets</b>		<u>721,276</u>	<u>702,551</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
Government contribution to equity	12	353	353
Accumulated surplus		<u>168,475</u>	<u>184,755</u>
		<u>168,828</u>	<u>185,108</u>
<b>Non-current liabilities</b>			
Deferred income	13	<u>381,007</u>	<u>393,447</u>
<b>Current liabilities</b>			
Owed to projects	14	92,082	51,126
Payables and accruals	15	<u>79,359</u>	<u>72,870</u>
		<u>171,441</u>	<u>123,996</u>
<b>Total equity and liabilities</b>		<u>721,276</u>	<u>702,551</u>

The Notes on Pages 6 to 30 form an integral part of the Financial Statements.

The financial statements on Pages 2 to 30 were approved and authorised for issue by the Board of Directors on July 17, 2012, and are signed on its behalf by:



Director



Director



**THE PLANNING INSTITUTE OF JAMAICA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>Notes</u>	<u>2011</u> \$'000	<u>2010</u> \$'000
<b>INCOME</b>			
Government subventions	16	390,613	338,530
Interest Income		3,477	3,611
Other income	17	<u>28,316</u>	<u>30,952</u>
		<u>422,406</u>	<u>373,093</u>
<b>EXPENSES</b>			
Staff costs	18	347,544	116,161
Property expenses		43,985	37,693
Consultancy and professional fees		2,830	3,131
Depreciation		30,998	41,174
Other operating expenses		<u>13,329</u>	<u>10,789</u>
		<u>438,686</u>	<u>208,948</u>
<b>NET (DEFICIT) SURPLUS</b>		( <u>16,280</u> )	<u>164,145</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		( <u>16,280</u> )	<u>164,145</u>

The Notes on Pages 6 to 30 form an integral part of the Financial Statements.

**THE PLANNING INSTITUTE OF JAMAICA**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>Note</u>	<u>Capital Grant \$'000</u>	<u>Government Contributions to Equity \$'000</u>	<u>Accumulated Surplus \$'000</u>	<u>Total \$'000</u>
Balance at December 31, 2009 as restated		<u>-</u>	<u>353</u>	<u>20,610</u>	<u>20,963</u>
Surplus for the year		<u>-</u>	<u>-</u>	<u>164,145</u>	<u>164,145</u>
<i>Total comprehensive income for the year</i>		<u>-</u>	<u>-</u>	<u>164,145</u>	<u>164,145</u>
Balance at December 31, 2010		<u>-</u>	<u>353</u>	<u>184,755</u>	<u>185,108</u>
Deficit for the year		<u>-</u>	<u>-</u>	<u>( 16,280)</u>	<u>( 16,280)</u>
<i>Total comprehensive income for the year</i>		<u>-</u>	<u>-</u>	<u>( 16,280)</u>	<u>( 16,280)</u>
Balance at December 31, 2011		<u><u>-</u></u>	<u><u>353</u></u>	<u><u>168,475</u></u>	<u><u>168,828</u></u>

The Notes on Pages 6 to 30 form an integral part of the Financial Statements.

## THE PLANNING INSTITUTE OF JAMAICA

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

	<u>2011</u> \$'000	<u>2010</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (deficit) surplus	( 16,280)	164,145
Adjustments for:		
Gain on disposal of property and equipment	( 107)	( 1,033)
Adjustment to property and equipment	3	-
Deferred income	( 14,230)	( 13,532)
Depreciation of property and equipment	30,998	41,174
Interest income	( 3,477)	( 3,611)
Retirement benefit plan (credit) charge	<u>61,097</u>	<u>(143,654)</u>
Operating cash flows before movement in working capital	58,004	43,489
Decrease in inventories	135	225
Decrease (increase) in receivables and prepayments	355	( 4,829)
Increase in owed to projects	40,956	1,938
Increase (decrease) in payables and accruals	<u>6,489</u>	<u>( 6,174)</u>
Cash provided by operating activities	105,939	34,649
Contributions to retirement benefit plan	<u>( 14,168)</u>	<u>( 13,659)</u>
Net cash provided by operating activities	<u>91,771</u>	<u>20,990</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	3,477	4,660
Acquisition of property and equipment	( 4,925)	( 9,190)
Long-term receivables (net)	1,139	1,708
Proceeds on sale of property and equipment	<u>107</u>	<u>1,033</u>
Cash used in investing activities	<u>( 202)</u>	<u>( 1,789)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital grant received	<u>1,790</u>	<u>8,375</u>
Cash provided by investing activities	<u>1,790</u>	<u>8,375</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	93,359	27,576
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>92,416</u>	<u>64,840</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>185,775</u>	<u>92,416</u>

The Notes on Pages 6 to 30 form an integral part of the Financial Statements.

# THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2011

#### 1 IDENTIFICATION

##### 1.1 General information

The Planning Institute of Jamaica (the Institute) was established as a body corporate under the Planning Institute of Jamaica Act on April 9, 1984. 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 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 co-ordination of planning for 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.

##### 1.3 Reporting currency

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

#### 2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

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

There were no Standards or Interpretations effective in the current year that affected the presentations or disclosures in the financial statements or the reported financial performance or position.

Details of new and revised Standards and Interpretations applied in the financial statements but which had no effect on the amounts reported are set out in Note 2.2.

##### 2.2 *New and revised IFRSs and Interpretations applied with no material effect on the financial statements*

The following new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

		Effective for annual periods beginning on or after
<u>Revised Standards</u>		
IAS 1, 34, IFRS 1 and 7	Amendments arising from May 2010 Annual Improvements to IFRS	January 1, 2011
IAS 24	- Related party disclosures - revised definition of related parties	January 1, 2011
	- Provide a partial exemption from related party disclosure requirements for Government related entities	January 1, 2011



## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2011

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)  
(Cont'd)2.2 *New and revised IFRSs and Interpretations applied with no material effect on the financial statements*

		Effective for annual periods beginning on or after
<u>Revised Standards</u> (Cont'd)		
IAS 32	Classification of rights Issues – Address the classification of certain rights issues denominated in a foreign currency as either equity instruments or financial liabilities	January 1, 2011
IFRS 11	Limited exemption from comparative IFRS 7 disclosures for first-time adopters	July 1, 2010
IFRS 3, IAS 27	Amendments arising from May 2010 Annual Improvements to IFRSs	July 1, 2010
<u>Revised Interpretations</u>		
IFRIC 13	Customer loyalty programme - Amendment arising from May 2010 Annual Improvements to IFRS	January 1, 2011
IFRIC 14: IAS 19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction: November 2009 amendment with respect to voluntary prepaid contributions	January 1, 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010

- IFRS 7 Financial Instruments: Disclosures - The amendment encourages qualitative disclosures in the context of the quantitative disclosure required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. It also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans. The application of the amendments has had no impact on the Institute's financial statements.
- *Improvements to IFRSs* issued in 2010 - the application of *Improvements to IFRSs* issued in 2010 has not had an effect on amounts reported in the financial statements.
- Amendments to IAS 1 *Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)* - The amendments to IAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. The Institute has chosen to continue such an analysis in the notes to the consolidated financial statements, with a single-line presentation of other comprehensive income in the statement of changes in equity.

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)  
(Cont'd)2.3 *New and revised IFRSs and Interpretations in issue but not yet effective*

At the date of authorisation of these financial statements, the following new Standards and Interpretations and amendments to those in issue were not yet effective or early adopted for the financial period being reported upon:

		Effective for annual periods beginning on or after
<u>New Standards</u>		
IFRS 9	Financial Instruments	
	- Classification and Measurement of financial assets	January 1, 2015
	- Accounting for financial liabilities and derecognition	January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint Arrangements	January 1, 2013
IFRS 12	Disclosures of Interest in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurement	January 1, 2013
<u>Revised Standards</u>		
IAS 1	Presentation of Financial Statements	
	- Amendments to revise the way other comprehensive income is presented	July 1, 2012
IAS 12	Income taxes - Limited scope amendment (recovery of underlying assets)	January 1, 2012
IAS 19	Employee Benefits	
	- Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 1, 2013
IAS 27 and IFRS 3	Amendments arising from May 2010 Annual Improvements to IFRS	July 1, 2011
IAS 27	Consolidated and Separate Financial Statements	
	- Reissued as IAS 27 <i>Separate Financial Statements</i>	January 1, 2013
IAS 28	Investments in Associates	
	- Reissued as IAS 28 <i>Investments in Associates and Joint Ventures</i>	January 1, 2013
IAS 32	Financial Instruments: Presentation	
	- Amendments to application guidance on the offsetting of financial assets and financial liabilities	January 1, 2014
IFRS 1	First-time Adoption of International Financial Reporting Standards:	
	- Replacement of "fixed dates" for certain exceptions with the "date of transition to IFRS"	July 1, 2011
	- Additional exception for entities ceasing to suffer from severe hyperinflation	July 1, 2011
	- Amendments for Government loan with a below - market rate of interest when transitioning to IFRSs	January 1, 2013

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)  
(Cont'd)2.3 *New and revised IFRSs and Interpretations in issue but not yet effective (Cont'd)*

		Effective for annual periods <u>beginning on or after</u>
Revised Standards (Cont'd)		
IFRS 7	Financial Instruments: Disclosures	
	- Amendments enhancing disclosures about transfers of financial assets	July 1, 2011
	- Amendments requiring disclosures about the initial application of IFRS 9	(i)
	- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	(ii)
IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34	Amendments resulting from Annual Improvements 2009-2011 cycle: Repeat application, borrowing costs; comparative information; servicing equipment; tax effect of equity distributions; interim reporting of segment assets - respectively	January 1, 2013
<u>New and Revised Interpretations</u>		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

(i) Annual periods beginning on or after January 1, 2015 (or otherwise when IFRS 9 is first applied).

