



PLANNING
INSTITUTE
OF
JAMAICA

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Mission Statement

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.

DIRECTOR GENERAL'S STATEMENT



Dr. Wesley Hughes - Director General

The year 2008 was very busy and productive for the Planning Institute of Jamaica (PIOJ). The Institute took on many additional tasks covering policy advice, information and research for the Government of Jamaica (GOJ), as well as data and information for the private sector and other stakeholders. This was achieved through its mandate of providing credible and timely policy and planning advice on social, economic and environmental issues and external cooperation management. These activities took place during a very challenging year which started with the fuel and food crisis and ended with the global financial crisis. The PIOJ, as usual, grappled with short-term national crisis management but also looked for long-term solutions within the rubric of *Vision 2030 Jamaica-National Development Plan*. These efforts emphasized collaboration among key stakeholders: Departments and Agencies of the GOJ; International Development Partners (IDPs); the private sector; and civil society.

FOCUS

The PIOJ operated with a number of clear priorities for 2008. These included: relocating to the PIOJ Building; presenting the Draft National Development Plan and the Medium Term Socio-Economic Framework (MTF) 2009-2012 to the Cabinet for approval; better aligning of official development assistance (ODA) with the strategic imperatives of the GOJ; and strengthening the Institute's capacity for modelling and forecasting as a way of improving evidence-based policy making.

MILESTONES/ACHIEVEMENTS

There were quite a number of achievements in 2008. On April 21, the PIOJ moved to its new home located at 16 Oxford Road. On June 4, there was the twin celebration—the launch of the *Economic and Social Survey Jamaica (ESSJ)* 50th Anniversary Publication and the Official Opening of the PIOJ Building by Prime Minister, the Honourable Bruce Golding.

On November 17, the Draft Vision 2030 Jamaica-National Development Plan and the MTF 2009-2012 were approved by Cabinet for public dissemination and discussion. This document was the culmination of numerous island-wide consultations with a wide cross section of stakeholders. There were 10 public consultations across the country, beginning in Montego Bay, St. James and ending in Morant Bay, St. Thomas.

On November 25, the Annual Dialogue for Development Lecture was held at the Jamaica Pegasus. It also served as the Opening Ceremony for the *Jamaica Survey of Living Conditions (JSLC)* 20th Anniversary Conference. The Lecture entitled 'The Conversation Between Statistics and Social Policy: When We Listen, When We Don't' was delivered by Professor Patricia Anderson. The Lecture captured the theme of the Conference, 'Framing Social Development Policy Through Research'.

The construction of 20-year indices of social well-being for health, education, housing, consumption, demography and welfare, as well as an overall index, using time series data from the *JSLC*, was also presented at the Conference. This was presented by Dr Michael Witter in a report entitled 'the Changes in the Socioeconomic Conditions of Jamaican



PIOJ's new office located at 16 Oxford Road.

Households over the Years, 1989-2006'.

During the course of the year, the PIOJ was integral in securing approximately US\$1.6 billion (J\$116.7 billion) in external aid and flow into Jamaica. These funds were secured in keeping with the GOJ's policy decision of achieving more effective donor coordination, greater engagement with the multilateral financing institutions (MFIs), and access to the most concessional terms available to the GOJ.

The Institutional Strengthening of the Planning Institute of Jamaica continued during the year. This two-year project, funded by the Canadian International Development Agency (CIDA), aims to strengthen the PIOJ's capacity for long-term sustainable development planning, policy formulation and monitoring.

The alignment of GOJ's imperatives with ODA is evidenced by the priority projects/ programmes of the draft Medium Term Socio-Economic Framework (MTF) 2009-2012.

The PIOJ has contributed to a number of policy bodies throughout the course of the year. In collaboration with the Ministry of Finance & the Public Service and the Bank of Jamaica, the PIOJ has been preparing weekly briefs for monitoring and responding to the impact of the global financial and economic crisis on the Jamaican economy. The PIOJ participated in the Statistical Institute of Jamaica's (STATIN) review of the Jamaica System of National Accounts (SNA) which resulted in the rebasing of the constant price estimates from 1996 to 2003. There was also collaboration on the development of the Tourism Satellite account, which will allow a more comprehensive measurement of total economic activity in the country.

The Institute coordinated the process of assessment and

preparation of the Macro-Socioeconomic and Environmental Impact of Tropical Storm Gustav (August 29, 2008) on Jamaica. A report was submitted to the Cabinet, Parliament and our IDPs and was critical to the preparation of projects for rehabilitation as well as reconstruction.

A critical initiative during 2008, which emanated from *Vision 2030 Jamaica-National Development Plan* and which has far-reaching significance for the country, was the project proposal for funding to prepare the National Spatial Plan which will provide the spatial framework for guiding the location and regulation of planned developments. It will be a collaborative endeavour with the National Environmental and Planning Agency (NEPA), the Cabinet Office and the Office of the Prime Minister (OPM) which are integrally involved in its implementation.

The PIOJ played a critical role in the successful finalization and launch of the Social Protection Programme (SPP), effective October 2008, supported by a US\$40 million loan from the World Bank. As of December 2008, the SPP funds a scheme of differentiated benefits to the education beneficiaries of PATH in order to promote school attendance and retention.

Under the pilot of the Steps-to-Work Programme initiated by the PIOJ, the Government launched a two-year pilot project to provide working age persons in poor households that are currently on PATH, with training and skills to improve their capacity to seek and retain employment.

The JamStats Project updated its database to 2008 and launched this as well as the project's own official website.

In keeping with our aim to contain property management costs and improve the earning capacity of the PIOJ, a Facili-

ties Management Unit was established. An Energy & Resource Management Committee was also established, after an Energy Audit, to improve energy efficiency as well as reduce expenditure on electricity, water, paper, fuel for fleet vehicles and communication (telephones).

In addition to our annual publications, the *ESSJ* and the *JSLC*, the research publication ***Issues of Critical Social Concern: Some Investigations***, which emanated from the *Poverty Monitoring and Social Policy Analysis Programme* (PMSPS), was published. This publication coincided with the launch of the national poverty maps-both consumption-based and unmet basic needs, using the *JSLC 2002* and the National Census 2001 as their sources of data.

LOOKING AHEAD

The year ahead will be a challenging one as we adapt to the changed global and domestic, financial and economic environment in which we have to operate. There will be increasing demands on the Institute even as we grapple with reduced

budgetary allocations. There will be a review of the Institute's organizational structure and operations to ensure efficient assignment of staff.

In 2009, the PIOJ will continue to work to improve the delivery of its core mandate, which is to provide credible and timely policy and planning advice on social, economic and environmental issues and to manage external cooperation effectively. The Final Vision 2030 Jamaica-National Development Plan is also expected to be tabled by the end of April 2009.



Wesley Hughes
Director General
Planning Institute of Jamaica

DIRECTOR GENERAL'S SECRETARIAT

The Director General's Secretariat (DGS) focuses on the core functions of policy and planning advice, external cooperation management, external marketing and general management. These functions represent the Planning Institute of Jamaica's (PIOJ) priority areas which are:

- providing policy and planning advice to the Government of Jamaica (GOJ), which the Director General satisfies in his capacity as Chief Economic Advisor to the GOJ;
- negotiating with Jamaica's international development partners (IDPs), which represents the PIOJ's role as national authorizing agency for the GOJ;
- articulating and communicating the strategic priorities of the GOJ to the IDPs so that there is alignment with official development assistance (ODA) and the effective and efficient use of these resources;
- interfacing with other local development partners such as civil society; and
- keeping the public informed of current and emerging local issues as well as abreast of global issues which

have implications for the attainment of national development goals through active engagement with the Jamaican media and other stakeholders.

The administrative and technical staff of the DGS support the Director General to ensure that information or policy advice is disseminated in a timely, cost effective and efficient manner to the GOJ and IDPs. The DGS emphasizes evidenced-based policy and seeks to proactively advise the GOJ.

LEADERSHIP AND OVERSIGHT

Since November 2005, the PIOJ has been occupied with the arduous and consuming task of preparing a long-term development plan, *Vision 2030 Jamaica-National Development Plan* to provide the road map for Jamaica to achieve developed country status by 2030. This plan is consistent with the PIOJ's history of preparing five- and ten-year development plans for the country. The aim of *Vision 2030 Jamaica-National Development Plan* is to make Jamaica *the place of choice to live, work, raise families and do business*.



Dr Wesley Hughes (right), Director General, PIOJ, warmly welcomes His Excellency Chen Jinghua, Ambassador of China, to the 2008 Dialogue for Development Lecture, held at the Jamaica Pegasus Hotel, November 25, 2008.

The Plan Development Unit (PDU) which is located in the Director General's Secretariat has been charged with the responsibility of preparing the Plan, engendering buy-in through widespread consultations and input from stakeholders; and for the implementation of the Plan. With this mandate, the PIOJ has, throughout the course of the year worked steadfastly to get the Draft Plan approved by both Cabinet and the House of Parliament.

In November 2008, the Cabinet and Parliament approved the Draft National Development Plan and the Medium Term Socio-Economic Framework (MTF) 2009–2012. This was achieved through the highly professional support provided by the Plan Development Unit (PDU.)

The Director General was also invited to Qatar to present Jamaica's experience with *Vision 2030 Jamaica - National Development Plan* as well as indicate the implications of the Plan for Qatar's own development planning goals.

POLICY AND PLANNING ADVICE

Throughout the course of the year, four Quarterly Press Briefings were held. These Quarterly Press Briefings served a dual role of providing policy advice to the Government while informing the general public, especially the business community, on the performance of the economy during the quarter and short-term projections.

The Director General provided both daily and weekly advice on the economy as well as more targeted sectoral analyses. This was achieved, earlier in the year, through weekly Post-Cabinet Press Briefings, and later on through the Financial Crisis Monitoring Committee. The Director General was also involved in the initial discussions to forge a new Social Partnership.

EXTERNAL COOPERATION MANAGEMENT

The Director General, in his capacity as Alternate Governor, represented the Government at a number of meetings throughout the year. These included but are not limited to the: Commonwealth Finance Ministers meeting; IMF–World Bank meetings; Inter-American Development Bank meetings; Caribbean Development Bank's Annual Retreat; and the IDP Annual Retreat, which seeks to ensure coherence in the plans of the IDPs vis-à-vis the strategic priorities of the GOJ.

The Director General, towards the latter part of the year, advocated for a concerted debt reduction strategy from our IDPs, especially within the context of the global financial crisis. Emphasis was placed on the relationship between high debt to GDP ratios and the crowding out of investment in the

productive sectors which drive growth and development. The Director General also provided oversight to strategy papers, etc. which sought to articulate the GOJ's position to ensure that the language of such documents reflected the understanding and intent of the GOJ.

EXTERNAL MARKETING

Much of the Director General's external marketing activities throughout the year concentrated on the promulgation of the National Development Plan in terms of providing visibility; encouraging feedback; and sensitizing as wide a cross section of the public as possible of the Plan, its vision and its aims. The Director General led 10 consultations and also participated in interviews with various media houses.

The annual Dialogue for Development Lecture held in November was the opening ceremony for the *JSLC* 20th Anniversary Conference and was delivered by Professor Pat Anderson and her co-author Mr Colin Williams. The title was '**The Conversation Between Statistics and Social Policy: When We Listen, When We Don't.**' The Lecture explored the nexus between evidence and policymaking; analysing the instances of almost seamless coordination and those instances of discord (or a lack of conversation) between evidence and policy.

GENERAL MANAGEMENT

The Director General provided continuous leadership to the Board of Directors of the PIOJ and the Committee of Management. The Director General sought to interface more with staff in 2008. This was done at a number of levels: upper management through the Annual Strategic Management Retreat which established the priorities of the PIOJ for 2009 and aimed to ensure coherence among the Annual Operational Plan, Corporate Plans, the Annual Budget and Individual Work Plans; meetings with the Managers and Directors of the Technical Divisions during the fourth quarter of the calendar year; and quarterly staff meetings.

On April 20, 2008, the Director General saw his vision of the PIOJ having its own home realized as the PIOJ moved to the PIOJ building at 16 Oxford Road. On June 4, 2008, there was an official Open House and launch of the *Economic and Social Survey Jamaica (ESSJ)* 50th Anniversary publication. The Director General welcomed the Minister with portfolio responsibility for the PIOJ, Prime Minister, The Honourable Bruce Golding.

REFLECTIONS ON 2008

The Director General's Secretariat managed a tremendous volume of work during 2008 due to the high level of collaboration within the Institute.

PLAN DEVELOPMENT UNIT

Vision 2030 Jamaica, National Development Plan

The Plan Development Unit (PDU) in 2008 prepared the final draft of *Vision 2030 Jamaica-National Development Plan* and the draft *Medium Term Socio-Economic Policy Framework (MTF) 2009–2012*, which were approved by Cabinet on November 17, 2008. This was followed by the tabling of the corresponding Ministry Paper in Parliament on November 18, 2008.

This milestone in the Plan formulation process followed a series of island-wide presentations and consultations on the draft Plan, and reviews and amendments to the document.

Vision 2030 Jamaica integrates the economy, society and environment, underpinned by governance considerations, into a common planning frame and is constructed around a National Vision, “*Jamaica, the place of choice to live, work, raise families and do business*”. Attainment of the Vision relies on the achievement of the following four National Goals:

- Jamaicans are empowered to achieve their fullest potential
- The Jamaican society is secure, cohesive and just
- Jamaica’s economy is prosperous
- Jamaica has a healthy natural environment

These Goals are mutually reinforcing and synergistic in design, and their achievement cannot be realized in isolation from each other. Flowing from these goals are 15 National Outcomes which are each aligned to a range of National Strategies with indicators and targets for the short, medium and long-term. Key actions for the first three years are also included.

ACHIEVEMENTS

1. Plan Integration Process

PDU engaged in a process to identify National Goals and National Outcomes based on the Results-Based Management (RBM) methodology to facilitate the integration of the 31 sector plans into the National Development Plan. Criteria were established to facilitate the logical step of integrating the sector plans through the National Outcomes to the four National Goals.

Meetings were held with key stakeholders from the Cabinet Office, Ministry of Finance & the Public Service, and the Office of the Prime Minister towards defining the monitoring and evaluation framework for Vision

2030 Jamaica and the proposed institutional arrangements.

2. Sector Plans

Preparation continued on the formulation of the 31 sector plans. Over 20 Task Force meetings were held, and the PDU collaborated with Ministries and Agencies to determine the specific actions for inclusion in the Plan for years 1–3 (2009–2012). The PDU conducted workshops for the Energy; Labour Market and Productivity; and the Information, Communications and Technology (ICT) sectors. Each sector plan was refined, actions and timelines developed, and responsible entities identified.

