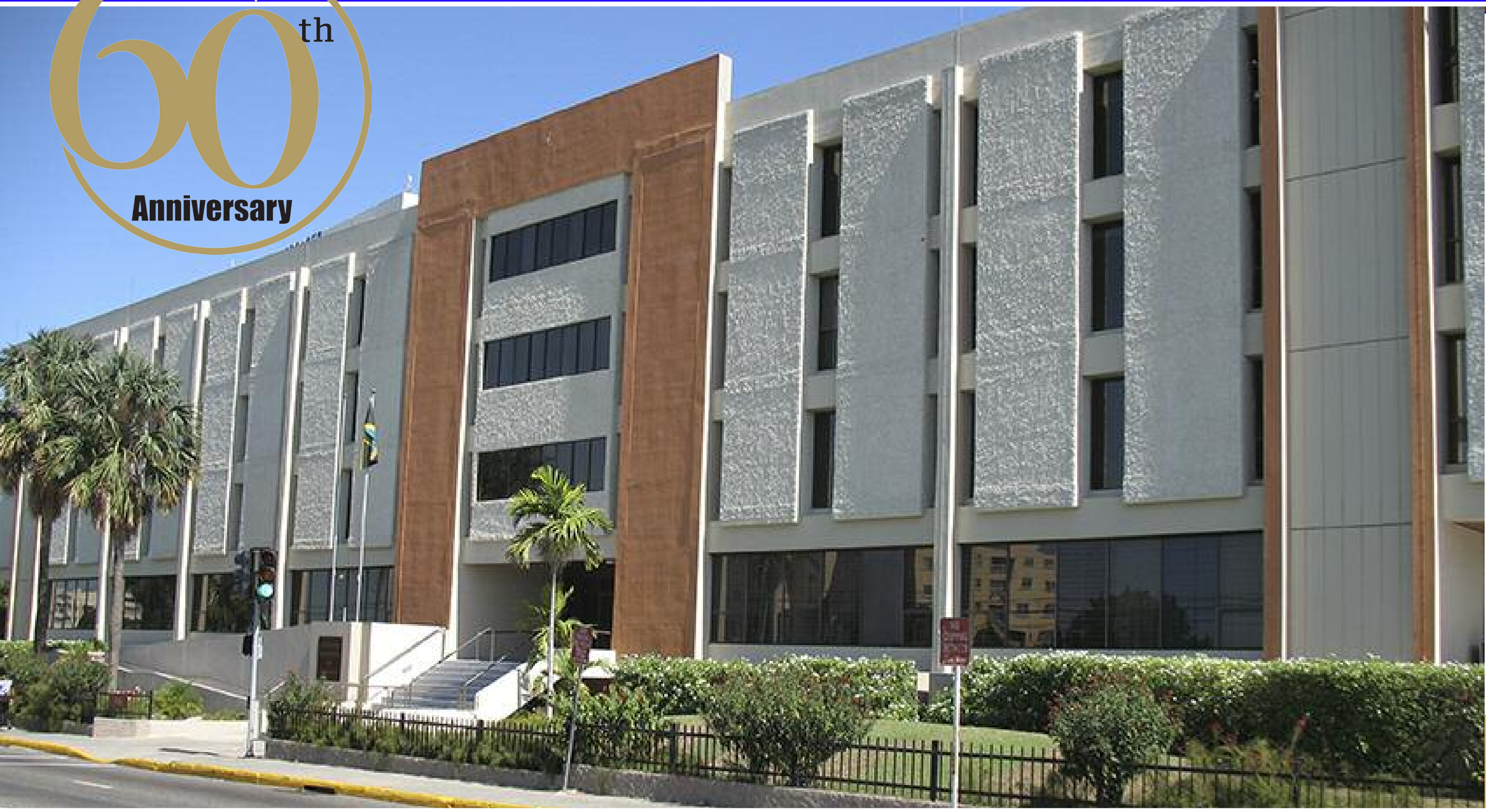
The Planning Institute of Jamaica

60th Anniversary



Annual Report 2015

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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.

Vision Statement

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

Functions of The Planning Institute of Jamaica (PIOJ)

1. The functions of the Institute include:

a. initiating and co-ordinating planning for the economic, financial social cultural and physical development of Jamaica

b. monitoring the implementation of plans so initiated or co-ordinated

c. undertaking research

d. training in planning

e. undertaking consultant activities for Government Ministries, agencies and statutory bodies

f. maintaining a national socio-economic reference library

g. managing technical corporation agreements and programmes.

2. It shall be the duty of the Institute to:

a. advise the Government on major issues relating to economic and social policy

b. interpret decisions on economic and social policy and integrate them into the national development programmes

c. prepare economic models for the guidance of policy-makers, investors and other planners

d. assess existing and projected social, economic and manpower resources and formulate plans for the most effective use of such resources

e. co-ordinate national, regional and sectoral development planning in order to facilitate the consistent and efficient implementation of projects and programmes

f. determine the economic, financial and technical feasibility of new development projects and monitor projects in progress

g. be instrumental in stimulating national development and in securing public cooperation and participation in achieving planned objectives

h. collect, compile, analyse and monitor special and economic performance data.

Source: The PIOJ Act, 1984

Board of Directors

Mr Colin Bullock

Mr Bullock has been the Director General and Board Chairman of the PIOJ since April 15, 2013. He is the Chairman of the Jamaica Social Investment Fund (JSIF) and the Financial Services Commission (FSC) and is also a member of the Board of the Petro Caribe Development Fund. Mr Bullock has held other leadership positions in government as well as key faculty positions at the University of the West Indies (UWI), Mona.

Professor Brian Meeks

Professor Meeks was appointed to the Board of Directors on March 19, 2012. He is Professor of Social and Political Change at the University of the West Indies (UWI), Mona, the Regional Director of Sir Arthur Lewis Institute of Social and Economic Studies (SALISES), and the Director for the Centre for Caribbean Thought, UWI, Mona. He is a Post-Doctoral Commonwealth Fellow, Cambridge University. His expertise is in Comparative Politics of the Caribbean and Latin America, and political theory.

Professor Alvin Wint

Professor Wint has been appointed to the Board of Directors since November 1, 2007. He is Professor of International Business and Special Advisor on External Relations to the Vice Chancellor, the University of the West Indies (UWI), Mona; Chairman, Statistical Institute of Jamaica; Vice Chairman, Shortwood Teachers' College; Commissioner, Electoral Commission of Jamaica; Member of Council and Coordinating Committee, National Partnership Council; Member, Electricity Sector Enterprise Team; Deputy Chairman, Public Sector Transformation Committee; Director, Caribbean Policy Research Institute.

Dr Pauline Knight

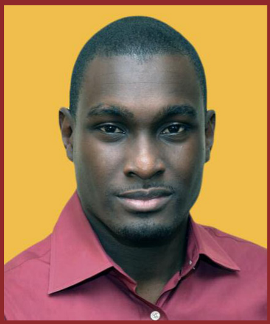
Dr Knight was appointed to the Board of Directors on March 19, 2012. She is a former Director General (Acting) of the PIOJ. She has served on a number of government boards and is currently serving on the Board of Directors of the HEART Trust/NTA. Dr Knight is a Consultant Social Scientist and Researcher.

Mr Robert Wynter

Mr Wynter was appointed to the Board on November 22, 2010. He is the Founder and Managing Director of Strategic Alignment Limited and of Educate JA Transformation. He is the current Chairman of the Corporate Governance Committee and is a member of the PIOJ's Finance and Audit Committee.

Mr Everton McFarlane

Mr McFarlane, Chief Economist in the Ministry of Finance and Planning, was appointed to the Board on May 20, 2013. He is a former Director General (Acting) of the PIOJ, and a Senior Director of Securities at the Financial Services Commission.



Dr Ike Johnson

Dr Johnson, Assistant Vice President of Business Analytics and Product Development, Scotia Investments Jamaica,was appointed to the Board on March 19, 2012. Before joining Scotia Investments he was Senior Strategy Management Officer at Jamaica Money Market Brokers limited.

Dr Joy Moncrieffe

Dr Moncrieffe, Chief Executive Officer, Institute for Applied Social Research,was appointed to the Board on March 19, 2012. She is a political sociologist and a former Fellow of the Institute of Development Studies, United Kingdom. She has worked with several International Development Partners (IDPs) as well as various NGOs.

Professor Julie Meeks

Professor Meeks, Deputy Principal and Campus Coordinator, Graduate Studies and Research, University of the West Indies, Open Campus. She was appointed to the Board on April 27, 2015. Her areas of concentration are: human nutrition, child nutrition, child development, child behaviour, child rights, violence and aggression at individual, community and national levels.

The members of the Board of Directors were appointed on April 27, 2015, for a period of three years. The Board consists of eight Directors (see page on Directors' profile). The Director General is the Chairman of the Board.

The Board convened nine meetings during the year. Strategic direction was provided on capital projects in particular the Adaptation Fund and the Foundations for Competitiveness and Growth.

The Board has two committees: Finance and Audit; and Corporate Governance

FINANCE AND AUDIT

In keeping with its mandate, the Committee reviewed and discussed the following:

- Management accounts
- Audited financial statements
- Management Letter
- Internal audit plan
- Internal audit reports
- Disposal Policy
- Procurement Charter and Procedures
- The Corporate Governance Committee did not meet in 2015.