(ii) Annual periods beginning on or after January 1, 2013 and interim periods within those periods.

Except as noted below, the Board of Directors and management anticipate that the adoption of these standards and interpretations in the future periods at their effective dates will not be relevant to the financial statements of the Institute in the periods of initial application.

- IFRS 7 (Revised) *Financial Instruments: Disclosures* (effective for annual periods beginning on or after July 1, 2011). Enhanced Derecognition Disclosure Requirements - The IASB introduced enhanced disclosure requirements to IFRS 7 as part of its comprehensive review of off-balance sheet activities. The amendments are designed to ensure that users of financial statements are able to more readily understand transactions involving the transfer of financial assets (for example, securitisations), including the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Disclosures are not required for comparative periods before the date of initial application of the amendments. On adoption, the amendments are not expected to have an impact on the financial statements.

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)  
(Cont'd)2.3 *New and revised IFRSs and Interpretations in issue but not yet effective (Cont'd)*

- *IFRS 9 Financial Instruments* (effective for annual periods beginning on or after January 1, 2015 with earlier application permitted) issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are as follows:

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through surplus or deficit, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in surplus or deficit. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to surplus or deficit. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through surplus or deficit was presented in surplus or deficit.

The Institute anticipates that on adoption, the standard is not likely to have significant impact on the amounts reported.

- The amendments to IAS 1 retain the option to present surplus or deficit and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to surplus or deficit; and (b) items that will be reclassified subsequently to surplus or deficit when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 will result in the presentation of items of other comprehensive income being modified accordingly when the amendments are applied in the future accounting periods.



## THE PLANNING INSTITUTE OF JAMAICA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

## 2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Cont'd)

### 2.3 *New and revised IFRSs and Interpretations in issue but not yet effective (Cont'd)*

- IAS 19 (Amendment), *Employee Benefits* (effective for annual periods beginning on or after January 1, 2013). The amendments change the accounting for defined benefit plans and termination benefits with the most significant change relating to the accounting for changes in defined benefit obligations and plan assets. These require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the corridor approach permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The net pension asset or liability recognised in the statement of financial position will reflect the full value of the plan deficit or surplus.

The significant changes affecting the Institute are that actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in other comprehensive income. Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss. Remeasurements recognised in other comprehensive income will not be recycled through profit or loss in subsequent periods. The annual income or expense for funded benefit plans will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. This will replace the finance charge and expected return on plan assets. Additional disclosures are required to present the characteristics of the Institute's defined benefit plan, the amounts recognised in the financial statements and the risks arising from the plan.

The amendment to IAS 19 requires retrospective application with certain exceptions. The Institute will adopt the revised standard at latest for the annual period beginning January 1, 2013. An assessment of the impact of the application of the amendment has not yet been performed and is therefore not quantified.

## 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).

## 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 (IFRS) and the Companies Act, 2004 of Jamaica.

### 4.2 *Basis of preparation*

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

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**4.3 *Property and equipment***

All property and equipment held for use in the supply of services, or for administrative purposes, are recorded at historical cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for supply or administrative purposes, or for purposes not yet determined are carried at cost, less any recognised impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Institute's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is charged so as to write off the cost of property and equipment (other than freehold land and properties and is under construction) 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 end, with the effect of any changes in estimate accounted for on a prospective basis.

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.

**4.4 *Impairment of tangible assets***

At the end of each reporting year, the Institute reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in surplus or deficit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in surplus or deficit immediately.

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**4.5 *Inventories***

Inventory of publications held for sale is stated at the lower of cost or net realisable value. Publication in progress is stated at cost.

**4.6 *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, as appropriate, on initial recognition.

The Institute recognises financial assets or financial liabilities only when the Institute becomes a party to the contractual provisions of the instruments.

**4.7 *Financial assets***

Financial assets of the Institute are classified into the following specified category: "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All purchases or sales of financial assets are recognised and derecognised on a trade date basis.