3. Medium Term Socio-Economic Policy Framework (MTF) 2009–2012

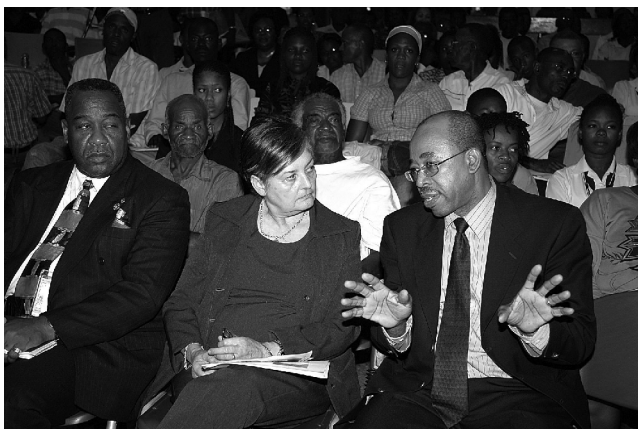
MTF 2009–2012 sets out the core package of policies, strategies and programmes proposed by the Government for implementation over the period 2009–2012. It supports the overall vision, goals and outcomes of the long-term *Vision 2030 Jamaica-National Development Plan* and is the vehicle that transforms the long-term goals and outcomes of the Plan into short-term priorities, strategies, programmes and projects.

The PDU completed the draft of the first three-year Medium Term Socio-Economic Policy Frameworks (MTFs) for the period 2009–2012, which, along with the sector plans, provides the means by which the Plan will be operationalized.

4. Consultations and Presentations

During the year, over 30 presentations and consultations were held with key stakeholders islandwide. Public consultations were held with over 600 people at the community level, including Members of Parliament, local government, and civil society (including non-governmental organizations (NGOs) and community groups). These consultations covered the parishes of St. James and Trelawny, Manchester and St. Elizabeth, Westmoreland and Hanover, Clarendon, St. Catherine, Portland, Kingston and St. Andrew, St. Thomas, and St. Ann and St. Mary. These consultations were aimed at galvanizing broad-based support and participation of a wide cross section of the society. Through this medium, stakeholders:

- were sensitized to the Plan and planning process; and
- shared ideas, and concerns; and raised issues which informed the draft sector plans and integrated Plan



Dr Wesley Hughes (right), Director General, PIOJ, has the complete attention of Councillor Sally Porteous (centre) during a discussion at the Vision 2030 Jamaica-National Development Plan public consultation, Cecil Charlton Hall, Manchester, March 6, 2008. Listening also is Superintendent Martin Bayliss (left).

Presentations were made to various groups on the Plan development process, including, Trade Union Representatives, the Opposition Leader and Shadow Cabinet, Jamaica Trade and Invest, EXIM Bank, graduate students from the University of the West Indies, the Economic Development Committee of Cabinet, International Development Partners, the Ministry of National Security, and the Ministry of Finance & the Public Service.

5. Capacity Building

In recognition of the importance of building the capacity of the public sector in RBM, the Institute for Development in Economics and Administration (IDEA International Institute) of Canada was selected to train selected Ministries, Departments and Agencies in the RBMS methodology and to develop indicators and targets for 4 of the 15 National Outcomes for the Plan.

In order to develop the methodology for integrating the sector plans into the National Plan and to establish the monitoring and evaluation framework within the RBM system, a local Consultant was also hired to prepare:

- Indicator Assessment Target Framework which includes 67 outcome indicators;
- Indicator Framework with Sector Level Outcome Indicators; and

- Indicator Process Framework

6. Threshold 21 (T-21) Jamaica

Presentations on the model were made to the following:

- Minister of Finance and the Public Service;
- The Board of Directors of the PIOJ;
- A workshop on Planning & Development in Suriname; and
- Five Ministers of Government—Hon James Robertson; Hon. Andrew Holness; Hon Audley Shaw; Senator the Hon Don Wehby; and Senator the Hon Dwight Nelson.

Scenarios developed by the model were incorporated into the integrated National Plan.

7. Other Activities

- Prepared two Cabinet Submissions on *Vision 2030 Jamaica-National Development Plan*;
- Prepared one Ministry Paper on *Vision 2030 Jamaica-National Development Plan* and the MTF;
- Prepared an Executive Summary of Vision 2030 Jamaica for the Prime Minister for a special meeting to discuss progress of Plan development;
- Developed an 11-minute video on Vision 2030 Jamaica depicting the Plan development process and the current issues affecting Jamaica;
- Dispatched CDs with Vision 2030 Jamaica Theme Song to all radio stations;
- Worked with the Social Development Commission to mobilize communities to participate in island-wide consultations;
- Developed a 30-second infomercial to publicize the public consultations;
- Produced four newsletters—*Vision 2030 Jamaica Update*— disseminated via email and PIOJ website;
- Uploaded the draft *Plan* on the PIOJ's website to facilitate review and feedback; and
- Uploaded 25 completed draft sector plans on the PIOJ website

ECONOMIC PLANNING AND RESEARCH



Dr Peter-John Gordon - Director

During 2008, the Economic Planning and Research Division (EPRD) continued its core function of monitoring and evaluating macro-economic and sectoral performance, and providing timely and appropriate advice to the Government. The strategic objective of the Division was further strengthened by its comprehensive programme of economic research and analysis. The Division also played an integral role in providing policy advice to Government on trade and trade-related issues.

A major area of focus during the year was the Division's participation in the weekly meetings of the Economic Crisis Committee, which monitored the impact of the global financial and economic crisis on the Jamaican economy. Additionally, the Division made presentations on the economic crisis to a number of entities which included the Embassy of the People's Republic of China and the Urban Development Corporation. The Division also led discussion on the economy for the institution's participation in the discussions with the International Monetary Fund, the World Bank and other International Development Partners and with Rating Agencies such as Standards and Poor.

The Division continued its involvement in the formulation of the *Vision 2030 Jamaica-National Development Plan* through the activities of the following Task Forces:

- Macro-economy and Trade;
- Services;
- Energy and Communications;
- Transport;
- Creative Industries and Culture;
- Water;
- Agriculture;
- Mining;
- Tourism;
- Construction;
- Manufacturing;
- Sports; and
- Information and Communication Technology.

The EPRD also undertook the lead role in the following areas:

- T-21 Model Development:
- refined and modified various modules of the T-21 model;
- analysed the implication of the model on the national budget;
- conducted training exercises in the application of the T-21 model for all Divisions in the Planning Institute of Jamaica; and
- presented the T-21 model to various entities, which included the Development Council.

The Division collaborated with the Plan Development Unit in:

- hosting consultations through the National Development Plan Task Forces, and
- modifying and refining various sector modules to incorporate and address issues discussed in the Task Forces.

The EPRD contributed to the macro-economic, social and environmental assessment of Tropical Storm Gustav related damage on the Jamaican economy. The Division also prepared the following Policy Briefs: Food Security Issues in Ja-



Kerry-Ann Martin (right), Economist, EPRD, looks at a model of the Industrial Park during the seminar on Macro-Economic Development, Harbin, China, May 21–June 9, 2008.

maica; Impact of the US Financial Crisis on the Local Economy; Investment Projects to Spur Growth; Price Movements in key commodity imports; and prepared an article ‘Agricultural Development Plan – Food Security’ for publication in the *JA People* magazine, among others.

The major outputs resulting from in-depth economic analysis and monitoring included:

- Monthly Inflation Report;
- *Economic and Social Survey Jamaica*;
- Quarterly *Economic Update & Outlook*;
- Quarterly Press Briefings;
- Ministerial Briefs on the status of the economy;
- Discussions with Multilateral Agencies and other development partners; and
- Updates and forecasts on the economy to inform rating agencies.

Sixteen chapters covering macro and industry performance were prepared for the publication, *Economic and Social Survey Jamaica (ESSJ) 2007*. Four editions of the *Economic Update & Outlook (EU&O)*, which reviewed quarterly economic performance, were produced. The findings of the *EU&O* inform the Institute’s quarterly press conferences.

Inter-sectoral collaboration between the Division and other Divisions and with external agencies continued in 2008.

The EPRD participated in meetings and seminars hosted by the Statistical Institute of Jamaica on the revision of the Jamaican System of National Accounts. This exercise included the rebasing of the constant price estimates from 1996 to 2003 and the development and implementation of the Tourism Satellite Account. The revision is expected to result in a more comprehensive measurement of economic activity in the country.

EPRD’s staff continued to provide technical advice to public and private sector entities through their involvement in a number of internal and external committees and working groups. These included, among others, participation in a series of meetings and seminars to review and assess the way forward for the Banana, Sugar, Coconut, Dairy and Beef Industries. Among other committees and working groups that the Division participated in were the National Export Strategy Project Team, the Jamaica Trade & Adjustment Team and the Target Growth Competitiveness Committee for strengthening Micro, the Small- & Medium-sized enterprises, and the Public Sector Modernization Economic Study & Pricing Strategy.

TRAINING AND WORKSHOPS

Members of the Division participated in and benefited from a number of training activities through courses, workshops and seminars which helped to improve their research and forecasting capabilities. Some of these included:

- International Finance Network Roundtable;
- Caribbean Micro Finance Network Roundtable;
- Eleventh Conference on Globalization Development Problems where the paper, ‘Micro-companies and Micro Financing: Financial Complement or New Business’ was presented;
- Regional Workshop on Climate Risk in Agriculture, Mexico;
- Regional Workshop on National Accounts Statistics examining the 1993 System of Accounting;
- Seminar on Macro-economic Development, People’s Republic of China;
- Next Generation Leaders, Korea;
- National Course on Development Effectiveness and Management for Results;
- The Caribbean Regional Policy Dialogue on Aid for Trade;
- National Productivity Conference 2008;
- National Competitiveness Roundtable on ‘Reducing Bureaucratic Red Tape’;
- Results Based Management for Medium and Long-Term Planning; and
- Management for Development Results.

EXTERNAL COOPERATION MANAGEMENT



Ms. Barbara Scott - Director

During 2008, the External Cooperation Management (ECM) Division continued to carry out its core functions as follows: providing advice on the alignment of external resources with the Government's development priority areas; assessing the viability of proposed development projects and identifying funding sources; coordinating external cooperation activities, as well as monitoring the implementation of projects and programmes financed by the International Development Partners (IDPs). The accomplishments of the Division were facilitated by its four Units, namely: Multilateral Financial; Bilateral Cooperation; Multilateral Technical Cooperation; and the European Union.

ECM supported the Government in negotiating loans and grants with bilateral and multilateral development partners in order to meet the country's development objectives. During the period, Government intensified its efforts to secure budget support from multilateral agencies in the form of grants and concessionary loans. Funding from the multilateral agencies increased by over 500.0 per cent compared with 2007. The ECM also worked closely with stakeholders in a harmonized and coordinated approach in the utilization of resources in the priority areas identified by the Government.

BILATERAL COOPERATION

The Bilateral Unit manages, monitors and coordinates cooperation programmes with several countries including: Canada, the United Kingdom, the United States of America, South Korea, Japan and China. These programmes comprised grants, loans and technical assistance focused on infrastructural development, security, justice, education, health and agriculture.

Requests for assistance under the programme with China increased significantly during the year as Government entities sought to access loan financing at the highly concessional terms offered by the Chinese Government. Under the regional and bilateral programmes with China, the Unit identified projects in the areas of infrastructural development, sports and justice for funding consideration. Meetings were convened with representatives from China, resulting in the signing of three grant agreements and Letters of Exchange. Additionally, public sector workers benefited from short-term training in China in Management of Official Development Assistance, Economic and Social Policy, as well as Macro-economic Development.

The Unit commenced negotiations with the Japan Bank for International Cooperation for new projects in road infrastructure and sanitation. As the focal point for the Japan Overseas Cooperation Volunteers programme, the Unit approved the recruitment of 18 persons who were deployed for a two-year period in the areas of information technology, agriculture, health, and education.

Under the cooperation programme with the Government of South Korea, Records of Discussions were signed as a result of review meetings convened by the Unit, involving the Ministries of Health and Education. Short-term training opportunities in South Korea were also identified in the fields of Forensic Science and Sustainable Development.

In 2008, the Unit commenced management of the Canadian International Development Agency (CIDA) funded project for the Institutional Strengthening of the Planning Institute of Jamaica. The two-year project valued at approximately \$45.0 million will focus on strengthening PIOJ's capacity for long-term sustainable development planning, policy formulation and monitoring. As part of the consultative process for the implementation of the CARICOM-Canada regional programme, the Unit was in-

strumental in ensuring that the Government of Jamaica's (GOJ) priorities were incorporated into new project designs. A member of the Unit was selected to be a part of the Technical Working Group (TWG) negotiating the Canada/CARICOM Trade and Development Agreement. The Unit also facilitated the approval of a grant for the Modern Technology and Capacity Building Project.

The United Kingdom Government through the Department for International Development (DFID) granted GOJ debt relief of £5.4 million based on the Commonwealth Debt Initiative Report. The preparation of the report was spearheaded by the Unit and highlights the Government's efforts to meet specified targets on which the assessment for debt relief is premised.

The Unit collaborated with the United States Agency for International Development (USAID) in the preparation of its new country strategy for 2010-2014, with a view to having the strategy reflect the Government's priorities.

Members of the Unit took part in Bi-national meetings with Columbia, which resulted in the signing of agreements for technical cooperation in the areas of trade and investment; technical, scientific, educational and cultural cooperation and security. Under the donor coordination and harmonization initiatives, members of the Unit represented the GOJ at preparatory meetings in Nicaragua and Columbia for the Third High Level Forum on Aid Effectiveness.

The Unit also facilitated the assignment of more than 180 volunteers, health and education personnel from the United States of America, Canada, Nigeria and Cuba to government and non-governmental organizations (NGOs) for periods of up to two years.

Coordination and monitoring of projects continued through reviews of implementation plans, project proposals as well as the assessment of project performance. In addition, the Unit participated in steering committee meetings and site visits, which are instrumental in monitoring the progress of project activities.

MULTILATERAL TECHNICAL COOPERATION (MTC)

The MTC coordinates and manages the portfolio of projects supported by the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), UNAIDS, the Food and Agriculture Organization (FAO), Pan American Health Organization (PAHO), the International Atomic Energy Agency (IAEA), the Commonwealth Fund for Technical Cooperation (CFTC) and the Organization of American States (OAS).

The Unit continued to assist government and NGOs in the development and finalization of project proposals and to submit them to suitable donors for technical assistance and financial support. Priority was accorded to projects which sought to address some of the most pressing social issues such as crime and violence, youth unemployment, the HIV/AIDS epidemic and low productivity. Emphasis was also placed on projects which would enable Jamaica to fulfil its obligations under the Millennium Development Goals.

In pursuit of the Government's objective for more effective donor coordination and harmonization, the Unit coordinated meetings of development partners to discuss multi-donor strategies to support the modernization of Jamaica's Vital Statistics and Civil Registration system and the modernization of the Jamaica Constabulary Force. Donor meetings were also held to address the development of a community security strategy for Jamaica.

The Unit contributed to the development of the UNDP supported Violence Prevention, Peace and Sustainable Development Programme which is aimed at reducing armed violence by strengthening the national security framework and enhancing community security mechanisms. As a part of the National Coordinating and Steering Committee for the Small Grants Programme of the Global Environment Facility, the Unit provided advice for the selection of projects which received financial support over the period.

Due to the chronic shortage of child psychiatrists and the increase in the number of children as victims and perpetrators of crime, the Unit requested the services of a child psychiatrist from the Commonwealth Fund for Technical Cooperation. An expert arrived in September and will over two years develop a curriculum for a graduate programme in child psychiatry for the Medical Faculty of the University of the West Indies.