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS, JANUARY – DECEMBER 31, 2015		
Directors	Board Meetings (Total Held: 9)	Finance and Audit Committee Meetings (Total Held: 3)
Mr. Colin Bullock, Director General, Chairman, Board of Directors	9	N/A
Professor Alvin Wint	9	N/A
Mr. Robert Wynter	8	1
Professor Brian Meeks[a]	1	N/A
Dr. Pauline Knight	7	3
Mr. Everton McFarlane	4	1
Dr. Joy Moncrieffe	7	N/A
Dr. Ike Johnson, Chairman, Finance and Audit Committee	6	3
Professor Julie Meeks	4	N/A

a – Served until March 2015

N/A – Not Applicable

BOARD OF DIRECTORS FEES, JANUARY – DECEMBER 2015					
Board	**Fees (per meeting ($)**	**Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle ($)**	**Honorarium ($)**	**All Other Compensation including Non-Cash Benefits as applicable ($)**	**Total ($)**
Mr. Colin Bullock	Nil	-	-	-	Nil
Mr. Robert Wynter	7 500	-	-	-	60 000
Dr. Pauline Knight	7 500	-	-	-	52 500
Professor Brian Meeks	7 500	-	-	-	7 500
Professor Alvin Wint	7 500	-	-	-	67 500
Professor Julie Meeks	7 500	-	-	-	30 000
Dr. Ike Johnson	7 500	-	-	-	45 000
Dr. Joy Moncrieffe	7 500	-	-	-	52 500
Mr. Everton McFarlane	7 500	-	-	-	30 000
TOTAL					**345000**
Finance and Audit Committee	**Fees (per meeting) ($)**	**Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle ($)**	**Honorarium ($)**	**All Other Compensation including Non-Cash Benefits as applicable ($)**	**Total ($)**
Dr. Ike Johnson, Chairman	7 000	-	-	-	21 000
Dr. Pauline Knight[a]	3 500	-	-	-	10 500
Mr. Everton McFarlane	3 500	-	-	-	3 500
Mr. Robert Wynter[a]	3 500	-	-	-	3 500
TOTAL	**17 500**				**38 500**

a – Members who serve on two committees of the Board

Director General's Statement

MR COLIN BULLOCK
DIRECTOR GENERAL, PLANNING INSTITUTE OF JAMAICA

In 2015, the Planning Institute of Jamaica celebrated its 60th year as the chief planning advisor to the Government of Jamaica (GOJ). The Institute evolved from the National Planning Agency, formerly the Central Planning Unit which was established in 1955 by Chief Minister Norman Washington Manley. Notable achievements included the:

- development of the first Growth Agenda Policy Paper which was tabled in Parliament in March 2015. The Growth Agenda Policy Paper outlined the priority actions and the institutional framework to support the efficient and effective implementation and monitoring of the GOJ's Growth Agenda in the medium term
- completion and approval by Cabinet of the Medium Term Socio-Economic Policy Framework (MTF) 2015–2018 towards supporting the attainment of our country's national goals and outcomes as outlined *in Vision 2030 Jamaica – National Development Plan*
- staging of the Dialogue for Development Lecture 2015
- establishment and convening of the National Social Protection Committee and its four sub-committees as the institutional framework for effective social protection
- drafting and submission to Cabinet of the revised National Policy on Poverty and National Poverty Reduction Programme
- development of a Science, Technology and Innovation (STI) policy through the establishment of an STI Thematic Working Group
- New Official Development Assistance of US$358.9 million ($48.1 billion).

The PIOJ led the preparation of a socio-economic and environmental profile for the parish of Portland as well as a preliminary assessment of the socio-economic and environmental impact of the March 2015 fire at the Riverton City dump on the Kingston Metropolitan Area and its environs. Significant work was done to facilitate Jamaica's transition from the Millennium Development Goals (MDGs) to the Sustainable Development Goals (SDGs), which were formally adopted by the United Nations in September 2015 under the theme "Transforming our World: The 2030 Agenda for Sustainable Development." This new global development agenda is inclusive and seeks to balance the three pillars of sustainable development: social, economic and environmental. The PIOJ, through an Inter-Ministerial Working Group, played a critical role in galvanizing support from key national stakeholders to provide feedback during the international negotiations at the UN for the drafting of the goals and targets for the Post-2015 Development Agenda. This collaboration facilitated the production of a National Outcome Document in June 2015 which represents Jamaica's position in relation to the proposed goals; the means of implementation; as well as alignment with Vision 2030 Jamaica—National Development Plan. Continued work on the SDGs will be a primary focus of the PIOJ in 2016, as efforts shift towards the development of measurable targets and indicators to track implementation progress.

The scope of operations broadened during the year with the establishment at the PIOJ of the Secretariats to support the Public Investment Management System (PIMS) and the Labour Market Reform Commission (LMRC). The PIMS seeks to create a common framework for the preparation, appraisal, approval and management of all public investments. The Labour Market Reform Commission is tasked with overseeing a review of existing policies and practices related to five thematic elements of the labour market and making recommendations for their revision and updating towards modernisation of the labour market and enhancement of the competitiveness of the Jamaican economy. In addition, the Foundations for Competitiveness and Growth Project commenced operations and is aimed at enhancing competition in the business environment; facilitating strategic private investment; and supporting Small and Medium Sized Enterprise capabilities.

The PIOJ continued the management and coordination of projects related to climate change adaptation and disaster risk management, including the Improving Climate Data and Information Management Project, which commenced in October. This project seeks to improve the quality and use of climate related data and information for effective planning and action at local and national levels.

In going forward, the PIOJ will continue to strengthen the effective operational integration of policy across the various aspects of sustainable development. Vision 2030 Jamaica appropriately captures the imperatives for inclusive economic growth, social empowerment, effective and accountable governance and environmental integrity. This has created a base for increasing realization and acceptance of the synergies among these various elements of sustainable development. Despite this increasing acceptance, the articulation and implementation of policy across these various elements has tended to be discrete rather than integrated. For example, the independent articulation of social protection or poverty reduction policy runs into the roadblock of insufficient resources for goal realization. Towards this objective of more integrated policy articulation, we need to foster the development of an integrated, multi-disciplinary database.

The PIOJ reiterates its commitment to fostering sustainable development as reflected in the four pillars of Vision 2030 Jamaica. Growth will be strengthened and sustained if we focus not only on "concrete and steel" mega projects and the business environment but also on societal security, cohesiveness and transformation, as well as building environmental resilience for the long term. By building on our successes while addressing our vulnerabilities, there is every prospect for strengthening socially inclusive economic growth in the medium-term.

In closing, I would like to express my sincere appreciation to the Board of Directors and staff for their professional services to the organization during 2015. The accomplishments of the staff detailed in this statement make me optimistic about the future of both the PIOJ and the country. On the occasion of our 60th anniversary, the PIOJ remains proud of its mandate to strengthen the planning capability of the government. In 2016, I look forward to seeing a more energized PIOJ and an enhanced responsiveness to the needs of the government and people of Jamaica.

Colin Bullock

Colin Bullock
Director General
Planning Institute of Jamaica

Executives of the Planning Institute of Jamaica

Seated from left to right:
Ms Claire Bernard, Deputy Directory General, Sustainable Development and Social Planning; Mrs Marcia Blake-Hall, Director, Corporate Affairs, Marketing and Communication; Mr Colin Bullock, Director General; Mrs Sandra Ward, Head, Human Resource Management; and Ms Barbars Scott, Deputy Director General, External Cooperation and Project Development

Standing from left to right:
Mr Kirk Phillips, Deputy Director General, Corporate Governance and Management; Mrs Janelle Cox, Chief Information Officer; Mr Richard Lumsden, Deputy Director General, Economic Planning and Policy Logistics; Mr Easton Williams, Director Social Policy, Planning & Research; and Mr James Stewart, Director, Economic Planning, Research and Policy Logistics

Review of Operations

A. GOVERNANCE AND MANAGEMENT

The Corporate Governance and Management cluster strengthened established frameworks in areas of procurement and risk management, to further foster accountability and transparency as well as securing and retaining accreditation with our international development partners. The internal audit function continued to provide independent assurance on the entity's internal control and governance processes, augmenting corporate capability and compliance.

The business centres within the cluster include Communication and Marketing; Records and Information Management; Financial and Assets Management; Facilities and Environmental Stewardship; Information Technology and Security; and Human Capital investment. The cluster also provided consulting services to 13 GOJ Capital Projects under management, specifically in areas of Contract Management, Procurement and Financial Management.

The Institute implemented more robust systems and processes to include a Procurement Charter and Procurement Procedures. Innovations in the technology industry were embraced by the organization and enhanced the alignment of business and ICT strategies, client relationship management, governance and productivity. Work commenced on the Enterprise Risk Management Framework which will be established and staff trained in the principles. Cybersecurity, big data and open data emerged as critical issues for the ICT industry, thus the PIOJ expended efforts in these areas to provide a secure environment while further enhancing the analytical capabilities of the organisation

Community involvement

Community participation was heightened with involvement in various social outreach, and health and wellness programmes to raise awareness and reinforce a sense of community. The organization participated in the following:

- International Day of Forests 2015
- International Coastal Clean-up Day 2015
- Annual Sigma Corporate Run
- Guardian Night Run, Food for the Poor City Run
- Vision 2030 Jamaica Blood Drive in collaboration with National Blood Transfusion Service (Blood Bank)
- Donation of computers to educational institutions
- Donations to the Jamaica Christian Boys Home
- Emancipation/Independence networking activities involving 10 MDAs
- sponsorship of the Multicare Foundation Environmental Summer Camp and exposure of over 80 inner-city students to the phenomenon of climate change
- Summer internship programme involving over 30 students.