**4.7.1 Loans and receivables**

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, cash and cash equivalents which are short-term in nature and long-term receivable) are measured at amortised cost using the effective interest method less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**4.7.2 Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for the debt instruments.

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**4.7 Financial assets (Cont'd)**

**4.7.3 Impairment of financial assets**

Financial assets are assessed for indication of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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 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.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the surplus or deficit. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**4.7 *Financial assets (Cont'd)***

**4.7.4 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.

**4.8 *Financial liabilities and equity instruments issued by the Institute***

**4.8.1 Classification as debt or equity**

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

**4.8.2 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. Equity instruments issued by the Institute are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Institute's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Institute's own equity instruments.

**4.8.3 Financial liabilities**

**4.8.3.1 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 method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.



**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**4.8 *Financial liabilities and equity instruments issued by the Institute (Cont'd)***

**4.8.3 Financial liabilities (Cont'd)**

**4.8.3.2 *Derecognition of financial liabilities***

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

**4.9 *Employee benefit costs***

**Pension obligations**

The Institute operates a defined benefit pension plan. The cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at the end of each reporting year. Actuarial gains and losses that exceed 10% of the greater of the present value of the Institute's defined benefit obligation and the fair value of plan assets at the end of the prior year are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The post employment benefit asset recognised in the statement of financial position represents the fair value of the plan assets, as adjusted for recognised actuarial gains and losses and recognised past service costs, and as reduced by the present value of the defined benefit obligation. Any asset resulting from this calculation is limited to the recognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

**4.10 *Related party transactions and balances***

A party is related to the Institute if:

- (i) directly, or indirectly through one or more intermediaries, the party:
  - controls, is controlled by, or is under common control with, the Institute (this includes parent, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the Institute; or
  - has joint control over the Institute;
- (ii) the party is an associate of the Institute;
- (iii) the party is a joint venture in which the Institute is a venturer;
- (iv) the party is a member of the key management personnel of the Institute;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Institute, or of any entity that is a related party of the Institute.

Related party transactions and balances are recognised and disclosed in the financial statements.

Transactions with related parties are recorded in accordance with the normal policies of the Institute at transaction dates.

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**4.11 *Deferred income***

The company income includes deferred income.

As a government-owned entity amounts received as special grants for the acquisition of property and equipment are recognised in the statement of financial position at an amount equivalent to the cost of acquisition. An amount equal to the annual depreciation charge on these assets is transferred from the capital grants to accumulated surplus or deficit to systematically recognise the benefit of the grant over the useful lives of the assets acquired.

**4.12 *Revenue recognition***

**4.12.1 *Government grants***

Revenue from government grants are recognised when there is reasonable assurance that the grant will be received.

**4.12.2 *Rental income***

The Institute's policy for recognition of revenue from operating leases is described in Note 4.14.1 below.

**4.12.3 *Interest income***

Interest income from a financial asset 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.

**4.12.4 *Maintenance fees***

Property maintenance fees are charged to tenants and accrued monthly by reference to annual contract period.

**4.13 *Leasing***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**4.13.1 The Institute as lessor**

Rental income from operating leases is recognised on a straight-line basis over the terms 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.

## THE PLANNING INSTITUTE OF JAMAICA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

#### 4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 4.14 *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**

The Directors, believe that, there are no judgments made that had a significant effect on the amounts recognised in the financial statements.

##### 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 assets and liabilities 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 \$110.384 million (2010: \$157.133 million) in respect of the defined benefits plan is subject to estimates in respect of periodic costs which 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 which 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 were considered.

The effect of experience adjustments on the Plan assets and liabilities are disclosed in Note 8.

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2011

## 6 PROPERTY AND EQUIPMENT

	Freehold <u>Building</u> \$'000	Leasehold <u>Improvements</u> \$'000	Furniture, Fixtures <u>and Equipment</u> \$'000	Motor <u>Vehicles</u> \$'000	<u>TOTAL</u> \$'000
<b>Cost</b>					
January 1, 2010	408,087	10,448	145,871	8,796	573,202
Additions (government subventions)	-	-	815	-	815
Additions (capital grants)	2,759	-	5,616	-	8,375
Disposal	-	-	-	(2,655)	( 2,655)
December 31, 2010	410,846	10,448	152,302	6,141	579,737
Additions (government subventions)	-	-	3,135	-	3,135
Additions (capital grants)	-	-	1,790	-	1,790
Adjustment	-	( 23)	-	-	( 23)
Disposal	-	-	( 155)	-	( 155)
December 31, 2011	<u>410,846</u>	<u>10,425</u>	<u>157,072</u>	<u>6,141</u>	<u>584,484</u>
<b>Depreciation</b>					
January 1, 2010	31,707	9,549	78,135	7,552	126,943
Charge for year	10,214	347	30,017	596	41,174
Disposal	-	-	-	(2,655)	( 2,655)
December 31, 2010	41,921	9,896	108,152	5,493	165,462
Charge for year	10,271	346	19,784	597	30,998
Adjustment	-	( 20)	-	-	( 20)
Disposal	-	-	( 155)	-	( 155)
December 31, 2011	<u>52,192</u>	<u>10,222</u>	<u>127,781</u>	<u>6,090</u>	<u>196,285</u>
<b>Carrying Amount</b>					
December 31, 2011	<u>358,654</u>	<u>203</u>	<u>29,291</u>	<u>51</u>	<u>388,199</u>
December 31, 2010	<u>368,925</u>	<u>552</u>	<u>44,150</u>	<u>648</u>	<u>414,275</u>