As National Liaison Office for the programmes of the OAS, the Unit managed the development of several project proposals received from government and non-governmental agencies, to ensure their alignment with the OAS' Strategic Plan for Partnership for Integral Development for 2006-2009. The final projects were submitted to the Organization for funding consideration.

The Unit finalized and submitted to the IAEA five national projects and indicated Jamaica's interest in participating in 14 regional initiatives. Twenty applications were processed for various scholarships, short-term fellowships, study tours and meetings, and all were accepted and funded by the Agency. A programming mission which sought to encourage Jamaica to adopt radiation protection legislation was hosted by the Unit in May.

Portfolio reviews were held with the heads of mission of the FAO, UNAIDS, UNEP, UNESCO National Commission

and PAHO to determine strategies for improving the level of collaboration between these organizations and the PIOJ and to discuss the relevance of the projects being implemented with the strategic priorities of the Government.

MULTILATERAL FINANCIAL INSTITUTIONS (MFI)

The MFI Unit coordinated and managed the cooperation programmes with the Inter-American Development Bank (IDB), World Bank (WB) and the Caribbean Development Bank (CDB). The Unit monitored 38 loans which totalled US\$848.2 million, grant support which amounted to US\$27.6 million, and government counterpart financing which totalled US\$711.2 million. The Unit's efforts to carry out the Government's policy decision of greater engagement with Multilateral Financial Institutions, was reflected by the improved level of loan approval and disbursements, which at December 2008 stood at US\$307.1 million.

The Unit participated in the negotiations of 18 new loans with a total value of US\$555.4 million. This included five budget support loans totalling US\$320.0 million of which approximately US\$250.0 million was disbursed during 2008. The increase in budget support financing was reflective of Government's policy to secure more of this type of assistance from multilaterals. Eight loans totalling US\$220.0 million were negotiated with the IDB, while six loans which amounted to US\$170.4 million were negotiated with the CDB. Four loans totalling US\$165.0 million were negotiated with the WB. The Unit also played an integral part in negotiations of a US\$300.0 million, Liquidity Programme for Growth Sustainability to be implemented by the Development Bank of Jamaica (DBJ).

Two consultants were engaged to strengthen the

Unit's effort to monitor the commitments under the following budget support programmes: the Jamaica Competitiveness Enhancement Programme (JCEP), the Public Financial and Performance Management Programmes (PFPMP) and the Education Reform Programme. The engagement of consultants forms part of the overall monitoring mechanism to be developed to ensure a holistic and coordinated approach in the implementation of all Budget Support Programmes.

The Unit coordinated several Missions, including those to design and develop, as well as negotiate the loans mentioned above. It also participated in several teleconferences and videoconferences to discuss project design and implementation issues.

Efforts continued to address implementation constraints. To this end, five portfolio Reviews, involving Executing Agencies, the Ministry of Finance and the Public Service, and the MFIs, were held. The Review with the World Bank was held to present and obtain feedback on an assessment of the Country Assistance Strategy for the period 2006-2009 and to inform the design of the Country Partnership Strategy (CPS) for the period 2009-2012. The Unit also provided advice for addressing implementation constraints at several Steering Committee Meetings. Briefs were also provided to the Office of the Prime Minister, the Ministry of Finance and the Public Service as well as to the MFIs on the status of the implementation of the Portfolio.

The Unit reviewed and provided economic and financial analysis of a number of proposals from Government ministries and agencies. In order to strengthen the Division's capacity to undertake effective project appraisal, two members of the Unit participated in courses on project appraisal and evaluation held in Barbados, and Trinidad and Tobago.



Mrs Andrea Shepherd-Stewart (right), Manager, Multilateral Technical Cooperation Unit, ECM, PIOJ, takes notes during the 14th Annual International Development Partners (IDP) Retreat, Half Moon, Montego Bay, December 3–4, 2008. Seated also are Mr Kwame Boafo (left), Director, UNESCO; and Dr Dunstan Campbell (centre), Representative for Food and Agriculture Organization.

EUROPEAN UNION (EU)

The execution of the GOJ-European Union (EU) Co-operation Programme is the responsibility of the office of the National Authorising Officer (NAO), which is located at the Planning Institute of Jamaica. The Honourable Prime Minister is the NAO for Jamaica. In 2008, the cooperation portfolio consisted of 16 programmes and projects totalling €259.2 million (\$27.4 billion) in grant resources. These programmes and projects are financed from the European Development Fund (EDF) and the Annual General Budget of the EU.

A total of five Financing Agreements were signed by the GOJ amounting to €35.5 million (\$3.7 billion) for:

- EC General Budget Support to Jamaica (Annual Action Programme Accompanying Measures for Sugar Protocol Countries - Allocation 2007 for Jamaica) in the amount of €12.5 million;
- support to the Sugar Cane Sector in Jamaica - allocation 2007 in the amount of €12.5 million;
- 2007 EU Banana Support Programme for €2.97 million;
- two agreements for Hurricane Dean Rehabilitation Assistance for a total of €7.5 million, of which €5.0 million was provided from the Caribbean Regional Indicative Programme (CRIP); and
- €2.5 million from the National Indicative Programme. Project briefs were also prepared for the signing and handing over ceremonies of these Financing Agreements.

For the review period, the Unit along with the Delegation of the European Commission (EC) and Ministries prepared the 2007 Joint Annual Report, and also collaborated with various Ministries to prepare and submit proposals for five programmes, namely:

- Security Sector Reform Programme (SSRP) - €33.0 million;
- Debt Reduction and Growth Enhancement Programme (DRGEP) - €40.0 million;
- EC General Budget Support for Sugar 2008 - €9.0 million;
- Support to the Sugar Cane Sector in Jamaica allocation 2008 - €9.8 million; and
- 2008 EU Banana Support Programme (BSP) - €2.5 million.

All five programmes were approved by the European Commission's Review Committee. Preparation of both the SSRP and the DRGEP involved a year of intensive negotiations with the EC Delegation on the conditions to trigger the release of funds. With the exception of the EU Banana Sup-

port Programme all are budget support programmes, which is in keeping with the shift by the International Development Partners away from the traditional project modality.

The Country Strategy Paper (CSP) 2008-2013 and its accompanying National Indicative Programme was signed by the Government in late 2008. The total indicative allocation for the 2008-2013 CSP is €110.0 million while an additional €12.6 million, representing the B Envelope is available for unforeseen needs and emergency assistance. Preparation of programmes under the 2008-2013 CSP continued with the development of terms of references and the launching of tenders for the design of the EPA Trade Related Assistance project and for implementation of the Poverty Reduction Programme II.

As NAO, the Unit continued to provide oversight to Segment III of the Northern Coastal Highway Improvement Project (NCHIP) and other infrastructural projects. The contractor for NCHIP, Pihl and Sons Limited, completed approximately 54.4 km, 49.3 km and 49.2 km of sub-base, base and binder asphalt surface, respectively. The Pagee, Stoney and Waters River bridges, together with major drainage structures, were completed and opened to the general public.

Seventeen of the eighteen roads under the first phase of the Intervention for Rural and Parochial Roads Rehabilitation and Maintenance programme were completed. Under the Rural Water Supply Project II, the Hope Bay, Portland and the Christiana/Spaldings, Manchester water schemes were completed, providing potable water to residents in the Hope Bay and Christiana/Spaldings areas, respectively. Concept designs for the improvement of the Negril and Ocho Rios Waste Water Treatment Plants were completed with the collection of data for detailed designs.

In response to the destruction caused by Tropical Storm Gustav, and with the guidance of the EC Delegation, the Unit was able to secure €3.9 million for rehabilitation. The amount of €1.9 million from the B Envelope, will be disbursed as budget support and the CRIP provided €2.0 million, which will be managed by the WB and implemented by the Jamaica Social Investment Fund (JSIF). In collaboration with the EC Delegation and key Ministries, preparation of projects to access funds from EC international facilities, viz Food Facility (€5.9 million) and Climate Change (€5 million) commenced in late 2008. Favourable consideration was given by the EC in Brussels to both submissions.

The Unit processed payment orders and disbursement files for budget support programmes amounting to €55.4 million (\$5.8 billion). Management of the Cooperation Programme continues to be executed via close daily interaction with the EC Delegation and Government Ministries and agencies through regular monthly and quarterly steering committee meetings, weekly site visits and GOJ-EC Cooperation Programme Review meetings.

SOCIAL POLICY, PLANNING AND RESEARCH



Dr. Pauline Knight - Director

The SPPRD continued to discharge its responsibility to monitor the social sector, and to formulate programmes and policies in the sector while also assisting in coordinating and facilitating their implementation. Milestones achieved in 2008 included the commemoration of the twentieth anniversary of the conduct of the *Jamaica Survey of Living Conditions (JSLC)*, and the completion and launch of national maps on poverty and deprivation; and also the JamStats website. Other major achievements include the initiation of an annual labour market forum, the hosting of an international workshop to generate reliable estimates of mortality rates in Caribbean countries, and the commencement of a Social Protection Project with World Bank funding support. Work on *Vision 2030 Jamaica-National Development Plan* continued and saw to the completion of the sector plans in the social area.

The Division continued to operate through five Units, viz: Population; Human Development; Social Development and Gender; Social Security and Welfare; and Policy Research. Their responsibilities cover a comprehensive range of subject matters for the social sector, including: demography, health, education and training, the labour market, welfare, national security, justice, gender and vulnerable groups (for example, children, persons with disabilities and the elderly).

The Division seeks to provide evidence-based policy and planning advice, therefore, there is focus on the conduct, supervision and promotion of socio-economic research. This encompasses monitoring indicators of general social development as well as carrying out in-depth investigation of selected issues and promoting the use of sophisticated data analysis within the public sector. Highlights in this regard included the construction of 20-year indices of social well-being using data from the *JSLC* and the publication of research papers produced by public sector staff and coordinated by SPPRD.

POLICY AND PLANNING

Ongoing policy advice continued to be provided to the Government through membership on the Human Resources Committee of Cabinet. Similarly, the Kingston City Centre Improvement Company was advised through membership on its Board of Directors. Some other areas are outlined below.

Vulnerable Groups

The Division continued to contribute to the national emphasis on promoting early childhood development through: representation on the Board of the Early Childhood Commission and its sub-committees; contribution to the finalization of the National Strategic Plan and Operational Plan for Early Childhood, and the World Bank-funded Integrated Early Childhood Development Project; inputs to the National Parenting Policy which was reviewed by Cabinet; and participation on the Working Group for establishment of the National Parenting Support Commission which will be responsible for the implementation of the policy.

Advice on the issue of children and violence was provided through participation on the Task Force established by the Prime Minister as a rapid response measure to address increasing cases of child abuse. The Division further contributed to the promotion of equity and inclusiveness by participation on the National Advisory Board on Disability and the National Council for Senior Citizens.

National Security

In relation to national security, SPPRD continued to provide technical advice to the Convergence Group of the Community Security Initiative Project and participated in meetings with International Development Partners to pro-



Mrs Donneth Edmondson (at the podium), Director, JamStats Secretariat, PIOJ, addresses the audience during the launch of the JamStats website and EduStats database at the Terra Nova All Suite Hotel, November 4, 2008. Listening on are (l-r) Dr Pauline Knight, Director, SPPRD, PIOJ; Mrs Gertrude McKenzie, Acting Chief Education Officer, Ministry of Education; and Ms Nada Marasovic, Deputy Representative, UNICEF, Jamaica.

mote harmonized collaboration with the Government. At the request of the Prime Minister, an investigation was conducted into the situation in the Fletcher's Land community, and assistance was provided for a project (started in November) to assess the effectiveness of Community Security and Transformation Programmes implemented in Jamaica in recent years.

Gender

Gender issues in relation to legal matters were primarily addressed by representation on the Working Group for Women's Reproductive Health and Rights, where contribution was made, for example, to deliberations of the Joint Select Committee on Abortion; additionally, inputs were made to the formulation of the Sexual Offences Bill. Assistance was provided to the Kingston and St. Andrew Action Forum towards a paternity leave policy and the incorporation of gender considerations in managing conflict in inner-city communities.

A lead role was played by the PIOJ Gender Mainstreaming Committee which focused on building awareness by conducting a workshop on 'Gender and the Environment' in collaboration with the National Environment and Planning Agency. Another workshop, which sought to build capacity in the Institute for employing gender analysis in development, was held.

Labour Market/Human Development

The annual review of the National Minimum Wage Rate took place with the customary input of the Division to the Advisory Commission. The University of Technology was also provided with advice on the approach to making labour market projections, while ongoing advice was provided to boards and committees on which SPPRD had standing representa-

tion, including:

- Tertiary Commission Steering Committee;
- HEART Trust/ NTA Life Long Learning Focus Group;
- Jamaica Youth Employment Network Steering Committee;
- Correctional Services Education Committee; and
- Independent School Policy Committee.

Programme And Project Development

The Division continued to spearhead the development of a programme for the modernization of the vital statistics and civil registration system. Besides dialogue with prospective funders/donors and drafting of proposals, there was coordination of and participation in an inter-agency study tour to Uruguay. Additionally, SPPRD played a central role in the successful launch of the GOJ/IBRD Social Protection Project and the Steps-to-Work Pilot Project, both of which are being implemented by the Ministry of Labour and Social Security along with other government agencies. Under the former project, the Division has responsibility for designing a comprehensive social protection strategy, and initiated its work on this component.

Contribution was made to the finalization of the Youth Development Project to be funded by the Inter-American Development Bank (IDB) and to the formulation of a GOJ-funded project to enhance the employability of youth through membership on the Special Youth Employment and Training Project.

In response to the global food crisis, two workshops were held involving multi-lateral agencies and steps were taken to

design the Social Protection Support to the Food Crisis Project to assist targeted population groups with funding from the IDB.

SPPRD continued to have representation on the National Advisory Council on Local Government Reform which was reconvened by the new administration.

PROGRAMME IMPLEMENTATION COORDINATION AND MONITORING

The Poverty Monitoring Social Policy Analysis Project (PMSPA) was completed by the Division with the objectives having been fully met. Sustainability of the formal training courses was obtained through collaboration with the Management Institute for National Development (MIND) which commenced offering the programme in January 2009.

The JamStats Project was continued with the updating of the database to 2008, which was launched along with the project's first website. There was also promotion of the use of the database through dissemination of materials; training of trainers; sensitization and training of potential users, such as, teachers and students; and coordination of the production of sectoral databases—the education sector (EduStats) was also launched. Support was also provided to regional initiatives to introduce a similar database.

Coordination of national efforts in managing labour market information continued with the Division as Chair and Secretariat of the Labour Market Information Technical Advisory Committee.

Collaboration continued on the implementation of the Country Programmes of International Development Partners. For example, there was UNICEF's 2008–2012 Programme where there was specific responsibility for Advocacy and Public Policy, as well as for the Social Investment for Children Initiative. In relation to the latter, SPPRD coordinated the publication of a review of Government's expenditure on children, *Invest in our Children, Build our Nation*. Similarly, there was ongoing input into the UNFPA/EC Joint Programme on Sexual and Reproductive Health for Jamaica; while a leading role was played by the Division in activities for commemoration of UNFPA World Population Day, July 11; and the launch of the UNFPA *State of World Population Report, 2008*.