Business Centres Main Achievements

Corporate Governance & Management

Communication and Marketing

a) Media interface—information on policy advice, research and the strategic priority initiatives of the organization

b) Participated in over 14 expos, seminars and conferences

c) Dialogue for Development Lecture

d) Promotion of the PIOJ's products and services to schools and tertiary organizations

e) Quarterly Press Briefings

f) Main publications—ESSJ, and quarterly EU&O produced

f) Honourable Mention Award at Public Sector Customer Service Competition 2015

h) Learning Hour sessions to sensitize staff on topical issues

Human Capital Investment

a) Knowledge Sharing Day—afforded employees the opportunity to share the knowledge gained from seminars/ conferences to a wider target group

b) Procurement Training

c) Speech Craft Breakfast workshops on Public Speaking

d) Report Writing for Administrative staff

e) Job rotation/redeployment—10 employees trained

f) Summer Internship in partnership with Petro Caribe—34 students participated

g) Myers Briggs assessment done for 30 employees

h) Pension Plan sensitisation sessions convened for members

Information Technology and Security

a) Access control and surveillance systems upgraded and expanded to increase security coverage and provide further analytics

b) Risk assessment (IS security audit)— a security and network audit conducted to determine vulnerabilities within the ICT infrastructure and effect remedial work

c) Dataset for the data warehouse was expanded by a further 5 years worth of data

d) An electronic integrated library management system—KOHA—fully implemented. This involved installation, configuration as well as conversion and migration of records from the manual system.

Financial and Assets Management

a) Upgrading of the Financial Management System with modules for Fixed Assets Management and Purchase Ordering

b) Asset management - 100% inspection of all assets

Records and Information Management

a) Over 200 digital reports were accessed from the World Bank library

b) Coordinated training for SECIN in Policy Development; Concept Paper Writing; Acquisition and Collection Development

c) National Symposium held May 27, 2015, under the theme "Data driven decision making: an engine of growth"

d) **Ask the Librarian** link on the Institute's website was further upgraded to meet the increased demand of local and international clients

Facilities and Environmental Stewardship

a) Cooling system upgraded to meet the increased demand for air conditioning capacity

b) The 20 year old chiller unit system was replaced in June 2015 with a new CGAM 120E, 96 Ton Trane Air Cooled Chiller Unit.

c) The LED replacement as well as the paper and plastic recycling programmes continued in earnest.

d) Resource conservation

e) Outdoor lounge area created

Members of staff listen intently to the presentation being made by Mrs Rochelle Whyte, Senior Technical Advisor (right), during a Knowledge Sharing session on September 16, 2015 at the PIOJ

Pooled Investment Fund (PIF)

The management of the Pension Plan is performed jointly by the Board of Trustees, Planning Institute of Jamaica and Sagicor Life Jamaica Limited. As at December 2015, the fund stood at $1 110 549 778.27.

B. PUBLICATIONS AND PROMOTIONS

Several activities were held geared towards enhancing visibility and creating awareness of the work of the Institute. As part of the communications strategy, a number of radio infomercials, JIS Think Tank sessions and short television features provided information on the strategic priority initiatives of the organization. Working in partnership with the Ministry of Finance & Planning (MOFP), the Institute provided information on the growth agenda and *Vision 2030 Jamaica*, through interviews during the MOFP's radio programme **Understanding the Economic Reform Programme**. The interviews form part of the synergy between the PIOJ's Growth Secretariat, *Vision 2030 Jamaica* and the MOFP, to promote the Economic Reform Programme.

The PIOJ's publications provide information on social, economic and sustainable development issues, and also inform the planning and decision making process of the public and private sectors. The main publications—the Economic and Social Survey Jamaica (ESSJ) *and* the Jamaica Survey of Living Conditions (JSLC) — and others are available on-line and in the PIOJ's Bookstore. The publications produced were:

- ESSJ 2014
- EU&O 19#3, October – December 2014, EU&O 19#4 January – March 2015, EU&O 20 #1 April – June 2015, EU&O 20#2 July – September 2015
- LMIN # 66 August 2014 – December 2014
- Jamaica Social Protection Strategy (on-line only)

Through partnerships with its international development partners and stakeholders, the PIOJ staged several events to enhance visibility, as part of its communication strategy.

MAIN EVENTS CO-ORDINATED BY THE PIOJ

Main Events	Purpose
Quarterly Press Briefings	Reports on the economic performance of the economy and provides a summary of *Vision 2030 Jamaica* social, governance and environmental indicators
GOJ/EU 40th Anniversary Launch, February 12	Commemorated 40 years of cooperation between the EU and the Government of Jamaica. It highlighted the benefits of this partnership to the country, including development assistance
SECIN Symposium, May 27	To mark the **35th anniversary** of the **Socio-Economic Information Network (SECIN).** Theme: **Data Driven Decision Making: An Engine of Growth.**
PIOJ/UNFPA World Population Day, July 9	Public Lecture to commemorate World Population Day 2015. Theme: ***Vulnerable Populations in Emergencies***
Caribbean Child Research Conference, November 4 – 6, 2015	10th staging of this event hosted by the **Sir Arthur Lewis Institute of Social & Economic Studies (SALISES)**, University of the West Indies (UWI) in partnership with **Planning Institute of Jamaica;** and other entities. Theme***: Equality and Equity for All Children.***
Dialogue for Development Lecture 2015, November 25	Keynote presenter Professor Manuel Acevedo-Jaramillo, Dean, Business School, Universidad EAFIT, Medellin, and Colombia. Theme: *Evaluating and Affirming Vision 2030*
E-Dashboard of Indicators Vision 2030 Jamaica, November 30	To sensitize the public on the upgraded E-Dashboard of Indicators
Expos and conferences - Vision 2030 Jamaica	Hosted, sponsored, partnered/participated in over 40 expos and conferences. Some 55 presentations were made in Jamaica, and overseas to South Korea, Chile and Ecuador to international development partners, public and private sector, and civil society, among others.

Customer Service

Maintaining high standards through providing efficient and quality customer service to both external and internal customers is paramount to the work of the Institute. In this regard, the PIOJ received an award for 'Honourable Mention' in the Public Sector Customer Service Competition 2015.

(L-r) Mrs Yvonne Tracey, Marketing Officer, PIOJ and Mr Kirk Chambers, Research Officer, JamStats, explain the work of the PIOJ to students at the PIOJ booth during the 10th staging of the Caribbean Child Research Conference held November 4-6, 2015 at the Jamaica Conference Centre

C. POLICY AND PLANNING

Director General, PIOJ, Mr Colin Bullock (centre) has a quick word with PIOJ's Senior Technical Advisor, Mrs Peteranne Donaldson (left) prior to the start of discussions with the French Regional Financial Controller, French Embassy, Mr Julien DeFrance (right). Mr DeFrance was making a courtesy call on the Director General on March 27, 2015 at the PIOJ. Also participating in the discussion is Mr Richard Lumsden, Deputy Director General, Economic Planning & Policy Logistics, PIOJ

The Institute provided timely policy and planning advice within the framework of Vision 2030 Jamaica and the MTF 2015-2018 to inform the decision-making process for inclusive economic growth, social empowerment, effective governance, environmental resilience, external cooperation and project development. Focus was also placed on strengthening its role and capacities in coordinating and facilitating the efficient and integrated implementation and monitoring of key policies, plans and programmes that contribute to holistic socio-economic development and environmental management.

Policy advice and planning were supported by the Growth Agenda, a comprehensive strategy to generate stronger economic growth and increased employment in the medium term. It is based on the Growth-Inducement Strategy (GIS), developed by the PIOJ with wide stakeholder consultations. The main components of the Government's Growth Agenda include the effective implementation of:

- Fiscal consolidation to provide macro-economic stability
- Reforms to improve the business environment
- Strategic investment projects to generate economic growth and employment
- Programmes to improve social well-being through strengthened human capital development, social protection and human and community security
- Initiatives to build environmental resilience by strengthening the built and natural environment.

The PIOJ's contribution to the implementation and monitoring framework for the GOJ's Growth Agenda was as follows:

- Preparation of the Growth Agenda Policy Paper for FY2015/2016 which was tabled in Parliament on March 12, 2015
- Participation in meetings of the Growth Agenda Subcommittee of Cabinet (GASC), GASC Technical Team and GASC Working Group
- Provision of inputs to the monthly reports on the Growth Agenda Matrix prepared by the GASC Secretariat.

(L-r) Monitoring & Evaluation Specialist, UNICEF, Mrs Donneth Edmondson, Dr Wayne Wesley, Executive Director, HEART Trust/ NTA, Mr Metry Seaga, President, Jamaica Manufacturing Association, Deputy Director General, Economic Planning & Policy Logistics, PIOJ, Mr Richard Lumsden and Ms Elizabeth Emanuel, Programme Director, Vision 2030 Jamaica Secretariat look at a demonstration of the e-dashboard indicators. Seated is Research Officer, JamStats, PIOJ, Mr Kirk Chambers. The occasion was the presentation of the updated version of the Vision 2030 Jamaica-National Development Plan online dashboard of national indicators on November 30, 2015, at the PIOJ

The Growth Secretariat, established in 2013, coordinates the implementation of the components of the Growth-Inducement Strategy (GIS). The achievements included:

- Completion of Draft Report on Assessment of Jamaica's Credit Reporting System and Secured Transaction Legislation
- Involvement in task forces and other mechanisms to address the business environment or other strategic reforms including the Draft National Financial Inclusion Strategy, Comprehensive Labour Market Reform, National Competitiveness Council and MSME Financing Task Force
- Informing policy and strategy formulation through the provision of technical support on ongoing basis, including the Draft Foreign Trade Policy, National Export Strategy II, MSME Financing Task Force Report and BOJ Tackling Debt Overhang Paper
- Redesign and implementation of the second model of the GOJ/World Bank Joint Business Plan and completion of quarterly reports
- Oversight of the implementation of the World Bank-funded Foundations for Competitiveness and Growth (FCG) Project, including support for completion of drafting the legislation and regulations for the establishment of the new Special Economic Zone (SEZ) regime, completion of pre-feasibility study on the Jamaica Ship Registry, procurement of consulting team for execution of the Jamaica Logistics Hub Initiative Market Analysis and Master Plan, procurement of equipment and software to support the rollout of the AMANDA system in Parish Councils and other agencies, provision of consultant attorney to support the Attorney General's Chambers to deal with key commercial transactions, and establishment of DBJ line of credit for Small and Medium Enterprises (SMEs).