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)	-	5 - 10 years
Motor vehicles	-	3 years

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**7 LONG-TERM RECEIVABLES**

(a) These include:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Staff loans receivable (see (b) below)	4,212	5,351
Less: current portion of staff loans receivable (Note 10)	<u>(2,338)</u>	<u>(2,438)</u>
	<u>1,874</u>	<u>2,913</u>

(b) 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 installments. Interest on these loans range from 8% to 15% per annum.

**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 1.67% of annualised salary at exit, times the pensionable years of service.

The most recent actuarial valuation was carried out at December 31, 2011 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.

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

	<u>2011</u>	<u>2010</u>
Gross discount rate	10%	11%
Expected return on assets	7%	9%
Expected rate of salary increases	6%	8%
Future pension increases	4%	3.5%
Inflation	5%	7%



## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

## 8 RETIREMENT BENEFIT ASSET (Cont'd)

- 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:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Present value of defined benefits obligations	(418,856)	(417,208)
Fair value of plan assets	<u>695,164</u>	<u>574,521</u>
	276,308	157,313
Past service cost not yet recognised	-	248
Unrecognised actuarial gains/(losses)	( 19,456)	93,797
Assets not recognised due to limitation in paragraph 58 of IAS 19	<u>(146,468)</u>	<u>( 94,045)</u>
Net asset in the statement of financial position	<u>110,384</u>	<u>157,313</u>

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

	<u>2011</u> \$'000	<u>2010</u> \$'000
Current service cost	17,582	6,513
Interest costs	40,578	29,371
Expected return on plan assets	( 51,647)	( 52,418)
Recognised (gains)/loss	1,913	( 1,159)
Recognised past service cost	248	249
Increase in unrecognised asset	<u>52,423</u>	<u>(126,210)</u>
Total included in employee benefit costs (Note 18)	<u>61,097</u>	<u>(143,654)</u>
Actual return on plan assets	<u>(101,466)</u>	<u>( 74,195)</u>

- 8.4 Movements in the net assets in the current period were as follows:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Opening balance	157,313	-
Amounts charged (credited) to income	( 61,097)	143,654
Contributions paid	<u>14,168</u>	<u>13,659</u>
Closing balance	<u>110,384</u>	<u>157,313</u>

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

## 8 RETIREMENT BENEFIT ASSET (Cont'd)

- 8.5 Changes in the present value of the defined benefit obligation were as follows:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Opening defined benefit obligations	417,208	196,421
Service cost	17,582	6,513
Interest cost	40,578	29,371
Members' contributions	7,888	7,610
Value of annuities purchased	29,497	-
Benefits paid	( 23,417)	( 1,271)
Actuarial losses /gain	( 70,480)	178,564
Closing defined benefit obligations	<u>418,856</u>	<u>417,208</u>

- 8.6 Changes in fair value of plan assets are as follows:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Opening fair value of plan assets	574,521	489,469
Members' contributions	7,888	7,610
Employer's contributions	14,168	13,659
Value of annuities purchased	29,497	-
Expected return on plan assets	51,647	52,418
Benefits paid	( 23,417)	( 1,271)
Actuarial gain	<u>40,860</u>	<u>12,636</u>
Closing fair value of plan assets	<u>695,164</u>	<u>574,521</u>

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

	<u>2011</u> \$'000	<u>2010</u> \$'000
Equity fund	234,435	183,418
Fixed income fund	181,178	184,486
Foreign exchange fund	94,055	87,001
Mortgage and real estate fund	96,438	83,145
Money Market fund	23,286	21,700
Other	<u>65,772</u>	<u>14,771</u>
Fair value of plan assets	<u>695,164</u>	<u>574,521</u>
Expected rate of return	<u>7%</u>	<u>9%</u>

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**8 RETIREMENT BENEFIT ASSET (Cont'd)**

8.7 (Cont'd)

The overall expected rate of return of 7% (2010: 9%) on plan assets was based on market expectation of inflation of 5% (2010: 7%) plus a margin for real returns 2% (2010: 2%) on a balanced portfolio of equities, bonds and property.