CONFERENCES

SPPRD organized and hosted three conferences. Through collaboration with UNICEF and the UN Inter-Agency Group on Child Mortality Estimation (IGCME) a workshop was convened involving representatives locally, and from Belize, Trinidad and Tobago, and Guyana to clarify and agree on the methodologies and data needs for mortality estimation by the

IGCME. Secondly, the JSLC 20th Anniversary Conference held under the theme 'Framing Social Development through Research' was a highlight of the year and was attended by over 270 persons. An annual labour market forum was initiated with the theme 'Aligning Education and Training to Jobs and the Jamaican Labour Market'.

Participation in international fora by staff members, included:

- Forum to Promote Child Friendly Budgeting in the British Overseas Territories: 'Invest in our Children Today ... Change Our Tomorrow', in Barbados, September 17–18, 2008;
- Forty-First Session of the UN Commission on Population and Development (CPD), New York, April 7–11, 2008;
- Two meetings of the PetroCaribe Development Fund, Cuba, April 2008 and October 2008, respectively; and
- Workshop on Social Protection for the Elderly, Port of Spain, Trinidad and Tobago, March 2008.

MIGRATION

A special area of concern was migration. International focus was reflected in the convening of various fora some of which were attended by SPPRD staff, namely:

- Organization of American States (OAS) Annual Americas Project Regional Workshop on 'Urban Migration in the Americas: Planning for the Future', Rice University, Texas, December 4–6, 2008; and
- Second Meeting of the Global Forum on International Migration and Development, Manila International Convention Centre, Manila, Philippines, October 27–30, 2008. The Division also continued to perform the role as national Focal Point for the Forum in Jamaica and was responsible for planning and organizing national participation.

In addition, there was representation at the Regional Seminar on Migration and Human Trafficking in the Caribbean, held in Jamaica, November 27–28 and organized jointly by Friedrich Ebert Stiftung (FES) Jamaica, the Eastern Caribbean and the Dominican Republic.

There was involvement in migration related studies with a database (1950–2007) on migration to and from Jamaica prepared by SPPRD; a study on '*Children in Jamaica: The Impact of Migration and Remittances*' was organized and contracted out; and analysis by the University of the West Indies of the JSLC Remittance Module arranged ('*Jamaica's Remittance Experience: Evidence from the 2006 Survey of Living Conditions*'). There was also assessment of the social and economic impact of emigration on Jamaica as part of a



Dr Pauline Knight (centre), Director, Social Policy, Planning & Research Division, PIOJ, along with Mr Harold Robinson (right), UNFPA Director, Sub-regional English and Dutch-speaking Caribbean and Mr Jaime Nadal (left), UNFPA Deputy Director, Sub-regional English and Dutch-speaking Caribbean, browse through the recently launched *State of World Population Report 2008*, Assembly Hall, University of the West Indies Mona, November 12, 2008.

team working on an international study (*‘Development on the Move’*) organized by the Global Development Network (GDN) and the Institute for Public Policy Research (IPPR). Finally, SPPRD is a member of the national coordinating body for the EC/UN Joint Migration and Development Initiative which targets civil society organizations for project proposals.

TRAINING

Training was provided to members of staff through courses offered in the United Kingdom, China and Israel. The Global Workshop on Policy Analysis Techniques Related to Child Poverty in Southampton, August 18–29, provided the training necessary for Jamaica to participate in a Global Child Poverty and Disparity Study being coordinated by UNICEF with scheduled completion in 2009. ‘The Economic and Social Policy Consulting Programme’ was sponsored by the People’s Republic of China and organized by the Human Resource Study and Training Centre of Development Research. ‘Eliminating Rural Poverty–The Israeli Development Experience’, was conducted by the Negev Institute for Strategies of Peace and Development. Local training was also provided to staff in Social Research Methods, the manipulation of the *JSLC* database and T-21 User Interface Training.

RESEARCH

A wide range of research investigations were coordinated or conducted by the Division. These included:

- preparation of a report *Development and State of the*

Art of Adult Learning and Education: National Report of Jamaica for the Jamaica Foundation for Life-long Learning;

- construction of indices of social well-being for health, education, housing, consumption, demography and welfare as well as an overall index, using the 20-year time-series from the *Jamaica Survey of Living Conditions*; the findings were analysed in a report prepared by Dr Michael Witter, *‘The Changes in the Socio-economic Conditions of Jamaican Households over the years 1989–2006’*;
- preparation of a report on the factors affecting the Infant Mortality Rate in Jamaica.
- production of a compendium of four research papers – *Issues of Critical Social Concern: Some Investigations* prepared by public sector staff trained under the PMSPA which was coordinated by the SPPRD; and
- production of two national poverty maps using, Consumption and Unsatisfied Basic Needs indicators to represent a fine spatial disaggregation of the country into 826 communities.

PUBLICATIONS AND PRESENTATIONS

Presentations were made to a variety of groups/conferences/institutions totalling over 30. These included:

- HKA Career Symposium; Choices Career Expo; and UWI Career Fair;
- 17th Annual Conference of the Joint Committee for Tertiary Education;

- HEART/NTA's Career Development Services Retreat, Lifelong Learning Public Forum and Conference, and Board Retreat;
- Caribbean Knowledge and Learning Network Country Consultation;
- Technical High Schools' Principals Association; and six separate High Schools;
- 'Gender, Popular Culture & Sexuality' to CARIMAC/UWI students of the course – Gender, Media and Development;
- 'Impact of Gender Imbalance on Employment, Unemployment and Entrepreneurship', Forum of the Institute of Chartered Accountants of Jamaica;
- 'Culture and Gender in Development Planning: Key Considerations', for UNFPA/PIOJ Town Hall Meeting on *State of World Population Report*, Culture,

Gender and Human Rights;

- 'Poverty Trends and Issues in Jamaica', Grameen Bank Conference; and
- 'Social Policy Development' to the Northern Caribbean University.

The Division produced and published two issues of the *Labour Market Information Newsletter*; one covering 'An Analysis of Students' Performance in CSEC Examinations, 2003–2007', and the other 'The Students' Loan Bureau: Financing Higher Education'; and 'Jamaica's Work Permit Regime Examined'. The *JSLC 2006* and *2007* Reports were published and launched, while six chapters were prepared by SPPRD for the *ESSJ 2007*. *JA People* Magazine was published with a focus on Gender and Development and a subsequent edition focusing on Food Security was being prepared for publication.

SUSTAINABLE DEVELOPMENT AND REGIONAL PLANNING



Ms. Claire Bernard- Director

The mandate of the SDRPD is to ensure the integration of sustainable development principles into the policy formulation and decision-making process.

MAIN OBJECTIVES

The Division's mandate was pursued under four broad headings, namely: Policy Planning, Programme Monitoring and Coordination; Capacity Building; Data/Information Management and Reporting; and Science and Technology. Specific emphasis was placed on the preparation of the National Development Plan (NDP), urban and regional planning, disaster mitigation, building capacity in the use of Geographic Information Systems (GIS) Technology and damage assessment tools, and increasing awareness of sustainable development principles.

MAIN ACHIEVEMENTS

In the area of disaster mitigation and planning, the following were achieved:

- The Division led the process of assessment and preparation of the Macro-Socio-Economic and Environ-

mental Impact of Tropical Storm Gustav on Jamaica. The report which was submitted to Cabinet, Parliament and International Development Partners provided the information base for the preparation of projects for rehabilitation and reconstruction activities.

- The Division organized and hosted a two-day Disaster Impact Assessment workshop for over 50 persons from some 30 organizations. The training was supported by four experts from the Economic Commission for Latin America and the Caribbean (ECLAC) and sought to reinforce some of the theoretical concepts related to the vulnerabilities faced by small island states like Jamaica. An outgrowth of the training was the establishment of an Impact Assessment Core Team. A three-day workshop was also organized and conducted for the team.
- A member of the Division's staff joined the ECLAC team in conducting Impact Assessment for the islands of Turks and Caicos, and Cayman after Hurricanes Ike and Paloma, respectively.
- Design of three studies for Hurricane Dean projects were finalized and submitted to the World Bank through the Jamaica Social Investment Fund (JSIF) for funding. The studies are being funded by the World Bank under the Hurricane Dean Emergency Response Loan.

Achievements in the area of policy and programme development included the following:

- Two project proposals and supporting documents developed and submitted to the Caribbean Development Bank and the European Union in support of funding requests for the following:
- Preparation of the National Spatial Plan to provide the spatial framework for guiding the location and regulation of planned developments emanating from the NDP and towards the achievement of *Vision 2030 Jamaica-National Development Plan*. The project is scheduled for board approval by mid-2009 and is to be implemented in association



Mrs Nadine Brown, Geographic Information Systems Analyst, Sustainable Development & Regional Planning Division, PIOJ, surveys damage to the Bog Walk Gorge after the passage of Tropical Storm Gustav, October 2008.

- with the National Environment and Planning Agency, Cabinet Office and the Office of the Prime Minister; and
- A climate change related project under the EU Global Climate Change Alliance facility. The objective of the project is to minimize risks associated with natural hazards as an adaptive measure to climate change and contribute to secure livelihoods and reduction of vector-borne and water-borne diseases.
- The submission of an Action Plan (to UNESCO) for the UNESCO/Jamaica Science, Technology & Innovation Advisory Committee. The Action plan documents Jamaica's priority areas for S&T advancement in line with UNESCO's goals and budgetary guidelines for 2010–2011;
- Five Task Forces under the National Development Plan serviced with staff, providing support as technical secretaries at approximately 24 meetings and 4 consultations; and
- Technical assistance provided to the Poverty Mapping Exercise through the preparation of consumption and unsatisfied basic need poverty maps and posters for the launch of the poverty map and subsequent sale of poverty map related products.
- National Integrated Watershed Management Council
- National Disaster Committee
- CVSS Executive and Planning & Research Committees
- Scientific Research Council Conference Planning Committee
- National Bioethics Steering Committee
- Hazard Mitigation Steering Committee
- LICJ GIS Training Committee
- Land Policy Review Committee
- Protected Areas Steering Committee
- Land Degradation Committee
- Development Approvals Process Project
- Squatter Management Policy Steering Committee
- National Housing Policy Committee
- Cabinet Sub-committee on Environmental Enforcement
- Integrated Watershed Management Steering Committee
- Scrap Metal Industry Committee
- Palisadoes Rehabilitation Committee
- Hurricane Dean Emergency Loan Steering Committee

OTHER ACHIEVEMENTS/ACTIVITIES

The Division prepared: one Cabinet Submission, one Ministry Paper and one Ministerial Brief and technical comments on 23 policies, Draft Bills, terms of references, country strategies, and projects. In addition, technical advice was provided on an ongoing basis through participation in a number of councils and committees. Among them:

- Land Information Council of Jamaica

Members of staff participated in a number of missions and special meetings including:

- OAS Non-permanent Mission evaluation of Projects on Science, Technology and Development in Wash-

ington DC, USA. Projects evaluated were in the areas of biotechnology, waste management, renewable energy, entrepreneurship and foresighting and innovation road-mapping techniques;

- High Level Roundtable on International Cooperation for Sustainable Development in the Caribbean; and
- IDB and World Bank Energy Promotion Mission.

Other activities included GIS technical support, training and services provided to the Rural Enterprise Agriculture & Community Tourism (REACT) Project; The Post and Telecommunications Division; The Land Information Council; The Early Childhood Commission; Mexican Embassy; The Ministry of Education and the Jamaica Social Investment Fund (JSIF).

PUBLICATIONS/PAPERS

The SDRPD prepared or contributed to the following:

- *Economic and Social Survey Jamaica, 2007*
- Housing Chapter in the *Jamaica Survey of Living Conditions 2007*
- Sustainable Development e-newsletter designed, prepared and posted on PIOJ's website

Research and discussion papers on:

- Sexually Transmitted Infections and Inequality;
- Risk perception, land use strategies and landslide vulnerability; and
- E-waste (with the assistance of a student intern).

PRESENTATIONS

SDRPD participated in a number of fora and made presentations including the following:

- The findings of the Residential End-Use Energy Survey at the PCJ Energy Forum;
- 'Water & Development' at workshop conducted by the Clarendon Parish Council;
- 'Development Trends in Jamaica's Coastal Areas and the Implications for Climate Change' at the 10th Annual Economic Conference on Globalization and Problems in Developing Countries;
- 'GIS Implementation, Opportunities and Limitations' at the Jamaica Institute of Planners (JIP) Stakeholders Consultation on 'The Application of Urban and Regional Planning Tools for Sustainable Development'; and
- Careers in GIS for the PIOJ Promotion of Publications in St. Ann and St. James.

CONFERENCES AND WORKSHOPS

Members of the SDRPD participated in approximately 22 workshops, seminars and special meetings including the following:

- Jamaica's Green House Gas Inventory workshop;
- Results Based Management Workshop;
- Action Planning Workshop for the Linstead Development Area Development Plan;
- National Met Service 2nd National Communication – Vulnerability and Adaptation for Water Resources and Agriculture;
- Workshop in preparation of a regional disaster risk management strategy for sustainable tourism;
- UNDP–ODPEM Symposium – Disaster Risks for Jamaica's Urban Areas: Implications for Policy and Action;
- Workshop on the Assessment of Jamaica's Cocoa Industry;
- Workshop to further explore planning issues affecting development on Jamaica hosted by the JIP, Office of the Prime Minister and Cabinet Office;
- S&T Foresighting and Innovation Mapping Workshop (Saint Lucia);
- GIS Week of Activities;
- Energy Policy Workshop – Impact on the Environment; and
- Workshop to provide feedback on the Gap Analysis Study in Preparation for a Data Sharing and Pricing Policy.

TRAINING

Staff of the Division participated in the following training courses:

- Energy Diversification: Conversion to LNG and applications of nuclear technologies in industry, health, agriculture and environment;
- Mainstreaming Climate Change in Development Strategies, Programs and Projects sponsored by USAID;
- Eliminating Rural Poverty: The Israeli Development Experience;
- Refresher training on the use of the T21 development model; and
- Nuclear Technologies: Scientific Visit.

CORPORATE AFFAIRS, MARKETING AND COMMUNICATION



Mrs. Marcia Blake-Hall - Acting Director

The Corporate Affairs, Marketing and Communication (CAMC) Division has primary responsibility for the production of the organization's publications; the coordination of external and internal communication; strategic planning; and the provision of administrative services to the Board of Directors. The Division is comprised of two Units—Publications, and Marketing and Communication.

The Division continued to coordinate the dissemination of timely and accurate data through the Institute's publications, which include: the *Economic and Social Survey Jamaica (ESSJ)*; the *Jamaica Survey of Living Conditions (JSLC)*; the quarterly *Economic Update & Outlook (EU&O)*; the bi-annual *Labour Market Information Newsletter (LMIN)* and *JA PEOPLE* magazine. Quarterly Press Briefings, complemented by the *EU&O*, share the macroeconomic performance of the economy with the Jamaican public.