The Institute provided timely policy and planning advice to inform the decision-making process through economic; social; environment related and external cooperation and project development areas.

a. Economic

The PIOJ continued to monitor and evaluate macroeconomic, sectoral as well as trade related issues and provided timely and appropriate technical advice to the Government of Jamaica and other stakeholders. The Institute functioned against the backdrop of the continued efforts by the government to stimulate broad based economic growth while ensuring protection for the most vulnerable. The government was therefore faced with the task of (a) maintaining a balance between

(L-r) Keynote presenter, Professor Manuel Acevedo-Jaramillo, Dean, Business School, Universidad EAFIT, Medellin, Colombia, discusses a point with Director General, PIOJ, Mr Colin Bullock, Mr Brian Wynter, Director General, Bank of Jamaica and Ms Elizabeth Emanuel, Programme Director, Vision 2030 Jamaica Secretariat during the PIOJ's Dialogue for Development Lecture Series 2015, held November 25, 2015, at the Jamaica Conference Centre

the existing socio-economic environment; (b) achieving commitments outlined in the Extended Fund Facility (EFF) Agreement with the IMF as well as obligations with other Development Partners; and (c) fully implementing the Growth Agenda to facilitate stronger economic growth.

Economic policy and planning advice continued to be provided and a number of outputs were delivered including:

- economic assessments to advise policy and critical decisions by the various agencies of the government
- provision of economic updates and projections
- monitoring of the implementation of growth projects and Doing Business Reform
- periodic updates on the performance of the economy and projections for the medium-term for presentation to local and international stakeholders mainly through participation in economic review meetings with International Development Partners
- updates to the Post-Cabinet Monitoring Committee developments in the global economy, particularly on international and domestic price movements, and any impact on the economy
- monthly Inflation reports
- monitoring and provision of updates on projects and preparation of reports for Cabinet Sub-Committees i.e. The Growth Agenda Sub-committee and the Infrastructure Sub-committee of Cabinet.

b. Social

The PIOJ continued to lead and monitor the social sector, through the formulation, coordination, implementation and evaluation of policies, plans and programmes. With the formulation of national policies and strategies in the areas of social protection, poverty and international migration and development, the need for appropriate structures and mechanisms for ensuring coordination of implementation at parish levels became critical.

Major undertakings included:

- Publication of the Jamaica Social Protection Strategy and the Review of Current and Emerging Vulnerability in Jamaica – with the support of Component 4 of the GOJ/World Bank Project on Social Protection. The monitoring and evaluation plan/framework for the Social Protection Strategy was finalized. The Institute focussed on the elaboration and costing of a social protection floor for Jamaica. This initiative, the first of its kind in Jamaica and the Caribbean sub-region, seeks to provide both a basis for coordination of existing basic needs interventions as well as a minimum set of public goods and services for social protection.

- Dissemination of report on the findings of the Ageing Module of *JSLC 2012*.
- A study to explore the School to Work Transition of the Deaf in Jamaica.
- A report on Jamaica's Progress Towards Achieving the Millennium Development Goals (MDG's).
- A Draft National Policy on Poverty and a National Poverty Reduction Programme.
- Technical support provided to the Ministry of Foreign Affairs and Foreign Trade in finalizing the draft Diaspora Policy.
- A National Policy on International Migration and Development. The policy is currently at the Green Paper stage and covers nine thematic areas.
- Capacity building for 40 migration practitioners in Results Based Management and Monitoring and Evaluation as well as creation of a migration and development database in MDAs.
- Collaboration with the Statistical Institute of Jamaica (STATIN) for the development of a poverty map for Jamaica based on the 2011 Population Census and the *Jamaica Survey of Living Conditions 2012* (JSLC 2012).
- Terms of Reference and preliminary budget for undertaking a comprehensive evaluation of the completeness and quality of Birth Registration in Jamaica.
- Technical assistance to the Jamaica Public Service (JPS) community renewal programme in developing a proposal for the implementation of a subsidised electricity rate for inner-city communities.
- Technical input to the development of National Policy on Senior Citizens. The policy is being revised in the context of changes in the demographics, social, economic and environmental conditions of the country which have major implications for senior citizens.
- Publication of the Study on the Quality and Completeness of Death Registration in Jamaica.

Community Renewal Programme(CRP)

For the review year, the CRP:

- developed a strategic plan for the years 2015-2018
- completed a Monitoring and Evaluation Framework (M&E) for measuring inputs, outputs, and outcomes among partners supporting the CRP framework, and for assisting partners to allocate resources more effectively (supported by funding from the European Union (EU)
- supported the work of partners and promoted interventions geared towards:
  - Governance
  - Socio-economic development
  - Physical transformation
  - Social transformation
- mobilized resources to support CRP communities.

The CRP coordinated and implemented interventions in four clusters—East Kingston, West Kingston, South West St. Andrew, and Three Miles. Consultations were held with partners for the development of various enterprises across the communities focussing on alternative energy; bamboo products; urban agriculture, including greenhouse production; craft; and food preparation.

PIOJ's Programme Manager, GOJ/ Adaptation Fund Programme, Mrs Shelia McDonald-Miller (2nd left) participates in high-level discussions along with (l-r) Ms Dima Shocair Reda, Adaptation Fund (AF) Secretariat, Mr Innocent Musabyimana, Director of Planning, Ministry of Natural Resources, Rwanda, Rural Development, Ms Beatriz Prandi, Deputy Executive Secretary, ANII, Uruguay, Livestock Management, and Ms Balgis Osman-Elasha, Climate Change Expert, African Development Bank. The occasion was the 2nd Climate Finance Readiness Seminar, hosted by the Adaptation Fund, July 28-30, 2015, in Washington DC

c. Environment Related

Contribution to Government's Strategic Priority #6—Environmental and Climate Change Resilience and related SD issues—was accomplished through: continued implementation, monitoring and evaluation of key climate change adaptation and disaster risk management projects; advancing the national focus on Science, Technology and Innovation; technical support to local sustainable development planning; impact assessment of a major disaster; and the use of Geographic Information Systems to support the preparation of socio-economic and environmental parish profiles.

The main projects and activities with which the PIOJ was involved included:

- Pilot Program for Climate Resilience (PPCR) – in its capacity as focal point for the PPCR, the PIOJ was integral to the full development and final bank-approval of three investment projects valued at approximately US$25.0 million. Among them, the signing of the US$6.8 million Grant Agreement for the PPCR – Investment Project 1 – Improving Climate Data and Information Management Project (ICDIMP) on October 2, 2015. The project seeks to improve the quality and use of climate related data and information for effective planning and action at local and national levels. Investments Projects 2 and 3 were combined and are being executed by the ministry with responsibility for climate change. The Institute contributed to the finalisation of a project concept for Investment Project 4—Promoting Community-based Climate Resilience in the Fisheries Sector of Jamaica—which was approved by the World Bank. The PPCR Scorecard was also developed.

- GOJ/Adaptation Fund Programme – an extensive programme visibility campaign was implemented involving the development and launch of a programme website, preparation of three vignettes (film/videos) featuring the impact of the programme on Jamaican farmers and the agriculture sector; dissemination of 2 500 brochures providing general information on the project and its components; and an advertorial in both local newspapers; displays were mounted at a number of conferences and workshops; outreach activities; public awareness activities included a JIS Think Tank Session, the Editors' Forum; collaborated with Friedrich Ebert Stiftung /Institute for Gender and Development Studies to facilitate a 'Gender and Climate Change' workshop.

Project monitoring and coordination activities included the hosting of two stakeholder consultations and four Programme Steering

Committee Meetings, and six monitoring visits with executing entities.

The organisation applied to the Adaptation Fund for reaccreditation as a National Implementing Entity, its accreditation having expired in September. Reaccreditation will put the country on a "fast-track" to access additional climate finance through the Green Climate Fund.

- SIDS DOCK – PIOJ is the national focal point for SIDS DOCK (the inter-regional sustainable energy and climate resilience initiative established to assist small island developing states (SIDS) in the transformation of their fossil fuel dependent energy sectors). The Jamaican pipeline, under this project, is estimated at US$97.0 million and includes: the establishment of baseline data on energy efficiency indices for the private sector; feasibility studies for waste to energy at Riverton; hydroelectricity generation; and Ocean Thermal Energy Conversion. Pilot projects are also proposed to investigate the potential for biomass and biodiesel production for the transport sector and power generation.

- A Science Technology and Innovation (STI) Thematic Working Group (TWG) in collaboration with the Ministry of Science, Technology, Energy and Mining (MSTEM)and the National Commission on Science and Technology. The PIOJ also secured commitment from the United Nations Educational, Scientific and Cultural Organization (UNESCO) to support the preparation of a National STI Policy; development of appropriate sectoral indicators; and building of local capacities for scientometric analysis.

- A Cabinet Note on the status of the National Nutraceuticals Industry (NNI). The NNI was officially launched in March 2015, to capitalize on the cultural science and traditional knowledge surrounding Jamaica's genetic and natural resources, and the industry's untapped potential for creation of new products, services and alternative livelihoods.

- A socio-economic and environmental profile for the parish of Portland and a presentation on "Shaping a Sustainable Development Strategy for Montego Bay and Western Jamaica". Seventeen GIS maps indicating land use/cover, landslide susceptibility, social infrastructure, and population variables were prepared to support both the profile and presentation.

- A draft socio-economic and environmental impact assessment report on the March 2015 Fire at the Riverton City Dump.

- The completion of the St. Elizabeth Local Sustainable Development Plan and the continued preparation of plans for four other parishes. Similar support was provided to the Emerging Sustainable Cities Initiatives to be implemented in Montego Bay, St. James.