The history of experience adjustments is as follows:

	<u>2011</u> \$'000	<u>2010</u> \$'000	<u>2009</u> \$'000	<u>2008</u> \$'000	<u>2007</u> \$'000
Present value of defined benefit obligation	(418,856)	(417,208)	(196,421)	(238,248)	(183,238)
Fair value of plan assets	<u>695,164</u>	<u>574,521</u>	<u>489,469</u>	<u>412,214</u>	<u>418,953</u>
Fund surplus	276,308	157,313	293,048	173,966	235,715
Experience adjustments on plan liabilities	( 70,480)	178,564	85,622	13,515	13,742
Experience adjustments on plan assets	( 40,860)	( 12,636)	( 8,778)	78,778	( 6,167)

The Institute expects to make a contribution of \$21.6 million (2010: \$22.1 million) to the defined benefit plan during the next financial year.

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.

**9 INVENTORIES**

These include:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Publications held for sale	<u>5,413</u>	<u>5,548</u>

The cost of inventories recognised as an expense during the year was \$1.610 million (2010: \$0.836 million).

**10 RECEIVABLES AND PREPAYMENTS**

10.1 These include:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Maintenance fees	5,440	4,399
Trade receivable (sale of publications)	198	195
Prepayments and deposits	3,365	9,448
Other receivables	<u>20,628</u>	<u>16,044</u>
	<u>29,631</u>	<u>30,086</u>

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**10 ACCOUNTS RECEIVABLE (Cont'd)**

**10.1 (Cont'd)**

The average credit period granted on sale of publications is 30 days. No interest is charged on outstanding balances.

Trade debtors are past due at the reporting date. However, the Institute considers these amounts are recoverable based on the credit quality of the amounts outstanding. The Institute does not hold any collateral over these balances. The average age of these receivables is 90 days (2010: 90 days).

**10.2 Other receivables include:**

	<u>2011</u>	<u>2010</u>
	\$'000	\$'000
Subvention receivable	5,971	-
Receivable from Government Ministries	4,621	4,621
Reimbursable expense - utility	-	510
Interest receivable	93	143
Advances to staff	5,001	4,509
Withholding tax recoverable	1,397	1,397
Current portion of long-term receivables (Note 7)	2,338	2,438
Other	<u>1,207</u>	<u>2,426</u>
	<u>20,628</u>	<u>16,044</u>

The Institute considers that all amounts classified as other receivables are recoverable and there are no past due balances included in the carrying amounts reflected above.

**11 CASH AND BANK BALANCES**

**11.1 Cash and bank balances comprise the following:**

	<u>2011</u>	<u>2010</u>
	\$'000	\$'000
Funds held for administration and resource management	85,246	69,278
Funds held for special projects	91,145	14,996
Building maintenance fund	<u>9,384</u>	<u>8,142</u>
	<u>185,775</u>	<u>92,416</u>

**11.2** Bank deposits include interest bearing accounts totalling \$174.9 million (2010: \$78.8 million), including a foreign currency deposit amounting to \$1.4 million (US\$17,472) (2010: \$5.2 million (US\$63,858)). Interest on local currency deposits are at rates ranging between 1.5% and 6.25% (2010: 1% to 6.5%) and foreign currency deposit at a rate of 1% (2010: 2.7%).

**11.3** Funds being held in bank accounts in the name of the Institute but which are not accounted for in these financial statements (see Note 3) amounted to approximately \$302.1 million at December 31, 2011 (2010: \$134.0 million). The funds held in these bank accounts include funds received from overseas agencies for special projects.

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**12 GOVERNMENT CONTRIBUTION TO EQUITY**

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

**13 DEFERRED INCOME**

This represents value of property and equipment (net of depreciation) acquired from special grants received for such purposes (see also Note 4.13).

	<u>2011</u> \$'000	<u>2010</u> \$'000
Balance at beginning of year	393,447	398,604
Grants received	1,790	8,375
Transferred to income (see Note 17)	( 14,230)	( 13,532)
Balance at end of year	<u>381,007</u>	<u>393,447</u>

**14 OWED TO PROJECTS**

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

The balance represents funds received by the Institute on behalf of certain special projects but not disbursed at the year-end. The balances are shown net of advances made by the Institute, which are refundable by these special projects.