The year was a significant one for the PIOJ and the Divi-

sion, as the Institute's premier publication, *Economic and Social Survey Jamaica (ESSJ)* celebrated its 50th anniversary—a landmark achievement. For 50 years, the *ESSJ* has been providing invaluable information on the country's economic and social development. Coinciding with the 50th Anniversary Commemoration was the official opening of the PIOJ's new office on Oxford Road. Another milestone achieved was the Division's collaboration with the Social Policy, Planning & Research Division in the successful staging of the *Jamaica Survey of Living Conditions* 20th Anniversary Conference.

Partnering with other Divisions, CAMC continues to assist in the coordination of several events including the launch in July of the JamStats website, EduStats and the 2008 JamStats database; the launch of the National Poverty Maps and the research publication, *Issues of Critical Social Concern: Some Investigations*, under the Poverty Monitoring and Social Policy Analysis (PMSPA). These activities continue to raise visibility and provide information about the work of the Institute and its products.

EXTERNAL COMMUNICATION

Economic and Social Survey Jamaica, 50th Anniversary

In June 2008, the Division organized and successfully executed the commemoration of the 50th Anniversary of the *ESSJ*. The event also marked the PIOJ's move to its new home at 16 Oxford Road. Prime Minister, the Honourable Bruce Golding officially opened the new offices and brought remarks, as well as the Most Honourable Edward Seaga, ON, PC, Distinguished Fellow, University of the West Indies; Opposition Spokesman on Finance and former Director General of the PIOJ, Dr Omar Davies; and Director General, Dr Wesley Hughes. A booklet, *ESSJ At 50: Two Reviews*, co-authored by Professor Edwin Jones and Evadne McLean, outlining the history of the *ESSJ* was prepared by the CAMC and distributed at the event.

A highlight of the event was the presentation of special awards to former employees who contributed to the publica-



A cross section of the audience listens intently during the promotion of publications and presentations on Labour Market Trends/Career Opportunities in Geographic Information Systems Analysis, Sam Sharpe Teachers' College, St. James, October 28, 2008.

tion—Mr Lincoln McIntosh, OD; Mrs Delores Nelson and Ms Gertrude Burke, OD. Current editor, Ms Carole James was also recognised, along with the Statistical Institute of Jamaica (STATIN), the Bank of Jamaica (BOJ), the Ministry of Finance and the Public Service, and the Jamaica Printing Services in recognition of their contribution to the publication.

Dialogue For Development Series

In 2001, the PIOJ launched a series of distinguished lectures—the Dialogue for Development Lecture—to increase its interface with the public on development issues. The Dialogue in 2007, took the form of public consultations on the *Vision 2030 Jamaica-National Development Plan*. This year, the Dialogue for Development Lecture held in November highlighted as one of its key issues, the emphasis on evidence-based policy, articulated by the need to strengthen the data-policy exchange. Professor Patricia Anderson, Professor, Applied Sociology, University of the West Indies (UWI), was guest speaker and her presentation, *The Conversation Between Statistics and Social Policy: When We Listen, When We Don't*, co-authored with Mr Colin Williams, lecturer, Statistics and Research Methods, UWI, was published and distributed at the lecture. The lecture was a prelude to the *Jamaica Survey of Living Conditions* 20th Anniversary Conference which had some 250 persons in attendance.

A media campaign geared towards promoting the event also served to create awareness and increase the visibility of the Institute. As part of the process, CAMC developed print and radio advertisements, set up interviews and organized an outside broadcast.

Jamaica Survey of Living Conditions 20th Anniversary Conference

The *Jamaica Survey of Living Conditions (JSLC)*—the PIOJ's joint publication with the Statistical Institute of Jamaica (STATIN)—celebrated its 20th anniversary in November with a research conference under the theme, 'Framing Social Development Policy through Research'. *JSLC* 2007 was launched by Senator the Hon Dwight Nelson, Minister without Portfolio, Ministry of Finance and the Public Service. Dr Sudhanshu Handa, Associate Professor, Department of Public Policy, University of North Carolina was the keynote speaker. Using *JSLC* data, papers were presented on a number of social development imperatives including education duration; absenteeism; the impact of the Programme of Advancement Through Health and Education (PATH) on improving student outcomes; healthy ageing and youth empowerment.

Continued Collaboration

CAMC continued its collaboration with other Divisions in staging a number of external activities including participating in the organization and coordination of a panel discussion commemorating World Population Day, July 11 2008. In April, the Division assisted UNICEF in organizing the launch of the UNICEF/PIOJ Working Group of the Social Investment for Children Initiative (SICI) publication at the Bustamante Hospital for Children, and in October, the Caribbean Child Research Conference. In collaboration with the UNDP, the International Day for the Eradication of Poverty was observed with a Poverty Eradication Rally in Emancipation Park; and in November, along with UNFPA, the launch of *State of World Population Report 2008* was held. In addition, CAMC continued to provide support to the Plan Development Unit through media promotion of *Vision 2030 Jamaica-National Development Plan*'s public consultations.

Press Briefing

Press briefings continued to be held every quarter followed by the production of the *Economic Update & Outlook (EU&O)*. The briefings update the media and general public on the status of the country's macro economy and real sectors. Press releases continued to be disseminated and uploaded to the website.

Website

The Institute's user-friendly website continues to be a central tool in the dissemination of socio-economic data. Through its e-commerce capabilities, publications are made available for sale. In addition, press releases, job vacancies, tender documents and consultation venues can be accessed by the public.



Members of the managerial staff listen attentively during the PIOJ's Annual Strategic Retreat, Mona Visitors' Lodge, University of the West Indies, November 14, 2008. Seated around the table (foreground) are: (l-r) Mr Steven Kerr, Manager, Social Policy, Planning & Research Division; Mrs Leila Palmer, Programme Director, Plan Development Unit; Mrs Sophia Whyte-Givans, Consultant, Director General Secretariat (DGS); Dr Wesley Hughes, Director General.

Promotional Activities

Geared towards improving the visibility and awareness of PIOJ publications, the Institute's products and services are promoted and marketed islandwide at exhibitions and through islandwide publication promotions in schools. The aim is to provide information on aspects of the role, work and functions of the PIOJ; to introduce students and teachers to the Institute's various socio-economic publications by exposure to the Institute's publications and services; and to assist students in making informed career choices based on the current trends in the job market. Four parishes have been targeted to date—St. Catherine, St. Ann, Trelawny and St. James—and over 1 000 students have participated. The promotions are done in collaboration with the Corporate Services; Social Policy, Planning & Research; and Sustainable Development & Regional Planning Divisions.

A number of displays were mounted throughout the year—the two-day SALISES 9th Annual Conference in March, *'Reinventing the Political Economy Tradition of the Caribbean'*, held at the Mona Visitors' Lodge and Conference Centre; and in November the National Environment and Planning Agency (NEPA) World Town Planning Day, Devon House; and the Scientific Research Council's (SRC) Open Day, were held, among others.

Publications are available from our Bookshop, located at the PIOJ's Offices and from Sangsters Book Store, in addi-

tion to the Sir Arthur Lewis Institute of Social and Economic Studies (SALISES) Book Shop, University of the West Indies, Mona campus; face-to-face at book launches; business seminars; conferences and other public fora.

INTERNAL COMMUNICATION

PIOJ Highlights and Intranet

CAMC maintains internal communication with staff through the Intranet and the *PIOJ Highlights*, an internal newsletter, which is published biannually January–June and October–December.

Communications Committee

In 2003, the Communications Committee was formed to address communication problems at the PIOJ and to review the *Citizen's Charter*. Recommencing in September, the Committee met twice for the year to discuss issues relating to, inter alia, the reception area; floor directory; the suggestion box; security and parking.

Additionally, the Committee provided support to the Learning Hour—formerly the Lunch Hour Forum—an initiative geared towards providing staff interaction on various topical issues.

Citizen's Charter

Customer satisfaction is a critical tenet of the PIOJ's Citizen's Charter. To this end, customer service reports are submitted each quarter to the Office of the Prime Minister's Standards & Monitoring Unit. The Division regularly taps into the needs and concerns of customers through the use of its customer comment cards as part of the Institute's goal to maintain high customer service standards and corrective actions are taken where possible.

MANAGEMENT RETREAT

A Management Retreat was held on November 14, 2008. Some of the outcomes from this session were:

- integration of the National Development Plan into the Institute's Annual Corporate and Operational Plans and alignment of the work of the Divisions with the Plan;
- translation of the Medium Term Framework into projects and programmes;

- greater collaboration and integration among Divisions;
- better management of data;
- cross-functional training;
- restructuring the PIOJ to ensure effective deployment of human resources;
- effective internal and external communication; and
- building of capacity for monitoring and evaluation.

SUPPORT SERVICES

CAMC provides administrative support to the Board of Directors. The production of complimentary slips, business cards, cover designs for various documents, the production of advertisements and programmes, and publications for other Divisions continued.

CORPORATE SERVICES



Mr. Kirk Philips - Director

The Corporate Services Division through its units—Accounting, Office Management, Information Systems, Facilities Management, Documentation Centre and Human Resource—provides the financial, physical, technological and human capital requirements of the Institute. Pivotal to its mandate is the informative role played by the Documentation Centre which provides relevant social and economic information to the Institute's stakeholders, while the Information Systems Unit contributed to information technology (IT) development activities in the informatics sector.

The year 2008 demanded more stringent management practices to ensure the timely delivery of services to promote sustainability of the resources of the organization. Among the priority areas was the continuous upgrading of processes and systems to enable a cutting edge environment for optimal efficiency. *Vision 2030 Jamaica-National Development Plan* was one area that required the provision of resources for the numerous consultations held islandwide.

One of the many challenges faced was related to the completion of the PIOJ Building at 16 Oxford Road and the relocation of staff. The PIOJ Building was officially opened by the Honourable Bruce Orette Golding, Prime Minister of Jamaica and blessings were pronounced by The Roman Catholic Vicar General of the Archdiocese of Kingston,

Very Rev. Father Kenneth Richards. Among the special guests were Ministers of Parliament and a representation from the International Donor Community.

MAIN OBJECTIVES

The main objectives of the Division were to:

- implement modern network infrastructure and communication systems;
- outfit the PIOJ building with adequate power supply and electronic security systems;
- observe occupational health and safety standards;
- reduce energy costs;
- increase focus on staff welfare programmes;
- streamline the management of the Institute's assets and financial resources; and
- improve the quality of readers' advisory services to internal and external clients.

HUMAN RESOURCE UNIT

The Human Resource Unit was charged to continue developing the Institute's competitive advantage through effective management of both the internal and external environments.

MAJOR ACHIEVEMENTS:

The year saw an increased emphasis on staff welfare and development resulting from relocation activities which created varying levels of adaptability and the need for improved corporate social networks.

Talent Management

An in-depth review of the talent management processes across Divisions informed the Succession Planning model that was further developed. The model provided a diagnostic assessment of the productive capabilities of individuals (that is, knowledge, skills and experience) which was presented to the Divisional Directors. Job evaluation exercises were conducted resulting in an upgrading of five jobs in the technical areas. These evaluations were based on the comparative worth of jobs performing similar functions in the wider public service.

Training and Development

With a more mature Performance Based Management



PIOJ's team smile for the camera at the Sigma Corporate Run 2008; as part of its Corporate Wellness Programme, Emancipation Park, March 9, 2008. Standing (l-r) are: Mrs Sandra Ward, Manager, Human Resource Unit; Mr Richard Kelly, Science and Technology Planner, Sustainable Development & Regional Planning; Miss Stephanie Watson, Secretary, External Cooperation Management; and Miss Karlene Mitchell, Economist, Economic Planning & Research.

System (PBMS) learning needs were identified and employees benefited from study tours in areas of research, economic model development, project management, corporate governance, economic and social policy consulting, and data management analysis. The Unit, with the assistance of a Summer Intern, conducted a feasibility study and designed provisional implementation Plan for e-Learning within the PIOJ.

Corporate Wellness Programme

The Institute's Corporate Wellness programme continued to impact positively on premium rates for health insurance. In comparison with previous years, the overall claim utilization remained within the industry standard. April to December 2008 saw a 77.0 per cent containment in incurred claims by service rate.

The start-up of canteen services formed part of the corporate wellness drive to ensure healthy nutritional practices for members of staff. In keeping with Ministry of Health regulations infrastructure was put in place for the provision of services. A canteen concessionaire was selected with the assistance of the Canteen/Standards Committee.

Community Outreach

As part of the Unit's community outreach, a Back-to-School assistance programme for the Jamaica Christian Boys' Home was initiated with the help of the PIOJ'S Staff Association. Members of staff donated pre-owned textbooks and articles of clothing to the Jamaica Christian Boys' Home. On occasion staff provided meals for the Home's 30 residents.

The Institute upgraded its communication system and acquired new telephones. The Corporate Services Division donated approximately 100 telephones from the previous used system to the Jamaica Constabulary Force.

As a result of the refurbishing project in 2008, the Institute replaced many of its office furniture. The furniture that was no longer in use was donated to selected basic and secondary schools in the Corporate area as well as the Jamaica Constabulary Force.

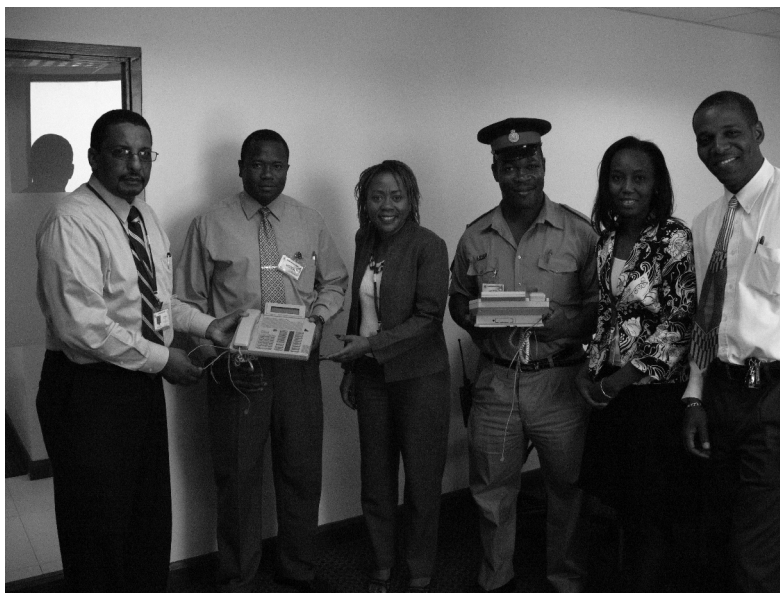
ACCOUNTING UNIT

The Accounting Unit provided financial information required by internal and external users and prepared and allocated the annual recurrent budget among the Divisions within the PIOJ. The Unit also prepared and submitted Capital budgets and provided receipts and expenditure information for Capitals A and B projects. Financial information was provided internally to the Board of Directors, the Director General and the Committee of Management and externally to the Office of the Prime Minister and International Organizations. In addition, payroll is prepared and disbursed monthly and cheques are prepared and disbursed to suppliers and vendors within specified timelines.