- A knowledge exchange and technical capacity building programme in the area of solid waste management with the Government of Belize under the Inter-American Development Bank's (IDB) Intra Regional Technical Cooperation (CT /Intra facility).

d. External Cooperation & Project Development

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

The Institute had oversight for a combined portfolio of approximately US$2.6 billion[1] ($305.0 billion[2]). This portfolio comprised loans, grants and technical assistance from multilateral and bilateral agencies, as well as counterpart resources

1 Amounts are rounded to one decimal point.
2 The average exchange rate of US$1 = J$117.31 is used.

from Government. New ODA was US$358.9 million ($42.1 billion), while disbursements totalled US$444.3 million ($52.1 billion).

New Approvals:

New approvals were fewer than in 2014, arising from Government's decision to limit new investment loans because of fiscal constraints and debt management obligations. In addition, the conclusion of several projects, the commencement of negotiations and planning of new country programmes, and projects for agencies such as the European Union and the Inter-American Development Bank, affected the programme.

Efforts continued to identify funding to support stated priorities of the Cabinet. In this regard, the organization collaborated with MDAs, in conjunction with the IDPs, to provide guidance and technical advice to inform the design and preparation of important projects and programmes such as:

- the Fiscal Structural Programme for Economic Growth II (US$130.0 million)
- Disaster Vulnerability Reduction Programme (US$30 million)
- Integrated Support to Jamaica Social Protection Strategy (US$50.0 million)
- Improving Climate Data and Information Management (US$6.8 million).

Of the US$358.9 million in new ODA approvals, 65.0 per cent was in the form of budget support and other programmes aimed at furthering the Government's priority (Figure1). The Multilateral Financing Institutions (the World Bank, the Inter-American Development Bank and the European Union) provided most of the funding received (Table 1).

Portfolio Management

Increased focus was given to portfolio management in order to ensure that the development objectives of projects and programmes were achieved despite fiscal constraints. These efforts included:

- 15 portfolio review meetings which sought to identify major bottle necks within the programme and sought solutions to improve implementation
- 98 missions were approved and coordinated
- 27 site visits
- 13 technical briefs were prepared for Government officials.

Special Initiatives

The Institute spearheaded and participated in a number of critical initiatives aimed mainly at improving the efficiency and delivery of Development Assistance, as well as strengthening

Ms Barbara Scott, Deputy Director General, External Cooperation Management and Project Development (at the podium), addresses the audience, while representatives from the PIOJ, the World Bank, other International Development Partners and MDAs, listen on. The occasion was the UN Multi-Country Sustainable Development Framework National Consultation, held on November 13, 2015 at the PIOJ

TABLE 1
SOURCES OF NEW OFFICIAL DEVELOPMENT ASSISTANCE, US$MILLIONS

	Fiscal Prudence and Pursuit of a Credible Economic Programme	Economic Growth and Job Creation	Improved Security and Safety	Human Capital Development	Effective Social Inclusion and Protection	Environmental & Climate Change Resilience	Total
Bilateral Cooperation	0.0	21.0	0.0	7.2	3.1	13.8	45.1
Multilateral Financial Institutions	232.8	0.5	0.0	0.7	50.5	4.6	289.1
Multilateral Technical Cooperation	0.4	0.4	0.1	16.4	0.6	0.1	18.0
Climate Investment Fund	0.0	0.0	0.0	0.0	0.0	6.8	6.8
Total	**233.2**	**21.9**	**0.1**	**24.3**	**54.2**	**25.3**	**358.9**

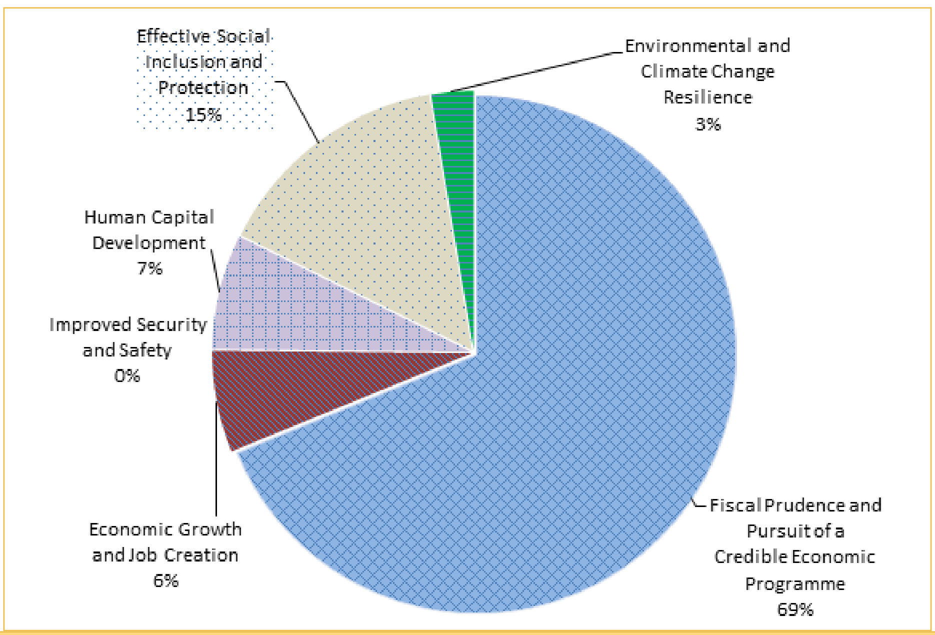


Figure 1: NEW OFFICIAL DEVELOPMENT ASSISTANCE – CABINET PRIORITIES

existing partnerships with our main IDPs. These included:

Public Investment Management System: in collaboration with the MOFP, the PIOJ played a pivotal role in the development and initiation of the Public Investment Management System (PIMS). The PIMS seeks to ensure that all projects, including those funded by Development Partners are properly designed, aligned with Government priorities, and approved by Government for development financing before any formal approach can be made to a Development Partner.

Development Effectiveness Strategy: drafting of a Development Effectiveness Strategy to enhance the efficiency and effectiveness of projects supported by official development assistance.

United Nations Multi-Country Sustainable Development Framework (UN MCSDF): the identification of the national priorities to inform the crafting of the UN MCSDF for the period 2017–2021. The UN MCSDF will guide the programme activities of all United Nations agencies in the Caribbean region.

Forty years of European Union (EU) /GOJ cooperation: To celebrate this milestone between Jamaica and the European Union (Jamaica's largest source of grant financing), the EU handed over two budget support payments in the amount of £17.7 million (J$2.3billion).

D. RESEARCH

a. Econometric modelling: the PIOJ continued to build and enhance the capabilities of the tools used to inform policy and planning. The models were used among other things to:

- analyze the potential medium to long-term impact of GOJ expenditure decisions (Public Sector Investment Programme) on the socio-economic environment of Jamaica.
- inform GOJ of the potential economic benefits of the expansion of the Kingston Container Terminal during the construction phase.
- aid in the decision making regarding estimating growth potential of strategic projects.
- inform the Infrastructure Committee of the potential Impact of Expanding the Business Process Outsourcing on the Jamaican Economy.
- project real value added for some industries on a quarterly basis.
- provide Real sector updates, Cabinets Submissions/Briefs.
- inform Fiscal Policy Paper.
- produce Growth Policy Paper for FY 2015/16.
- calculate the impact on farmers' earnings in response to changes in the cost of irrigation.
- assess the distributional Impact of Tax on Petroleum-based products.
- estimate GDP by Parish, using the *JSLC 2012* – used to inform the Portland Parish Report.

b. Special research studies/research papers completed during year

- Draft Comprehensive Social Protection Strategy for Jamaica
- Contributed to the evaluation of PATH through an Impact Evaluation and Targeting Assessment, and Defining a Graduation Strategy for the programme
- Developed an Action Plan for gender mainstreaming
- Updated and reviewed the International Monetary Fund (IMF) performance indicators
- Review of papers and reports related to the IDB-funded Adolescent Dislocation Study
- Socio-economic and Environmental Profile for the parish of Portland

SENIOR EXECUTIVE COMPENSATION 2015

Position of Senior Executive	Year	Salary ($)	Gratuity ($)	Travelling Allowance or Value of Assignment of Motor Vehicle ($)	Pension or Other Retirement Benefits ($)	Other Allowances ($)	Non-Cash Benefits ($)	Total ($)
Director General	2015	9 525 000	-	1 097 688	-	-	65 000	10 687 688
Deputy Director General	2015	4 743 191	-	1 097 688	-	-	-	5 840 879
Deputy Director General	2015	4 020 176	981 652	1 097 688	-	-	-	6 099 516
Deputy Director General	2015	4 000 176	-	1 097 688	-	-	-	5 097 864
Deputy Director General	2015	4 122 493	-	1 097 688	-	-	-	5 220 181
Director	2015	3 877 860	-	1 097 688	-	-	-	4 975 548
Director	2015	3 878 784	-	578 814	-	-	-	4 457 598
Director	2015	3 510 910	-	1 097 688	-	-	-	4 608 598
Director	2015	3 924 541	-	578 814	-	-	-	4 503 355
Director	2015	4 000 674	-	1 097 688	-	-	-	5 098 362
Total	**2015**	**45 603 805**	**981 652**	**9 939 132**	**-**	**-**	**65 000**	**56 589 589**

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

APPENDICES

CABINET SUBMISSIONS, NOTES, BRIEFS, POSITION PAPERS

CABINET SUBMISSIONS

Quality and Completeness of Death Registration: Jamaica, Study based on 2008 Death Data
National Policy on International Migration and Development (Green Paper status)
Development of a National Poverty Policy and National Poverty Programme
Death Validation Study
Status of Component 1 of the GOJ/Adaptation Fund Programme

NOTES

Global Fund to fight Tuberculosis
Poverty prevalence; proposed policy and programme areas; and institutional arrangements for poverty reduction coordination
Analysis of the Poverty Rates, 2012 to 2013
Vital Statistics Commission Progress Report
Framework Agreement between the Government of Jamaica and the Global Fund to Fight AIDS, Tuberculous and malaria (GFATM)
Update on activities to improve the Civil Registration and Vital Statistics System