**15 PAYABLES AND ACCRUALS**

	<u>2011</u> \$'000	<u>2010</u> \$'000
Reimbursable maintenance	-	852
Rent payable	1,558	1,558
Short-term employee benefits	43,401	40,399
Government of Jamaica/ European Union Credit Scheme	6,462	6,462
Accruals and other payables	<u>27,938</u>	<u>23,599</u>
	<u>79,359</u>	<u>72,870</u>

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

**16 GOVERNMENT SUBVENTIONS**

Government subventions include recurrent amounts received from the Office of the Prime Minister and the Ministry of Finance and Planning.



## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

## 17 OTHER INCOME

	<u>2011</u> \$'000	<u>2010</u> \$'000
Rental income	9,371	8,225
Building management fees	2,402	2,076
Net profit/loss on sale of publications	264	727
Contributions - Special projects	239	608
Deferred income (see Note 13)	14,230	13,532
Other	<u>1,810</u>	<u>5,784</u>
	<u>28,316</u>	<u>30,952</u>

## 18 STAFF COSTS

	<u>2011</u> \$'000	<u>2010</u> \$'000
Salaries and allowances	259,275	239,898
Statutory contributions	9,809	8,449
Retirement benefit plan charge (Note 8.3)	61,097	(143,654)
Accrued vacation benefits	5,685	178
Other staff cost	<u>11,678</u>	<u>11,290</u>
	<u>347,544</u>	<u>116,161</u>

## 19 RELATED PARTY TRANSACTIONS AND BALANCES

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

	<u>2011</u> \$'000	<u>2010</u> \$'000
Salaries and allowances including statutory contributions	<u>43,323</u>	<u>38,278</u>

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

- 19.2 Loans to related parties

	<u>2011</u> \$'000	<u>2010</u> \$'000
Loans to key management personnel	<u>-</u>	<u>1,424</u>

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**20 COMMITMENTS**

Capital commitments

	<u>2011</u>	<u>2010</u>
	<u>\$'000</u>	<u>\$'000</u>
For acquisition of equipment	8,920	1,800
Building improvements	<u>4,137</u>	<u>8,900</u>
	<u>13,057</u>	<u>10,700</u>

**21 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT**

**21.1 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 unchanged from 2009.

The capital structure of the Institute consists of cash and cash equivalents and equity attributable to the Government of Jamaica.

**21.2 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 3 to the financial statements.

**21.3 Categories of financial instruments**

	<u>2011</u>	<u>2010</u>
	<u>\$'000</u>	<u>\$'000</u>
Financial assets		
Loans and receivables (including cash and bank balances)	<u>213,562</u>	<u>114,571</u>
Financial liabilities		
Other liabilities	<u>104,098</u>	<u>59,998</u>

**21.4 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 continuing 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.

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

## 21 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## 21.5 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 and accounts receivable. The credit risk on cash and bank balances is limited as the Institute minimises this risk by seeking to limit its obligations to substantial financial institutions. In respect of accounts receivable the risk is minimised by providing credit facilities to credit worthy parties.

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.

## 21.6 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 assets and financial liabilities.

	2011			
	Weighted Average Effective Rate %	Less than 1 Month \$'000	1 to 12 Months \$'000	Over 12 Months \$'000
<b>Financial assets</b>				<b>Total \$'000</b>
Long-term receivables	8.5	-	-	2,033
Accounts receivable	-	23,573	2,536	-
Cash and bank deposits	2	<u>186,084</u>	<u>-</u>	<u>-</u>
		<u>209,657</u>	<u>2,536</u>	<u>2,033</u>
<b>Financial liabilities</b>				
Accounts payable	-	12,016	-	-
Owed to projects	-	<u>-</u>	<u>92,082</u>	<u>-</u>
		<u>12,016</u>	<u>92,082</u>	<u>-</u>
				<u>104,098</u>

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

## 21 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## 21.6 Liquidity risk management (Cont'd)

	2010				
	Weighted Average Effective Rate	Less than 1 Month	1 to 12 Months	Over 12 Months	Total
	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Long-term receivables	8.5	-	2,645	3,160	5,805
Accounts receivable	-	19,242	-	-	19,242
Cash and bank deposits	4	<u>92,724</u>	<u>-</u>	<u>-</u>	<u>92,724</u>
		<u>111,966</u>	<u>2,645</u>	<u>3,160</u>	<u>117,771</u>
<b>Financial liabilities</b>					
Accounts payable	-	8,872	-	-	8,872
Owed to projects	-	<u>-</u>	<u>51,126</u>	<u>-</u>	<u>51,126</u>
		<u>8,872</u>	<u>51,126</u>	<u>-</u>	<u>59,998</u>

## 21.7 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 21.8 and 21.9).

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

## 21.8 Foreign currency risk management

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

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

	<u>2011</u> \$'000	<u>2010</u> \$'000
Cash and bank deposits - United States dollars	<u>1,479</u>	<u>5,373</u>

## 21.8.1 Foreign currency sensitivity analysis

The Institute's deposits are exposed to the United States dollar. The Institute's sensitivity to a 1% (2010: 5%) increase or decrease in the Jamaican dollar against the United States dollar is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate in the short-term.