Major Achievements

The allocation of PIOJ's approved budget for 2008/2009 was proportionately assigned to the Divisions. Actual expenditure was allocated to the Divisions and monthly financial statements prepared and distributed.

A supplementary budget was requisitioned despite pru-



Corporate Services Director, PIOJ, Mr Kirk Philips (left) and Mrs Sandra Ward (third left), Manager, Human Resource Unit, PIOJ, hand over PBX telephones to Inspector Leonardo Brown, Telecommunications Division, Jamaica Constabulary Force (JCF) as part of the PIOJ's community outreach programme. Sharing in the moment are Inspector Glenford Miller (right), Constant Spring Police Station; Mrs Janelle Cox (second right), Manager, Information Systems Unit, PIOJ; and Sergeant Glasford Beckford (third right), Telecommunications Division, JCF. The event took place at the PIOJ offices, May 2008. The PIOJ donated approximately 100 telephones to the Jamaica Constabulary Force.

dent financial discipline due to new rates for salaries and travel allowances that were put in effect during the budget year. These costs were not identified at the time of submission. A Supplementary Budget was approved for \$25.363 million.

During the year, a new entity (PIOJ Building Maintenance) was set up as a separate accounting system to record the maintenance costs shared by the Institute and its tenant.

OTHER ACHIEVEMENTS:

Other Achievements of the Unit were:

- financial statements produced and submitted to the Board of Directors;
- bank accounts reconciled on a monthly basis;
- monthly financial statements generated to ensure currency of accounting records;
- preparation of the 2009/2010 budget commenced in December 2008 for submission to the Office of the Prime Minister in January 2009; and
- preparation of the audited financial statements for 2007 based on the new International Financial Reporting Standards (IFRS) and completed to meet the March 31 deadline.

INFORMATION SYSTEMS UNIT

The Information Systems Unit managed the information and communications technology infrastructure while ensur-

ing the alignment of information technology and the organization's strategies. The Unit promoted the technological maturity of the organization through the implementation of effective information technology solutions. Policy advice and technical assistance was provided to public sector Information Communications Technology (ICT) projects, such as the Citizens' Security and Justice Programme in the Ministry of National Security.

Major Achievements

The key IT solutions were the implementation of the network infrastructure and communication systems, power supply, access control and surveillance systems for the PIOJ's new offices. Other solutions included the upgrading of the IT infrastructure for increased productivity extending to continued support to public sector ICT implementation and coordination. Listed for emphasis are other IT platforms completed during the year:

- Implementation of Network infrastructure (network backbone, structured cabling and new switches) was completed;
- VOIP Private Branch Exchange and IP communication system implemented;
- Access Control and badge Production System implemented;
- Surveillance System implemented;
- Uninterruptible Power Supply (UPS) units installed for two floors;
- Development and implementation of Lunch Order

system;

- JAMSTATS web site requirements specifications completed;
- Maintained Intranet, Financial Management Information System, Payroll System and other corporate systems;
- Maintained information technology infrastructure including replacement of obsolete equipment and upgraded software thereby enabling optimum performance; and
- Provided technical advice to IDB funded projects – Citizens’ Security and Justice Programme and T21-Jamaica Model.

DOCUMENTATION CENTRE AND REGISTRY

The Documentation Centre continued to be the World Bank Depository Library Programme and a dependable source of new information resources. Other donors included the Houses of Parliament, the Inter-American Development Bank, Ministry of Finance and the Public Service, Bank of Jamaica and STATIN. A total of 2 356 items were acquired during the year. Some 1 115 records were added to the bibliographic database increasing the total from 13 221 in December 2007 to 14 336 records by December 2008.

Major Achievements

As of September 2008, employees were able to access the Library’s bibliographic database as the SECIN database, which contains most of the Centre’s records has been posted on the Institute’s intranet.

The thrust, which started in 2007 to facilitate easier access to more online information resources continued. Our request to EBSCO Publishing for a trial run of relevant databases was granted and in September, the Documentation Centre got a six-month trial run of two of their databases: SocIndex with Full Text and Environmental Complete. The trial run ends March 31. The World Bank e-library continued to provide quick and reliable access to socio-economic information.

There were 377 reference queries compared with 708 for the previous year. The decrease could be attributed to the relocation. There was also a decrease in the number of loans as 3 051 were recorded for 2008 relative to 3 631 for the previous year. Access to Information queries decreased to 19 from 26 in 2007.

Socio-Economic Information Network

Two more libraries submitted databases for inclusion in the SECIN database: the Bureau of Womens’ Affairs and the

Council of Voluntary Social Services. SECIN units are participating in the National Union Catalogue project being spearheaded by the National Library of Jamaica. This is an initiative to encourage libraries in the National Information System, of which the SECIN network is a part, to contribute to a national bibliographic database. Four issues of *SECIN news* were published and two issues reflected the new feature: profiles of librarians who serve in SECIN libraries.

OFFICE SERVICES UNIT

The Unit continued to play a pivotal role in the provision of suitable accommodation for International consultants. It provides fleet and asset management and is the central procurement unit of the Institute. Office Services provides the necessary tools and supplies for the daily operation of all the Institute’s Divisions. It gives logistical support for all of the PIOJ’s functions and for PIOJ’s staff members as needed. The Unit ensures that proper insurance coverage is in place for the Institute’s assets including the PIOJ Building. This Unit observes ergonomic needs for proper occupational, health and safety practices in keeping with the various Acts and government policies.

Major Achievements

The team spearheaded logistical arrangements for facilitating the relocation of the PIOJ offices in April 2008. In compliance with government regulations, the Unit also coordinated and managed the procurement process, which was critical, due to increased contractual negotiations associated with the relocation exercise. Other areas of coverage included:

- Asset Management Register maintained in keeping with audit requirements
- Fleet Management data base upgraded and maintained
- Disaster Preparedness practices communicated and put in operations
- Insurance coverage negotiated and renewed for all assets
- Obsolete and non-functional equipment and motor vehicles disposed of in keeping with required standards

FACILITIES MANAGEMENT UNIT (FMU)

This Unit was established following market research on the costs of commercial property management services. The purpose of the Unit is to manage the property within the confines of an established maintenance budget. The Unit maintained the premises with a view to increasing PIOJ Building’s market value. It handled space planning and office layout

projects throughout the year. The FMU spearheaded negotiations with tenants and adjacent property owners and liaised with legal consultants and building professionals regarding property matters.

Major Achievements

In an effort to contain costs, the PIOJ engaged the services of an in-house Facilities Manager. During 2008, some of the initiatives were specifically geared towards reducing energy costs. For example, the shift in the Janitorial hours from 5:00pm–9:00pm to 3:30pm–6:30pm to better utilize the PIOJ's working hours when the lights throughout the building are normally in use. There was also the implementation of a policy to turn off the elevator after working hours and on weekends. The PIOJ commissioned an Energy Audit to assess the energy usage and to recommend methods to further improve energy efficiency. In the area of sustainability, the Institute through the Facilities Management Unit organized with the Protect the Environment Trust (PET) to establish a plastic recycling programme. Steps were also taken to expand the recycling programme to include paper recycling. These recycling projects were implemented at no cost to the Institute and were designed to reduce the maintenance cost for waste material at the PIOJ Building.

New security procedures were implemented to protect the Institute's staff and property. The logistics of contracted security personnel and the establishment of specified hours of duty at strategic posts helped to reduce security risks at the location.

The Planning Institute of Jamaica entered into service contracts for all its capital equipment in order to maximize the life cycle of its equipment. Other service contracts were also established for Janitorial, Security, Pest control and others that are necessary for proper building management.

The introduction of the Unit expanded the Institute's knowledge base to include construction, real estate and building management. The Unit was responsible for the management of one-off projects and some that involved elements of change such as electrical upgrades and furniture upgrade. The FMU provided consultation to a government agency, the National Centre for Youth Development (NCYD) in the Ministry of Information, Culture, Youth and Sports.

The FMU carried out tenders for various building services. It coordinated and prepared tender reports for submission to Sector Committees and for the National Contracts Committee's (NCC) consideration. The Unit represented the Institute at those Sector Committee meetings.

This Unit achieved the aesthetics and ambience within and surrounding the building that reflected the desired impression on stakeholders and was conducive to productivity.

Pension Fund

In keeping with new Pension regulations as established by the Financial Services Commission (FSC), contributions to the fund were kept within the seven-day deadline. As at December 2008, the fund stood at \$412 214 037.00.

Compensation of Senior Management, January – December 2008

Salary Range of Senior Management	\$ Minimum	\$ Maximum
January – March	2 478 023	4 753 107
April – December	2 601 931	4 990 773

Notes

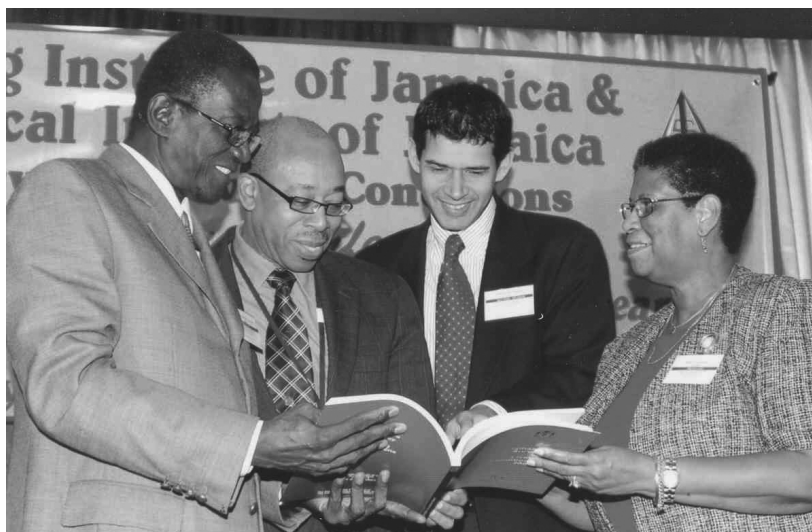
- i) Senior Management includes the Director General and seven Directors
- ii) The Director General is provided with a fully maintained motor vehicle.
- iii) The Director General and two Directors are eligible for gratuity
- iv) Six Directors contribute to the Pension Plan
- v) Each member of Senior Management is eligible for health insurance and life insurance.

2008 Year in Review



Members of the joint PIOJ/STATIN Ensemble perform at the *Jamaica Survey of Living Conditions* 20th Anniversary Conference, Knutsford Court Hotel, November 26, 2008.

Dr Pauline Knight (left), Director, Social Policy, Planning & Research, PIOJ, presents a copy of her book *Inequality and Stratification in Jamaica during Economic Adjustment, 1991–2000* to Mrs Arlene Ononaiwu (right), Manager, Technical Information, PIOJ, at its launch during the *Jamaica Survey of Living Conditions* 20th Anniversary Conference, Knutsford Court Hotel, November 26, 2008.



Examining a copy of the *Jamaica Survey of Living Conditions* 2007 are (l-r) Senator, the Hon Dwight Nelson, Minister without Portfolio, Ministry of Finance and the Public Service; Dr Wesley Hughes, Director General, PIOJ; Dr Sudhanshu Handa, Associate Professor, Department of Public Policy, University of North Carolina; and Ms Sonia Jackson, Director General, STATIN.

2008 Year in Review



The Most Hon Edward Seaga, ON, PC (left), Distinguished Fellow, University of the West Indies cuts the ceremonial ribbon to officially open the PIOJ's offices during the commemoration of the 50th Anniversary of the *ESSJ*. Sharing in the moment are Prime Minister, the Hon Bruce Golding, MP (right) and Dr Wesley Hughes (centre), Director General, PIOJ.

A cross section of the audience appears to be quite engaged during the commemoration of the 50th Anniversary of the *ESSJ*. Seated (front row) are Mr Lincoln McIntosh, OD, former Director, Research & Social Planning Division, PIOJ; Miss Gertrude Burke, OD, former Head, Publications Unit, PIOJ; (second row, r-l) Miss Carole James, Manager, National Planning Council Secretariat, Economic Planning & Research Division, PIOJ; and Mrs Delores Nelson, former Director, Research, Documentation & Publication Division; (third row) Very Rev Father Kenneth Richards, Roman Catholic Vicar General, Archdiocese of Kingston; and members of the diplomatic corps.



Standing reverently during the benediction at the commemoration of the 50th Anniversary of the *ESSJ* are: (l-r) Justice Hugh Small, former Minister, Ministry of Finance & Planning; Mrs Marjorie Henriques (partially hidden), former Director General, PIOJ; Dr the Hon Omar Davies, Opposition Spokesman, Ministry of Finance & the Public Service; the Most Hon Glynne Manley; Ambassador Don Mills, former Director General, PIOJ; Dr Wesley Hughes, Director General, PIOJ; Prime Minister, the Hon Bruce Golding, MP; and the Most Hon Edward Seaga, ON, PC, Distinguished Fellow, University of the West Indies.



MEMBERS OF THE BOARD OF DIRECTORS



Dr Wesley Hughes
Director General &
Chairman



Mr Christopher Berry



Miss Joy Douglas



Mrs Sandra Glasgow



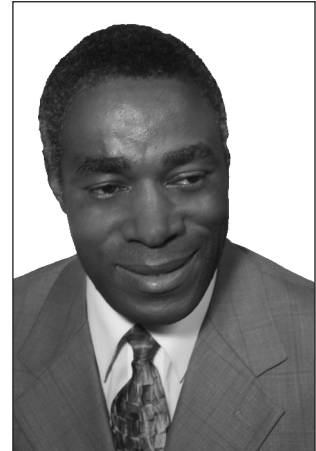
Mr Vindel Kerr



Miss Darlene Morrison



Mr Colin Steele



Professor Alvin Wint



THE PLANNING INSTITUTE OF JAMAICA
YEAR ENDED DECEMBER 31, 2008

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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 28, which comprise the balance sheet as at December 31, 2008, the income statement, 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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.

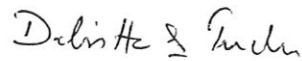
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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, 2008, and of its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in cursive script, appearing to read "Deloitte & Touche".

Chartered Accountants

Kingston, Jamaica,
April 30, 2009

THE PLANNING INSTITUTE OF JAMAICA

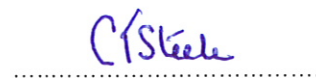
BALANCE SHEET AT DECEMBER 31, 2008

	<u>Notes</u>	<u>2008</u> \$'000	<u>2007</u> \$'000
<u>ASSETS</u>			
Non-current assets			
Property and equipment	6	469,122	371,580
Long-term receivables	7	4,403	4,112
Retirement benefit asset	8	<u>70,069</u>	<u>34,436</u>
		<u>543,594</u>	<u>410,128</u>
Current assets			
Inventories	9	5,869	7,740
Accounts receivable	10	25,539	25,416
Cash and bank balances	11	<u>44,427</u>	<u>42,441</u>
		<u>75,835</u>	<u>75,597</u>
Total assets		<u>619,429</u>	<u>485,725</u>
<u>EQUITY AND LIABILITIES</u>			
Government contribution to equity	12	353	353
Capital grants	13	401,247	354,048
Accumulated surplus		<u>110,578</u>	<u>38,575</u>
		<u>512,178</u>	<u>392,976</u>
Current liabilities			
Owed to projects	14	29,250	27,039
Accounts payable	15	<u>78,001</u>	<u>65,710</u>
		<u>107,251</u>	<u>92,749</u>
Total equity and liabilities		<u>619,429</u>	<u>485,725</u>

The Notes on Pages 6 to 28 form an integral part of the Financial Statements.