BRIEFS

IMF reviews (7th, 8th, 9th, and 10th) which included the performance of the economy
Review and Update of Performance of Economy for Cabinet Retreat
Real Sector Performance and the Implementation Progress of Growth Enhancing Reforms
Distributional Impact of Tax on Petroleum Based Projects
Strengthening Health Systems in Jamaica (IDB) Programme
Government of Jamaica/World Bank Portfolio
GOJ/EU Cooperation
UK Programme
China Programme
Mexico Cooperation Programme
Canada Cooperation Programme
USAID Cooperation Programme
Korea Cooperation Programme
101st Session of the ACP Council of Ministers
Department For International Development (DFID)
Department of Foreign Affairs & Development (DFATD)
40th Anniversary of Cooperation (EU)
Current state of the EU funded "Programme for the Reduction of Maternal and Child Health"
Global Knowledge Partnership on Migration and Development (KNOMAD) Dashboard of Indicators

POSITION PAPERS

Contributed to Paper on Implications of Decent Wages for Security Guards & Porter
Services Submission on National Minimum Wage Recommendation
Population Ageing and Implications for Development in Jamaica

BOARDS, COUNCILS, COMMITTEES, WORKING GROUPS & TASK FORCES

The PIOJ participated in and provided technical advice and support on several Boards, Committees, Councils, Working Groups and Task Forces located across various MDA's. These included the following:

- Programme Monitoring Committee
- Distributive Trade Committee
- Infrastructure Sub-committee
- Technical Working Group – Agriculture/Tourism
- Technical Working Group – Manufacture/Tourism
- Dairy Board
- Caribbean Growth Forum Advisory Committee
- Jamaica Energy Council
- Water Sector Policy Sub-committee
- International Relations & Trade Sub-committee
- Early Childhood Commission and its Sub-Committees
- Registrar General's Department Advisory Board
- Sexual Reproductive Health (SRH) Policy Committee
- Executive of the Nurses Association of Jamaica
- Jamaica Country Coordinating Mechanism Board
- Health Sector Development Plan Oversight Committee
- National Working Group on International Migration and Development (NWGIMD)
- National Identification System Committee
- National Council for Senior Citizens
- National Advisory Board on Disability
- National Youth Policy Technical Oversight Committee
- National Trafficking in Persons Task Force
- National Child Diversion Policy Working Committee
- CXC National Council
- Jamaica Social Investment Fund Projects Committee
- Jamaica Crime Observatory Sub-technical Committee
- Caribbean Child Research Conference Planning Committee
- Workforce Adjustment Policy Committee
- Poverty Review Technical Working Group
- Information and Communications Technology (ICT) Transformation Steering Committee (MSTEM)
- ICT in Education Steering Committee (MOE)
- Public Investment Management Information System Technical Oversight Committee
- GOJ Cyber-Incidence Response Team (Jamaica CIRT)
- National Nutraceuticals Industry Steering Committee
- Energy Conservation Sub-Committee
- Land Information Council of Jamaica
- Population Dynamics and Climate Change Project Steering Committee
- Poverty Policy and Programme Project Steering Committee
- Jamaica Logistics Hub Initiative (LHI) Market Analysis and Master Plan – Contract Oversight Committee
- Public Investment Management Secretariat Grants Review Committee
- Foundations for Competitiveness and Growth Project Steering Committee
- Growth Agenda Subcommittee of Cabinet – Technical Committee
- Statistical Institute of Jamaica Board of Directors
- Strategic Public Sector Transformation Project Steering Committee

» 2015 YEAR IN REVIEW «

Minister of State, Ministry of Foreign Affairs & Foreign Trade, the Hon Arnaldo Brown (left) and Consul General, Toronto, Mr Lloyd Wilks (2nd right) stand in front of the PIOJ booth along with PIOJ staff Mrs Toni-Shae Freckleton (2nd left), Manager, Population Unit, Mrs Marcia Blake-Hall, Senior Director, Corporate Affairs, Marketing & Communication, and Mr Kirk Chambers, Research Officer, JamStats. The occasion was the 6th Biennial Diaspora Conference held from June 15 to 18, 2015 at the Montego Bay Conference Centre

Deputy Director General, Economic Planning and Policy Logistics, PIOJ, Mr Richard Lumsden, addresses the audience at the podium during the Dialogue for Development Lecture 2015, held on November 25 2015, at the Jamaica Conference Centre. Listening on at the head table are (l-r) Dr. the Honourable Peter Philips, Minister of Finance and Planning, Ministry of Finance & Planning, Director General, PIOJ, Mr Colin Bullock, Mr Bruno Pouezat, UN Resident Coordinator/UNDP Resident Representative and Professor Manuel Acevedo-Jaramillo, Dean, Business School Universidad EAFIT, Medellin, Colombia

Country Representative, OAS, Mrs Jeanelle van Glaanen Weygel (second right), and The Hon. Sharon Folkes-Abrahams (centre), Minister of State, Ministry of Industry, Investment and Commerce, sign the document for the implementation of the Peckham Bamboo Pre-processing project on August 4, 2015, at the PIOJ. Sharing in the moment are PIOJ's Deputy Director General, Economic Planning and Policy Logistics, Mr Richard Lumsden (right) and the Hon. Richard Azan, Member of Parliament, North West Clarendon (left), while representatives from key government and non-government entities observe the process

GOJ/Adaptation Fund Programme (AFP) Steering Committee members sample a ripe cocoa during a site visit to a farm in Clarendon, April, 2015; they are (l-r): Mrs Shelia McDonald-Miller, Programme Manager, GOJ/ AFP, PIOJ, Mrs Teisha Robotham, Project Assistant, GOJ/AFP, PIOJ, Mr Daouda Ben Oumar Ndiaye, Adaptation Officer, AF Board Secretariat, Mrs Nadine Brown, Manager, Sustainable Development & Regional Planning, PIOJ, Ms Le-Anne Roper, Sustainable Development Officer, PIOJ, Mr I.W. Wilson, Programme Manager, GOJ/AFP Component 2, and Mrs Theralee Wright-Kelly, Project Assistant, GOJ/AFP, Component 2. Partially hidden is Ms Renee-Aarons Morgan, Senior Project Analyst, Ministry of Finance & Planning

Deputy Director General, Mr Kirk Philips, PIOJ (left) and colleagues (right) Mr Paul Brown, Office Services Manager and Mrs Odean Cole-Phoenix, Technical Information Manager, smile after presenting computer to Mr Michael Donaldson Principal, Watsonton Primary School, Lionel Town, Clarendon

Deputy Director General, Sustainable Development and Social Policy, PIOJ, Ms Claire Bernard (right), converses with Mr Ronald Jackson (left), Executive Director, Caribbean Disaster Emergency Management Agency (CDEMA), prior to the start of the PIOJ/UNFPA World Population Day, public lecture, held on July 9, 2015, at the PIOJ

Advisor to the Prime Minister, Dr Carlton Davis (left), greets Minister of Labour & Social Security (MLSS), The Hon. Derrick Kellier (2nd right) during the launch of the Labour Market Reform Commission, hosted at the PIOJ, on April 15, 2015. Sharing in the moment are: Mrs Collette Roberts-Risden, Permanent Secretary (MLSS) (second left), Dr Marshall Hall, Chairman, Labour Market Reform Commission (centre), and Mr Rainer Pritzer, Senior Specialist, International Labour Organization

Students from Mona Primary perform during the 10th staging of the Caribbean Child Research Conference held November 4-6, 2015 at the Jamaica Conference Centre. Seated at the head table are (l-r) Dr Aldrie Henry-Lee, Conference Chair & Acting Director, SALISES, Mona Campus, Ms Meca-Gaye Francis, Chair, CDA Children's Advisory Board, Dr Evan Duggan, Dean, Faculty of Social Sciences, UWI, Mona campus, Dr Ishenkumba Kahwa, Deputy Principal, Mona UWI, Ms Mayah Moncrieffe, St Peter and Paul Preparatory School and Ms Hilary Coulton, CHASE Fund

Shown above at the Sagicor Investment Pension (Sagicor Life) seminar is General Manager, Employee Benefits Administrator & Vice President, Sagicor Group Limited, Mrs LaToya Mayhew-Kerr greeting IMF Resident Representative for Jamaica, Dr Bert van Selm. Looking on (left to right) are Vice President, Asset Management, Sagicor Life Jamaica Limited, Miss Brenda Lee Martin and PIOJ's Head, Human Resources Management and Chairman, PIOJ Board of Trustees (Pension Plan) Mrs Sandra Ward

PLANNING INSTITUTE OF JAMAICA

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

THE PLANNING INSTITUTE OF JAMAICA

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

(Expressed in Jamaican dollars)

THE PLANNING INSTITUTE OF JAMAICA

YEAR ENDED 31 DECEMBER 2015

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8 Olivier Road
Kingston 8
Jamaica, W.I.