The sensitivity to a 1% (2010: 5%) increase or decrease in the Jamaican dollar against the United States dollar exposure would be an increase or decrease of net surplus by J\$0.015 million (2010: increase or decrease of net surplus J\$0.27 million).

The foreign currency sensitivity has reduced due to the decrease in deposits held in foreign currency.

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

## 21 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

21.9 *Interest rate risk management*

The Institute's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note (Note 21.6).

*Interest rate sensitivity analysis*

Interest rate sensitivity have been determined based on the exposure to interest rates for the Institute's bank deposits at the end of the reporting year as these are substantially the interest sensitive instrument impacting financial results. For floating rate deposits, the analysis assumes the amount of asset outstanding at year end was outstanding for the whole year. An increase/decrease of 0.5% represents management's assessment of the reasonable possible change in interest rates in the short-term. In 2010 the assumption was a 1% increase or decrease.

If market interest rates had been 0.5% higher or lower (2010: 1%) and all other variables were held constant:

	<u>2011</u> \$'000	<u>2010</u> \$'000
Effect on net surplus increase/decrease of 0.5%	875	-
Effect on net surplus increase/decrease of 1% in interest rates	-	788

The Institute's sensitivity to interest rates has increased during the current year as the Institute had an increase in the number of interest sensitive bank deposits.

21.10 *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. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available for some of the financial assets and liabilities of the group, the fair values in the financial statements have been presented using various estimation techniques based on market conditions existing at the end of the reporting year. Generally, judgement is necessarily required in interpreting market data to develop estimates of fair value. 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:

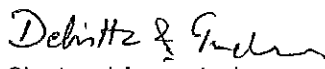
- (i) The carrying amount of cash and bank balances, receivables and payables that mature within one year are assumed to approximate their fair value.
- (ii) The fair values of long-term receivables have not been estimated as these are special loans to employees.



ADDITIONAL INFORMATION

**REPORT TO THE DIRECTORS OF  
THE PLANNING INSTITUTE OF JAMAICA  
ON  
ADDITIONAL INFORMATION**

Our examination of the financial statements of the Institute for the year ended December 31, 2011 was intended primarily for the purpose of formulating an opinion on those financial statements taken as a whole. The additional information presented in page 2 has been taken primarily from accounting and other records of the Institute and is not necessary to give a true and fair view of the financial position of the Institute at December 31, 2011 or of its financial performance and cash flows for the year then ended. Such information has not been subjected to sufficient tests and other auditing procedures to enable us to express an opinion as to the fairness of all the details included therein and accordingly we do not express an opinion on the additional information.

  
Chartered Accountants

Kingston, Jamaica,  
July 17, 2012

## THE PLANNING INSTITUTE OF JAMAICA

## OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 2011

	<u>2011</u> \$'000	<u>2010</u> \$'000
Staff costs		
Salaries and allowances	220,959	201,588
Retirement benefits plan charge	61,097	(143,654)
Travelling and motor vehicle upkeep	38,316	38,310
Statutory contributions	9,809	8,449
Staff welfare and subsistence	11,678	11,290
Accrued vacation	<u>5,685</u>	<u>178</u>
	<u>347,544</u>	<u>116,161</u>
Property expenses		
Parking	1,211	1,218
Security	7,343	6,708
Utilities	19,082	16,801
Landscaping	424	332
Cleaning and maintenance	4,556	3,923
Insurance	4,582	4,350
Repairs and maintenance	6,677	4,251
Property tax	<u>110</u>	<u>110</u>
	<u>43,985</u>	<u>37,693</u>
Consultancy and other professional fees	<u>2,830</u>	<u>3,131</u>
Depreciation of property and equipment	<u>30,998</u>	<u>41,174</u>
Operating expenses		
Foreign travel	828	522
Entertainment	220	186
Motor vehicle expenses	1,715	1,589
Computer and supplies	4,117	2,014
Postage	166	144
Stationery and office supplies	2,288	3,220
Advertising, special events and publications	831	465
Other general expenses	<u>3,164</u>	<u>2,649</u>
	<u>13,329</u>	<u>10,789</u>
	<u>438,686</u>	<u>208,948</u>