The financial statements on Pages 2 to 28 were approved and authorised for issue by the Board of Directors on April 30, 2009 and are signed on its behalf by:


.....
Director


.....
Director

THE PLANNING INSTITUTE OF JAMAICA

INCOME STATEMENT

YEAR ENDED DECEMBER 31, 2008

	<u>Notes</u>	<u>2008</u> \$'000	<u>2007</u> \$'000
INCOME			
Government grants	16	401,749	318,399
Other income	17	<u>6,969</u>	<u>4,563</u>
		<u>408,718</u>	<u>322,962</u>
EXPENSES			
Staff costs	18	252,528	251,042
Property expenses		48,424	56,571 *
Consultancy and professional fees		3,672	2,499
Depreciation		23,081	11,780
Other operating expenses		<u>26,711</u>	<u>18,020 *</u>
		<u>354,416</u>	<u>339,912</u>
SURPLUS (DEFICIT) FROM OPERATIONS		54,302	(16,950)
Interest Income		<u>3,395</u>	<u>2,646</u>
NET SURPLUS (DEFICIT)		<u>57,697</u>	(<u>14,304</u>)

* Restated to conform with current year classifications.

The Notes on Pages 6 to 28 form an integral part of the Financial Statements.

THE PLANNING INSTITUTE OF JAMAICA

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2008

	<u>Note</u>	<u>Government Contributions to Equity \$'000</u>	<u>Capital Grants \$'000</u>	<u>Accumulated Surplus \$'000</u>	<u>Total \$'000</u>
Balance at January 1, 2007		<u>353</u>	<u>253,027</u>	<u>44,473</u>	<u>297,853</u>
Project grants received for capital expenditure		<u>-</u>	<u>109,427</u>	<u>-</u>	<u>109,427</u>
Net income recognised directly in equity	13	-	109,427	-	109,427
Deficit for the year		<u>-</u>	<u>-</u>	<u>(14,304)</u>	<u>(14,304)</u>
<i>Total recognised income for the year</i>		-	109,427	(14,304)	95,123
Transfer to accumulated surplus, amount equivalent to depreciation charges for the year on assets acquired using project grants	13	<u>-</u>	<u>(8,406)</u>	<u>8,406</u>	<u>-</u>
Balance at January 1, 2008		<u>353</u>	<u>354,048</u>	<u>38,575</u>	<u>392,976</u>
Project grants received for capital expenditure		<u>-</u>	<u>61,505</u>	<u>-</u>	<u>61,505</u>
Net income recognised directly in equity	13	-	61,505	-	61,505
Surplus for the year		<u>-</u>	<u>-</u>	<u>57,697</u>	<u>57,697</u>
<i>Total recognised income for the year</i>		-	61,505	57,697	119,202
Transfer to accumulated surplus, amount equivalent to depreciation charges for the year on assets acquired using project grants	13	<u>-</u>	<u>(14,306)</u>	<u>14,306</u>	<u>-</u>
Balance at December 31, 2008		<u>353</u>	<u>401,247</u>	<u>110,578</u>	<u>512,178</u>

The Notes on Pages 6 to 28 form an integral part of the Financial Statements.

THE PLANNING INSTITUTE OF JAMAICA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2008

	<u>2008</u> \$'000	<u>2007</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus (loss)	57,697	(14,304)
Adjustments for:		
Depreciation of property and equipment	23,081	11,780
Interest income	(3,395)	(2,646)
Retirement benefit plan (credit) charge	(23,154)	<u>25,398</u>
Operating cash flows before movement in working capital	54,229	20,228
Decrease (increase) in inventories	1,871	(367)
Decrease (increase) in accounts receivable	1,232	(11,367)
Increase in owed to projects	2,211	12,589
Increase in accounts payable	<u>12,291</u>	<u>19,757</u>
Cash provided by operating activities	71,834	40,840
Contributions to retirement benefit plan	(12,479)	(11,129)
Net cash provided by operating activities	<u>59,355</u>	<u>29,711</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,837	2,803
Acquisition of property and equipment	(120,623)	(126,089)
Long-term receivables (net)	(1,088)	(2,951)
Cash used in investing activities	(118,874)	(126,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Project grant received	<u>61,505</u>	<u>109,427</u>
Cash provided by investing activities	<u>61,505</u>	<u>109,427</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,986	12,901
OPENING CASH AND CASH EQUIVALENTS	<u>42,441</u>	<u>29,540</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>44,427</u>	<u>42,441</u>

The Notes on Pages 6 to 28 form an integral part of the Financial Statements.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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 ADOPTION OF NEW AND REVISED STANDARDS

2.1 *Standards and Interpretations effective in the current period*

In the current year, the Institute adopted the amendments to IAS 39 and IFRS 7, Reclassification of Financial Assets effective July 1, 2008, which permitted the reclassification of certain non-derivative financial assets recognised in accordance with IAS 39.

Also, in the current year, three interpretations issued by the International Financial Reporting Interpretations Committee became effective for the Institute. These are:

IFRIC 11	Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements
IFRIC 14; IAS 19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

The adoption of these Interpretations has not had any changes to the Institute's accounting policies.

2.2 *Standards and Interpretations in issue not yet effective*

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective for the financial period being reported upon:

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

2 ADOPTION OF NEW AND REVISED STANDARDS (Cont'd)

2.2 *Standards and Interpretations in issue not yet effective (Cont'd)*

		Effective for annual periods beginning on or after
IAS 1,8,10,16,18,19, 20, 23,27, 28, 29,) 31, 34, 36, 38, 39,) 40, 41 and IFRS 7) IAS 1 (Revised)	Amendments resulting from May 2008 Annual Improvements to IFRS Presentation of Financial Statements: - Comprehensive revision including requiring a statement of comprehensive income	January 1, 2009 January 1, 2009
IAS 23 (Revised)	Borrowing Costs	January 1, 2009
IAS 27 (Revised)	Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 31	Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 32	Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation	January 1, 2009
IAS 39	Financial Instruments: Recognition and Measurement - Amendments to clarify Eligible Hedged Items	July 1, 2009
IFRS 1	First-time Adoption of International Financial Reporting Standards: - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate - First-time Adoption of Financial Reporting Standards	January 1, 2009 July 1, 2009
IFRS 2	Share-based Payment - Amendment relating to vesting conditions and cancellations	January 1, 2009
IFRS 3 (Revised)	Business Combinations - Comprehensive revision on applying the acquisition method	July 1, 2009
IFRS 5 (Revised)	Non-current Assets Held for Sale and Discontinued Operations - Amendment relating to Plans to sell the controlling interest in a subsidiary	July 1, 2009
IFRS 8	Operating Segments	January 1, 2009
IFRIC 13	Customer Loyalty Programmes	July 1, 2008
IFRIC 15	Agreements for the Construction of Real Estate	January 1, 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	October 1, 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	July 1, 2009
IFRIC 18	Transfer of Asset from Customers	July 1, 2009

Except as noted below, the Board of Directors and management believe 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.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

2 ADOPTION OF NEW AND REVISED STANDARDS (Cont'd)

2.3 *New and Revised Standards and Interpretations considered relevant*

- *IAS 1 (Revised 2007) - Presentation of Financial Statements* – IAS 1, among other things, affects the presentation of owner changes in equity and comprehensive income. It requires the presentation of all non-owners changes in equity (comprehensive income) in one or two statements; either in a single statement of comprehensive income, or in an income statement and a statement of comprehensive income. On adoption at its effective date, the standard will result in a change in the presentation of the Institute's income statement and the statement of changes in equity.
- *IAS 23 (Revised) - Borrowing Costs*. The revision removes the option of either capitalising borrowing costs relating to qualifying assets or expensing these borrowing costs. The revised standard requires management to capitalise borrowing costs attributable to qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use or sale. The adoption of this revised standard at its effective date is not expected to have a significant impact on the Institute's financial statements as there are currently no qualifying assets.

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).

4.2 Basis of preparation

These financial statements have been prepared under the historical cost basis. The principal accounting policies are set out below:

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.

Depreciation is charged so as to write-off the cost of assets, other than properties under construction over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 Property and equipment (Cont'd)

Property and equipment in the course of construction or assembly for administrative purposes or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes any professional fees directly related to bringing the assets into use. Depreciation of these assets, on the same basis as similar property and equipment, commences when the assets are ready for their intended use.

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 net carrying amount of the asset and is recognised in the income statement.

4.4 Impairment of tangible assets

At each balance sheet date, 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 basis can be identified.

Recoverable amount is the higher of fair value less cost 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 the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

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

4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability to or equity to another entity.

A financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 Financial instruments (Cont'd)

(c) a contractual right:

- (i) to receive cash or another financial asset from another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Institute.

A financial liability is any liability that is:

(a) a contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Institute.

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

4.6 Financial assets

The Institute's financial assets primarily comprise 'loans and receivables' with the classification being based on the purpose of the financial asset and is determined at the time of initial recognition. The financial assets of the Institute include cash and cash equivalents, accounts receivable and long-term receivables.

4.6.1 *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate except that no interest is charged on trade and other receivables as they are usually settled within a short period during which recognition of interest would be immaterial. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

4.6.2 *Cash and cash equivalents*

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand net of bank overdraft and other highly liquid bank deposits held with financial institutions, with an original maturity of three months or less from the date of acquisition, and are held to meet cash requirements rather than for investment purposes.

4.6.3 *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that have occurred after initial recognition of the financial assets, the estimated future cash flows of the asset have been impacted.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.6 Financial assets (Cont'd)

4.6.3 *Impairment of financial assets (Cont'd)*

Objective evidence of impairment could include:

- Significant financial difficulty of the issue or counter party; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently 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 is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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 allowance account. Subsequent recoveries of amounts previously written-off are credited to income. Changes in the carrying amount of the allowance account are recognised in the income statement.

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 the income statement 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.

4.6.4 *De-recognition of financial assets*

The Institute de-recognises 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.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7 Financial liabilities

Financial liabilities of the Institute that include owed to projects and accounts payable are classified as other liabilities.

4.7.1 *Owed to projects*

These amounts are stated at nominal values.

4.7.2 *Accounts payable*

Accounts payable are initially measured at their fair values. No interest is accrued on outstanding balances as these are usually settled within a short period during which any interest charged would be immaterial.

4.7.3 *De-recognition of financial liabilities*

The Institute de-recognises financial liabilities when, and only when, the Institute's obligations are discharged, cancelled or they expire.

4.8 Employee benefits

4.8.1 *Pension obligations*

The Institute operates a defined benefit pension plan for its permanent staff. The plan is funded by contributions from employees and employer. The employees contribute at the rate of 5% of pensionable salaries (with the option of contributing an additional 5%). The Institute's rate of contribution is determined by independent actuaries with a minimum of 5% of pensionable salaries.

The cost of providing benefits is determined using the Projected Unit Credit Method with independent actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses that exceed 10% of the greater of the present value of the Institute's obligation and the fair value of plan assets 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 retirement benefit asset recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

4.8.2 *Leave entitlement*

Employee entitlements to annual leave and gratuities are recognised when they accrue to employees. Provision is made for the estimated liability for annual leave and gratuity for services rendered by employees up to the balance sheet date.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.9 Inventories

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

4.10 Capital grants

As a government-owned entity amounts received as special grants for the acquisition of property and equipment are recognised as a reserve 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 reserve to accumulated surplus or deficit to systematically recognise the benefit of the grant over the useful lives of the assets acquired.

4.11 Revenue recognition

4.11.1 *Government grants*

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

4.11.2 *Rental income*

The Institute's policy for recognition of revenue from operating leases is described in Note 4.13.1 below.

4.11.3 *Interest income*

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.

4.11.4 *Maintenance income*

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

4.12 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

4.12.1 Enterprises and individuals owning directly or indirectly an interest in the voting power of the entity that gives significant influence over the entity's affairs and close members of the families of these individuals.

4.12.2 A member of key management personnel of the entity, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors, officers and close members of the families of these individuals.

4.12.3 Post-employment benefit plan for the benefit of the employees of the entity.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

4.13.2 The Institute as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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 recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items, are included in the income statement for 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, management is 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

Management believes that, there are no judgments made that had a significant effect on the amounts recognised in the financial statements.

THE PLANNING INSTITUTE OF JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2008****5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)****5.2 Key sources of estimation uncertainty**

The following is a key source of estimation uncertainty at the balance sheet date 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 amount shown in the balance sheet of an asset of approximately \$70.1 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 obligation.

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 PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

6 PROPERTY AND EQUIPMENT

	Freehold Building \$'000	Leasehold Improvements \$'000	Furniture, Fixtures & Equipment \$'000	Motor Vehicles \$'000	Construction W.I.P. \$'000	TOTAL \$'000
Cost						
January 1, 2007	253,157	9,405	35,578	7,617	4,256	310,013
Additions (government grants)	-	-	6,245	-	-	6,245
Additions (project grants)	-	-	-	-	119,844	119,844
January 1, 2008	253,157	9,405	41,823	7,617	124,100	436,102
Additions (government grants)	-	-	71,722	-	-	71,722
Additions (project grants)	-	-	7,063	-	41,838	48,901
Transfer to fixed assets	147,286	-	18,652	-	(165,938)	-
December 31, 2008	400,443	9,405	139,260	7,617	-	556,725
Accumulated depreciation						
January 1, 2007	6,329	9,332	33,142	3,939	-	52,742
Charge for year	6,172	72	3,297	2,239	-	11,780
January 1, 2008	12,501	9,404	36,439	6,178	-	64,522
Charge for year	9,094	-	12,972	1,015	-	23,081
December 31, 2008	21,595	9,404	49,411	7,193	-	87,603
Net Book Value						
December 31, 2008	378,848	1	89,849	424	-	469,122
December 31, 2007	240,656	1	5,384	1,439	124,100	371,580

The following rates are used for depreciation of property and equipment:

Building	-	2.5%
Leasehold improvements	-	33.3%
Furniture, fixtures and equipment (including computer equipment)	-	10% - 20%
Motor vehicles	-	33.3%

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

7 LONG-TERM RECEIVABLES

(a) These include:

	<u>2008</u> \$'000	<u>2007</u> \$'000
Rental deposit (see (b) below)	-	782
Staff loans receivable (see (c) below)	<u>6,679</u>	<u>4,809</u>
	6,679	5,591
Less: current portion of staff loans receivable (Note 10)	<u>(2,276)</u>	<u>(1,479)</u>
	<u>4,403</u>	<u>4,112</u>

(b) Rental deposit related to the deposit paid to the landlord as required under the operating lease arrangement for the rental of office premises that housed the Institute's head office up to March 2008. The deposit was recovered during the year.