Tel: +1 876 925 2501
Fax: +1 876 755 0413
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Building a better working world
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of The Planning Institute of Jamaica

Report on the Financial Statements

We have audited the accompanying financial statements of The Planning Institute of Jamaica ("the Institute"), which comprise the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 auditor's judgement, 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT, CONTINUED

To the Members of The Planning Institute of Jamaica, Continued

Report on the Financial Statements, Continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Institute as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Chartered Accountants
Kingston, Jamaica

13 April 2016

THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015
(Expressed in Jamaican dollars)

	Notes	2015 $'000	2014 $'000
ASSETS			
Non-current assets			
Property and equipment	6	421,725	418,495
Intangible assets	7	2,016	-
Retirement benefit asset	8	217,328	158,080
Long-term receivables	9	4,766	8,651
		645,835	585,226
Current assets			
Inventories	10	490	510
Receivables and prepayments	11	30,257	28,648
International Development Partners funded projects (IDPs)	12	64,777	68,745
Cash and bank balances	12	16,638	57,057
		112,162	154,960
Total assets		757,997	740,186
EQUITY AND LIABILITIES			
Government's contribution to equity	13	353	353
Accumulated surplus		249,071	201,507
		249,424	201,860
Non-current liability			
Long-term portion - deferred income	14	378,146	385,793
Current liabilities			
Owed to projects	15	42,520	61,360
Payables and accruals	16	73,093	78,243
Current portion – deferred income	14	14,814	12,930
		130,427	152,533
Total equity and liabilities		757,997	740,186

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

The financial statements were approved and authorised for issue by the Board of Directors on 11 April 2016, and are signed on its behalf by:

……………………………………… Director
Colin Bullock

……………………………………… Director
Ike Johnson

THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2015
(Expressed in Jamaican dollars)

	Notes	2015 $'000	2014 $'000
INCOME			
Government subventions	17	455,581	392,914
Interest income		1,282	1,920
Other income	18	33,579	27,173
		490,442	422,007
EXPENSES			
Staff costs	19	386,769	344,280
Property expenses	19	50,298	56,849
Consultancy and professional fees	19	3,350	4,837
Depreciation and amortisation	6,7,19	20,960	18,224
Other operating expenses	19	29,869	29,986
Loss on disposal of property and equipment	19	-	15
		491,246	454,191
NET DEFICIT		(804)	(32,184)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive surplus (deficit) not to be reclassified to income in subsequent periods:			
Re-measurement experience on defined benefit plan	8.4	48,368	(36,566)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MEMBERS		47,564	(68,750)

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

THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2015
(Expressed in Jamaican dollars)

	Government Contributions to Equity $'000 (Note 13)	Accumulated Surplus $'000	Total $'000
Balance at 31 December 2013	353	270,257	270,610
Net deficit for the year	-	(32,184)	(32,184)
Other comprehensive loss	-	(36,566)	(36,566)
Total comprehensive loss attributable to members	353	(68,750)	(68,750)
Balance at 31 December 2014	-	201,507	201,860
Net deficit for the year	-	(804)	(804)
Other comprehensive income	-	48,368	48,368
Total comprehensive income attributable to members	-	47,564	47,564
Balance at 31 December 2015	353	249,071	249,424

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

THE PANNING INSTITUTE OF JAMAICA
STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2015
(Expressed in Jamaican dollars)

	Notes	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss		(804)	(32,184)
Adjustments for:			
Loss on disposal of property and equipment		-	15
Foreign exchange adjustment		(669)	-
Deferred income		(14,814)	(12,930)
Inventory write-offs		-	2,239
Depreciation and amortisation	6,7,19	20,960	18,224
Interest income		(1,282)	(1,920)
Retirement benefit plan charge	8	6,856	6,666
Operating cash flows before movement in working capital		10,247	(19,890)
International Development Partners funded projects (IDPs)		(3,968)	(42,345)
Decrease/(increase) in inventories		20	(273)
(Increase)/decrease in receivables and prepayments		(1,609)	4,865
(Decrease)/increase in owed to projects		(18,840)	23,213
(Decrease)/increase in payables and accruals		(5,150)	2,681
Cash used in operating activities		(19,300)	(31,749)
Contributions to retirement benefit plan	8.7	(17,736)	(16,800)
Net cash used in operating activities		(37,036)	(48,549)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,262	1,902
Acquisition of property and equipment	6	(22,858)	(59,752)
Acquisition of intangible assets		(3,348)	-
Proceeds from disposal of property and equipment		-	28
Long-term receivables (net)		3,885	70
Project funds received/(utilized)		7,936	(26,400)
Cash used in investing activities		(13,123)	(84,152)
CASH FLOWS FROM FINANCING ACTIVITY			
Capital grant received	14	9,051	52,840
Cash provided by financing activity		9,051	52,840
DECREASE IN CASH AND BANK BALANCES		(41,108)	(79,861)
OPENING CASH AND BANK BALANCES		56,982	136,843
Effect of foreign exchange rate changes		669	-
CLOSING CASH AND BANK BALANCES	12	16,543	56,982

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

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 domiciled in Jamaica.

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

1.2 *Principal activities*

The objectives of the Institute include:

(i) Initiation and 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.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The Institute applied for the first time certain Standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The Institute has not early adopted any other Standard, Interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual financial statements of the Institute. The nature and the impact of each new Standard or amendments are described below:

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

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS, CONTINUED

2.2 *New and revised Standards and Interpretations adopted during the year*

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment did not have any material impact on the financial statements of the Institute.

Annual Improvements 2010-2012 cycle
The amendment to IFRS 13 under this cycle became effective immediately, clarifying that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial.

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The Institute had not granted any awards during the year and thus these amendments did not impact the Institute's financial statements or accounting policies.

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This amendment did not impact the Institute's accounting policies as there were no business combinations during the year.

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS, CONTINUED

2.2 *New and revised Standards and Interpretations adopted during the year (continued)*

Annual Improvements 2010-2012 cycle, continued

IFRS 8 Operating Segments, continued
The Institute has not applied the aggregation criteria in IFRS 8.12. In addition, the Institute has not presented a reconciliation of segment assets to total assets. Thus these amendments did not have any impact on the financial statements of the Institute.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact financial statements of the Institute during the current year.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Institute as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Institute. They include:

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement.

This this amendment is not relevant for the Institute as it has no joint arrangements.

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Institute does not apply the portfolio exception in IFRS 13.

(Expressed in Jamaican dollars)

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS, CONTINUED**

2.2 ***New and revised Standards and Interpretations adopted during the year (continued)***

Annual Improvements 2011-2013 Cycle, continued

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This amendment did not impact the accounting policy of the Institute.

2.3 ***New and amended Standards and Interpretations in issue but effective after the year end***

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

		Effective for annual periods <u>beginning on or after</u>
<u>New and Revised Standards</u>		
IAS 1	Disclosure Initiative - Amendments to IAS 1 Presentation of Financial Statements	January 1, 2016
IAS 16 and 34	Clarification of acceptable methods of depreciation and amortization	January 1, 2016
IAS 16 and 41	Amendment changing the accounting requirements for agricultural bearer plants	January 1, 2016
IAS 19, 34 and IFRS 5 and 7	Amendments arising from 2012 - 2014 annual improvements to IFRS	January 1, 2016
IAS 27	Amendment allowing use of the equity method of accounting in separate financial statements of investor	January 1, 2016
IFRS 9	Financial Instruments: Classification and Measurement of Financial Assets and Liabilities	January 1, 2018
IFRS 10 IFRS 12 and IAS 28	Consolidation Exception: Exemption for parent entity presenting consolidated financial statements for which it is a subsidiary of an investment entity	January 1, 2016
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture: - Amendments clarify that the gain or loss resulting from the sale or contribution of assets is recognised in full	January 1, 2016
IFRS 11	Joint Arrangements: - Amendments regarding accounting for the acquisition of an interest in a joint operation	January 1, 2016

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS, CONTINUED

2.3 *New and amended Standards and Interpretations in issue but effective after the year end, continued*

New and Revised Standards		Effective for annual periods beginning on or after
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases: The new standard requires lessees to account for all leases under a single on-balance sheet model, subject to certain exemptions in a similar way to finance leases under IAS 17.	January 1, 2019

The Board of Directors and management have assessed the impact of all new and revised Standards and Interpretations in issue not yet effective and have concluded that the following are relevant to the operations of the Institute:

IAS 1 Disclosure Initiative – Amendments to IAS 1

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

The Institute is currently assessing the impact of this standard IAS 1 and plans to adopt the amended standard on the required effective date.

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS, CONTINUED**

2.3 ***New and Revised Standards and Interpretations in issue but effective after the year end, continued***

IFRS 9, Financial Instruments
Classification and measurement of financial assets
All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities
For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment
The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS, CONTINUED

2.3 *New and Revised Standards and Interpretations in issue but effective after the year end, continued*

IFRS 16 Leases
This new standard requires lessees to account for all leases under a single on-balance sheet model, subject to certain exemptions in a similar way to finance leases under IAS 17. Lessees recognize a liability to pay rentals with a corresponding asset, and recognize interest expense and depreciation separately. The standard provides guidance on the two recognition exemptions for leases – leases of “low value” assets and short-term leases with a term of 12 months or less. Lessor accounting is substantially the same as IAS 17. Early adoption is permitted but not before the Institute applies IFRS 15. The directors and management have not yet assessed the impact of the application of this standard on the Institute’s financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Institute is to assess the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

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) as issued by the International Accounting Standards Board ("IASB").

4.2 *Basis of preparation*

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

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

The Institute presents its statement of financial position in a current versus non-current classifications. The presentation in the notes is broadly in the order of the items in the statement of financial position and the statement of comprehensive income. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense will not be offset in the statement of comprehensive income unless required or permitted by an accounting standard or interpretation, as specifically disclosed in the accounting policies of the Institute.

4.3 *Judgements*

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

4.4 *Current versus non-current classification*

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

4 **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

4.4 ***Current versus non-current classification, continued***

All other assets are classified as non-current.

A liability is current when:

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

The Institute classifies all other liabilities as non-current.

4.5 ***Fair value measurement***

Fair values of financial instruments measured at amortised cost are disclosed in Note 22.

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

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

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.5 *Fair value measurement, continued*

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

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

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

4.6 *Property and equipment*

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

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

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

4.7 *Intangible assets*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their useful lives of three years.

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

4 **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

4.8 ***Impairment of long-lived assets***

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in surplus or deficit.

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

4.9 ***Employee benefit costs***

Pension obligations

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

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. Assets are only recognized to the extent that the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan exceeds the fair value of the plan assets less the present value of the defined benefit obligations. Defined benefits obligations for the scheme are calculated annually by independent actuaries. The cost of providing benefits is determined using the Projected Unit Credit Method.