(c) 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, 2008 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 Principal assumptions used for the purpose of the actuarial valuation were as follows:

	<u>2008</u>	<u>2007</u>
Gross discount rate	16%	13%
Expected return on assets	14%	13.5%
Expected rate of salary increases	13%	10%
Future pension increases	5%	3.5%
Inflation	10%	9.0%

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

8 RETIREMENT BENEFIT ASSET (Cont'd)

8.2 Amount included in the balance sheet in respect of the plan is as follows:

	<u>2008</u> \$'000	<u>2007</u> \$'000
Present value of obligations	(238,248)	(183,238)
Fair value of plan assets	<u>412,214</u>	<u>418,953</u>
	173,966	235,715
Unrecognised past service cost	746	-
Unrecognised net actuarial gains	21,110	(44,266)
Assets not recognised due to limitation in paragraph 58 of IAS 19	<u>(125,753)</u>	<u>(157,013)</u>
Net asset in balance sheet	<u>70,069</u>	<u>34,436</u>

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

	<u>2008</u> \$'000	<u>2007</u> \$'000
Current service cost	8,685	9,609
Interest costs	21,697	18,911
Expected return on plan assets	(57,508)	(43,509)
Recognised actuarial gains	(113)	-
Recognised past service cost	35,345	-
Change in unrecognised asset	<u>(31,260)</u>	<u>40,387</u>
Total included in staff costs (Note 18)	<u>(23,154)</u>	<u>25,398</u>
Actual return on plan assets	<u>15,907</u>	<u>55,592</u>

8.4 Movements in the net asset in the year were as follows:

	<u>2008</u> \$'000	<u>2007</u> \$'000
Balance, January 1	34,436	48,705
Amounts credited (charged) to income	23,154	(25,398)
Contributions	<u>12,479</u>	<u>11,129</u>
Balance, December 31	<u>70,069</u>	<u>34,436</u>

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

8 RETIREMENT BENEFIT ASSET (Cont'd)

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

	<u>2008</u> \$'000	<u>2007</u> \$'000
Opening defined benefit obligation	183,238	166,042
Service cost	8,685	9,609
Interest cost	21,697	18,911
Member contributions	7,049	5,710
Past service cost - vested benefits	35,345	-
Past service cost - non-vested benefits	746	-
Benefits paid	(4,997)	(3,292)
Actuarial gain	(13,515)	(13,742)
Closing defined benefit obligation	<u>238,248</u>	<u>183,238</u>

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

	<u>2008</u> \$'000	<u>2007</u> \$'000
Opening fair value of plan assets	418,953	355,730
Members' contributions	7,049	5,710
Employer's contributions	12,479	11,129
Expected return on plan assets	57,508	43,509
Benefits paid	(4,997)	(3,292)
Actuarial (loss) gain	(78,778)	6,167
Closing fair value of plan assets	<u>412,214</u>	<u>418,953</u>

- 8.7 The fair value of the plan assets at the balance sheet date is analysed as follows:

	<u>2008</u> \$'000	<u>2007</u> \$'000
Equity fund	133,625	167,252
Fixed income fund	127,575	119,970
Foreign exchange fund	46,591	43,293
Mortgage and real estate fund	94,698	83,172
Money Market fund	<u>9,725</u>	<u>5,266</u>
Fair value of plan assets	<u>412,214</u>	<u>418,953</u>

The overall expected rate of return of 14% on plan assets was based on market expectation of inflation of (10%) plus a margin for real returns (4%) on a balanced portfolio of equities, bonds and property. The directors' assessment of the expected return is based on historical trends and analysts' predictions of the market for the assets in the next twelve months.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

8 RETIREMENT BENEFIT ASSET (Cont'd)

8.7 (Cont'd)

The history of experience adjustment is as follows:

	<u>2008</u> \$'000	<u>2007</u> \$'000	<u>2006</u> \$'000	<u>2005</u> \$'000	<u>2004</u> \$'000
Present value of defined benefit obligation	(238,248)	(183,238)	(166,042)	(125,595)	(116,807)
Fair value of plan assets	<u>412,214</u>	<u>418,953</u>	<u>355,730</u>	<u>296,925</u>	<u>264,488</u>
Fund surplus	173,966	235,715	189,688	171,330	147,681
Experience adjustments on plan obligations	13,515	13,742	(15,400)	14,027	(53,415)
Experience adjustments on plan assets	78,778	(6,167)	(9,721)	10,308	(65,220)

The Institute expects to make a contribution of \$13.67 million (2008: \$11.98 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>2008</u> \$'000	<u>2007</u> \$'000
Publications held for sale	5,869	6,356
Publications in progress	-	<u>1,384</u>
	<u>5,869</u>	<u>7,740</u>

The cost of inventories recognised as an expense during the period was \$5.9 million (2007: \$7.7 million).

10 ACCOUNTS RECEIVABLE

10.1 These include:

	<u>2008</u> \$'000	<u>2007</u> \$'000
Maintenance fees	220	-
Trade receivable (sale of publications)	242	176
Prepayments	3,816	12,831
Other receivables	<u>21,261</u>	<u>12,409</u>
	<u>25,539</u>	<u>25,416</u>

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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 with the carrying amount of \$241,540 (2007: \$176,515) 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 (2007: 90 days).

10.2 Other receivables include:

	<u>2008</u>	<u>2007</u>
	\$'000	\$'000
Receivable from Government Ministries	5,305	4,621
Reimbursable expense - utility	3,484	-
Interest receivable	813	255
Advances to staff	4,481	2,463
Withholding tax recoverable	1,395	1,466
Current portion of long-term receivables (Note 7)	2,276	1,479
Other	<u>3,507</u>	<u>2,125</u>
	<u>21,261</u>	<u>12,409</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>2008</u>	<u>2007</u>
	\$'000	\$'000
Funds held for special projects	19,300	17,919
Funds held for administration and resource management	<u>25,127</u>	<u>24,522</u>
	<u>44,427</u>	<u>42,441</u>

11.2 Bank deposits include interest bearing accounts totalling \$44.4 million (2007: \$42.4 million), including a foreign currency deposit amounting to \$11.4 million (US\$146,176) (2007: \$12.2 million (US\$175,717)). Interest on local currency deposits are at rates ranging between 3% and 12.3% (2007: 3% to 12.3%) and foreign currency deposit at a rate of 2% (2007: 2%).

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 \$81.7 million at December 31, 2008 (2007: \$155.8 million). The funds held in these bank accounts include funds received from overseas agencies for special projects and building maintenance account.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

12 GOVERNMENT CONTRIBUTION TO EQUITY

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

13 CAPITAL GRANTS

This represents value of property and equipment (net of depreciation) acquired from special grants received for such purposes (see also Note 4.10).

	<u>2008</u> \$'000	<u>2007</u> \$'000
Balance at beginning of year	354,048	253,027
Project grants received	61,505	109,427
Transfer to accumulated surplus	(14,306)	(8,406)
Balance at end of year	<u>401,247</u>	<u>354,048</u>

The grants received during the year were to assist in the renovation cost of the administrative building purchased in 2005.

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 ACCOUNTS PAYABLE

	<u>2008</u> \$'000	<u>2007</u> \$'000
Rent payable	4,118	2,762
Short-term employee benefits	44,132	33,781
Government of Jamaica/ European Union Credit Scheme	6,462	6,462
Accruals and other payables	<u>23,289</u>	<u>22,705</u>
	<u>78,001</u>	<u>65,710</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 GRANTS

Government grants include recurrent grants received from the Ministry of Finance and Planning.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

17 OTHER INCOME

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Rental income	6,844	4,058
Building management fees	1,286	-
Net loss on sale of publications	(3,027)	(2,355)
Contributions - Special projects	-	1,227
Other	<u>1,866</u>	<u>1,633</u>
	<u>6,969</u>	<u>4,563</u>

18 STAFF COSTS

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and allowances	247,509	203,682
Statutory contributions	7,586	6,756
Retirement benefit plan (credit) charge (Note 8.3)	(23,154)	25,398
Accrued vacation benefits	10,351	3,994
Other staff cost	<u>10,236</u>	<u>11,212</u>
	<u>252,528</u>	<u>251,042</u>

19 RELATED PARTY TRANSACTIONS

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

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and other short-term benefits		
Salaries and allowances including statutory contributions	35,766	28,997
Retirement benefit plan (credit) charge	(4,010)	1,745
Accrued vacation	<u>7,097</u>	<u>5,221</u>
	<u>38,853</u>	<u>35,963</u>

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

19.2 Loans to related parties

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Loans to key management personnel	<u>272</u>	<u>713</u>

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

20 COMMITMENTS

20.1 Capital commitments

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
For acquisition of equipment and motor vehicles	2,797	36,534
Renovation of building and relocation costs	<u>2,264</u>	<u>32,248</u>
	<u>5,061</u>	<u>68,782</u>

20.2 Operating lease arrangements

Operating lease payments represent rentals payable by the Institute for its office location. Rentals are negotiated for an average term of 2 to 5 years.

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Minimum lease and maintenance payments under operating lease recognised as an expense in the year	<u>-</u>	<u>24,690</u>

At the balance sheet date, the Institute has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Within one year	<u>-</u>	<u>6,210</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 2007.

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 policies and methods adopted included 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 assets, financial liabilities and equity.

21.3 Categories of financial instruments

	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Financial assets		
Loans and receivables (including cash and bank balances)	<u>69,157</u>	<u>59,138</u>
Financial liabilities		
Other liabilities	<u>56,507</u>	<u>55,538</u>

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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

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.

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.

	2008			
	Weighted Average Effective Rate	Less than 1 Month	1 to 3 Months	Over 12 Months
	%	\$'000	\$'000	\$'000
Financial assets				Total
Long-term receivables	4	-	-	4,403
Accounts receivable		20,327	-	-
Cash and bank deposits	8	<u>36,753</u>	<u>7,674</u>	<u>-</u>
		<u>57,080</u>	<u>7,674</u>	<u>4,403</u>
Financial liabilities				
Accounts payable		27,257	-	-
Owed to projects		<u>29,250</u>	<u>-</u>	<u>-</u>
		<u>56,507</u>	<u>-</u>	<u>56,507</u>

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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

21.6 Liquidity risk management (Cont'd)

2007				
	Weighted Average Effective Rate %	Less than 1 Month \$'000	1 to 3 Months \$'000	Over 12 Months \$'000
				Total \$'000
Financial assets				
Long-term receivables	4	-	-	4,112
Accounts receivable		12,585	-	12,585
Cash and bank deposits	11	<u>24,532</u>	<u>17,909</u>	<u>42,441</u>
		<u>37,117</u>	<u>17,909</u>	<u>59,138</u>
Financial liabilities				
Accounts payable		28,499	-	28,499
Owed to projects		<u>27,039</u>	<u>-</u>	<u>27,039</u>
		<u>55,538</u>	<u>-</u>	<u>55,538</u>

21.7 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Except in respect of foreign currencies as disclosed in Note 21.8 below and interest rates as disclosed in Note 21.9 below the Institute has no exposure to market risk.

21.8 Foreign currency risk management

The Institute undertakes certain transactions in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuation. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The following balances are included in these financial statements:

	<u>2008</u> \$'000	<u>2007</u> \$'000
Cash and bank deposits – United States dollars	<u>11,400</u>	<u>12,200</u>

Based on the balances held in foreign currency at the balance sheet the Institute's exposure to foreign currency risk is not significant. However, the management consistently monitors the Institute's exposure as and when it undertakes transactions in foreign currencies to minimise the effects on its operating results.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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

21.8 Foreign currency risk management (Cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 10% devaluation in the Jamaican dollar against the United States dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% devaluation in foreign currency rate.

If the Jamaican dollar weakens by 10% against the United States dollar, net surplus will increase by:

	US Dollar Impact	
	<u>2008</u>	<u>2007</u>
	J\$'000	J\$'000
Net surplus	1,135	1,200

This is mainly attributable to the exposure outstanding on cash and bank balances at year end.

The company's sensitivity to foreign currency has increased during the current year mainly due to inflation throughout the financial year which has resulted in increasing US dollar denominated cash resources for a given holding of US dollar. US dollar holdings at year end had decreased by US\$29,541 (17%) over the previous year.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

21.9 Interest rate risk

Interest rate risk is the potential that the value of a financial instrument will fluctuate due to changes in market interest rates as a result of cash flow or fair value interest rate risk. Financial instruments subject to fixed interest rates are exposed to fair value interest rate risk while those subject to floating interest rates are exposed to cash flow risk. The Institute's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for bank deposits. The analysis is prepared assuming that the amount of deposits at balance sheet date remains the same for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to the management and represents management's assessment of the reasonably possible changes in interest rates.

If interest rates had been 10 percent higher or lower and all other variables were held constant, the Institute's surplus for the year would increase/decrease by \$444,270 (2007: \$424,000).

THE PLANNING INSTITUTE OF JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2008****21 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)****21.10 Fair value of financial instruments**

Fair value is the amount at 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 Institute, fair values in the financial statements have been determined using various estimation techniques based on market conditions existing at balance sheet date. 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 value of cash and bank balances, accounts receivable and accounts payable approximates their fair value due to their short-term nature.
- (ii) The fair value of owed to projects cannot be reasonably assessed as there are no fixed payment terms and applicable interest rates.
- (iii) The fair value of staff loans included in long-term receivables has not been estimated as the interest charged on these loans are special rates offered to the employees. The fair value of other long-term receivable cannot be reasonably assessed as there is no fixed payment date.

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, 2008 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, 2008 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.

Deloitte & Gidley
Chartered Accountants

Kingston, Jamaica,
April 30, 2009

THE PLANNING INSTITUTE OF JAMAICA

OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 2008

	<u>2008</u> \$'000	<u>2007</u> \$'000
Staff costs		
Salaries and allowances	209,567	178,054
Retirement benefits plan charge (credit)	(23,154)	25,398
Travelling and motor vehicle upkeep	37,942	27,854
Statutory contributions	7,586	6,756
Staff welfare and subsistence	10,236	8,986
Accrued vacation	<u>10,351</u>	<u>3,994</u>
	<u>252,528</u>	<u>251,042</u>
Property expenses		
Rent and maintenance	10,719	24,690
Maintenance - freehold building	3,947	16,871
Parking	2,705	3,445
Security	4,650	209
Utilities	17,552	7,824
Landscaping	325	-
Cleaning and maintenance	2,523	-
Insurance	2,392	2,851
Repairs and maintenance	3,574	681
Property tax	<u>37</u>	<u>-</u>
	<u>48,424</u>	<u>56,571</u>
Consultancy and other professional fees	<u>3,672</u>	<u>2,499</u>
Depreciation of property, plant and equipment	<u>23,081</u>	<u>11,780</u>
Operating expenses		
Foreign travel	3,082	1,772
Entertainment	1,116	714
Motor vehicle expenses	2,488	1,691
Computer and supplies	2,846	3,583
Postage	8	484
Stationery and office supplies	4,485	2,977
Advertising, special events and publications	7,134	3,990
Other general expenses	<u>5,552</u>	<u>2,809</u>
	<u>26,711</u>	<u>18,020</u>
	<u>354,416</u>	<u>339,912</u>