The Institute recognizes actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, in the period which they occur, in other comprehensive income.

Current service costs and any past service cost, together with the unwinding of interest on the plan assets and liabilities at the discount rate are included within operating costs through surplus or deficit for the year.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.10 *Inventories*

Inventory of publications held for sale is stated at the lower of cost or net realisable value. Publication in progress is stated at cost. Net releasable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

4.11 *Financial instruments*

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

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

4.12 *Financial assets*

Financial assets of the Institute are classified into the following specified category: “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All purchases or sales of financial assets are recognised and derecognised on a trade date basis, and require delivery of assets within the timeframe established by regulation or convention in the market place.

4.12.1 <u>Loans and receivables</u>
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including receivables and prepayments, cash and bank balances which are short-term in nature and long-term 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 for short-term receivables when the recognition of interest would be immaterial.

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

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets, continued*

4.12.3 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances including short-term deposits with maturities ranging between one and three months from the end of the reporting period. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

4.12.4 Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets, continued*

4.12.4 Impairment of financial assets, continued

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

4.12.5 Derecognition of financial assets

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

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

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

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

4.13.1 Classification as debt or equity

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

4.13.2 Equity instruments

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.13 *Financial liabilities and equity instruments issued by the Institute, continued*

4.13.3 Financial liabilities, continued

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

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

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

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

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

4.14 *Related party transactions and balances*

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

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.14 *Related party transactions and balances, continued*

(b) An entity is related to a reporting entity if any of the following conditions applies:

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

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

Related party transactions and balances are recognised and disclosed in the financial statements (Note 20).

4.15 *Government grants*

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.16 *Revenue recognition*

4.16.1 Government grants

The Institute's policy for recognition of revenue from Government grants is described in Note 4.15 above.

4.16.2 Rental income

The Institute's policy for recognition of revenue from operating leases is described in Note 4.17 below.

4.16.3 Interest income

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

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

4.16.4 Building management fees

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

4.17 *Leases*

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.

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.

4.18 *Comparative balances*

Certain prior year balances have been reclassified for comparative purposes. In particular, this relates to the reclassification of Funds Held for International Development Partners (IDP) from Cash and Bank Balances amounting to $68.745 million (Note 12). This reclassification had no material impact on the financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.19 *Foreign currencies*

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

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

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5.1 *Critical judgments in applying accounting policies*

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

5.1.1 Property and equipment
Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the Institute to enable the value to be treated as a capital expense.

Further judgement is applied in the annual review of the useful lives of all categories of property and equipment and the resulting depreciation thereon.

5.1.2 Inventory obsolescence

The Institute assesses on an annual basis its inventory of publications to determine those that will not be the saleable in the foreseeable future as a result of edition change, slow movement etc. Write-down is also made for items that have become outdated.

5 **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY, CONTINUED**

5.2 ***Key sources of estimation uncertainty***

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

5.2.1 Retirement benefits

As disclosed in Note 8, the Institute operates a defined benefit pension plan. The retirement benefit asset disclosed in the statement of financial position $217.3million (2014: $158.1 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 obligations. Actuaries are contracted in this regard.

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

6 PROPERTY AND EQUIPMENT

	Freehold Building $'000	Leasehold Improvements $'000	Furniture, Fixtures and Equipment $'000	Motor Vehicles $'000	
Cost					
31 December 2013	425,694	10,425	161,821	10,419	
Additions(project grants)	-	-	-	-	
Additions	-	-	19,109	-	
Reclassification or transfer	(9,174)	-	9,174	-	
Disposals	-	-	(1,009)	-	
31 December 2014	416,520	10,425	189,095	10,419	
Additions	-	-	7,287	-	
Reclassification or transfer	25,058	-	31,156	-	
31 December 2015	441,578	10,425	227,538	10,419	
Depreciation					
31 December 2013	72,826	10,425	141,285	6,813	
Charge for year	10,413	-	7,389	422	
Disposal	-	-	(966)	-	
31 December 2014	83,239	10,425	147,708	7,235	
Charge for year	11,039	-	8,167	422	
31 December 2015	94,278	10,425	155,875	7,657	
Net Carrying Amount					
31 December 2015	347,300	-	71,663	2,762	
31 December 2014	333,281	-	41,387	3,184	40

6 PROPERTY AND EQUIPMENT, CONTINUED

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

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

6.1 *Reassessment of useful life*

The Institute reassessed its accounting estimates for Property and Equipment with respect to the useful life of Furniture, Fixtures and Equipment. The Institute previously estimated the useful lives of these items at 5 years.

7 INTANGIBLE ASSETS

	Computer Software
	$'000
At Cost -	
At 1 January 2015 and 31 December 2015	3,348
Amortisation -	
At 1 January 2015 and 31 December 2015	1,332
Net Book Value -	
31 December 2015	2,016
31 December 2014	-

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

(Expressed in Jamaican dollars)

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, 2015 by Rambarran & Associates Limited, consulting actuaries. The present value of the defined benefit obligation and the related current service costs and past service costs have been measured using the projected unit credit method.

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

	2015	**2014**
Gross discount rate	8.5%	9.5%
Expected rate of salary increases	5.0%	5.5%
Future pension increases	4.5%	4.5%
Inflation	5.0%	5.5%
Minimum funding rate	5.0%	5.0%

Demographic assumptions include assumed retirement age of 65 for all employees which is the normal retirement age. Assumptions regarding future mortality are based on American 1994 Group Annuitant Mortality (GAM94) table with a five year mortality improvement.

The weighted average duration of the defined benefit obligation as at December 31, 2015 is 32 years for active members totalling 93 (2014: 93) and 17 years for deferred pensioners totalling 2 (2014: 4).

The Institute expects to make a contribution of $18.4 million (2014: $18.2 million) to the defined benefit plan during the next financial year. Total contribution inclusive of employee contributions is expected to be $29.8 million (2014: $29.7 million).

8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2015 $'000	2014 $'000
Present value of funded obligations	(713,017)	(576,779)
Fair value of plan assets	1,174,316	936,042
Surplus	461,299	359,263
Unrecognised asset due to asset ceiling	(243,971)	(201,183)
Net asset recognized in the statement of financial position	217,328	158,080

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

	2015 $'000	2014 $'000
Current service cost	23,213	23,496
Net interest cost:		
Interest cost on defined benefit obligation	54,251	48,808
Interest income on plan assets	(89,720)	(71,298)
Interest effect of the asset ceiling	19,112	5,660
Net expense recognized in statement of income	6,856	6,666

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

	2015 $'000	2014 $'000
Remeasurement gains (losses):		
Actuarial changes arising from changes in financial assumptions	(116,262)	-
Experience adjustments (Note 8.5)	188,306	92,371
Change in effect of the asset ceiling (Note 8.6)	(23,676)	(128,937)
Net income/(expense) recognized in other comprehensive income	48,368	(36,566)

8 RETIREMENT BENEFIT ASSET, CONTINUED

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

2015	Demographic Assumptions $'000	Financial Assumptions $'000	Experience Adjustments $'000	Net $'000
Defined benefit obligation	-	(119,740)	60,381	(59,359)
Fair value plan assets	-	3,478	127,925	131,403
Recognised in OCI (Note 8.4)	-	(116,262)	188,306	72,044

2014	Demographic Assumptions $'000	Financial Assumptions $'000	Experience Adjustments $'000	Net $'000
Defined benefit obligation	-	-	75,443	75,443
Fair value plan assets	-	-	16,928	16,928
Recognised in OCI (Note 8.4)	-	-	92,371	92,371

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

8.6 Movement effect of asset ceiling

	2015 $'000	2014 $'000
Opening effect of asset ceiling	(201,183)	(66,586)
Interest effect of asset ceiling	(19,112)	(5,660)
Remeasurement recognized in OCI (Note 8.4)	(23,676)	(128,937)
Closing effect of asset ceiling	(243,971)	(201,183)

8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2015 $'000	2014 $'000
Opening balance	158,080	184,512
Amounts charged to income	(6,856)	(6,666)
Employer contributions	17,736	16,800
Remeasurements recognized in OCI	48,368	(36,566)
Closing balance	217,328	158,080

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

	2015 $'000	2014 $'000
Opening defined benefit obligation	576,779	579,056
Service cost	23,213	23,496
Interest cost on defined benefit obligation	54,251	48,808
Members' contributions	11,103	10,740
Value of annuities purchased	17,968	-
Benefits paid	(29,656)	(9,878)
Remeasurement – changes in financial assumptions	119,740	-
Remeasurement (gain)/loss on obligation for OCI (Note 8.5)	(60,381)	(75,443)
Closing defined benefit obligation	713,017	576,779

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

	2015 $'000	2014 $'000
Opening fair value of plan assets	936,042	830,154
Members' contributions	11,103	10,740
Employer's contributions	17,736	16,800
Value of annuities purchased	17,968	-
Interest income on plan assets	89,720	71,298
Benefits paid	(29,656)	(9,878)
Remeasurement – changes in financial assumptions	3,478	-
Remeasurement gain (loss) on assets for OCI (Note 8.5)	127,925	16,928
Closing fair value of plan assets	1,174,316	936,042

8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2015 $'000	2014 $'000
Equity fund	381,273	241,158
Fixed income fund	198,621	203,416
Foreign exchange fund	172,590	157,182
Mortgage and real estate fund	218,526	162,699
Money market fund	28,984	26,883
Other	174,432	144,704
Fair value of plan assets	1,174,426	936,042

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

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

8.11 Sensitivity analysis

The present value of the defined benefit obligation was analysed based on a 1% increase or decrease (2014: 1%) in the discount rate applied and the impact on the fund determined. The impact of a 1% increase or decrease (2014: 1%) in the future salary rate on the net present value of the fund was also determined. The table below summarises the results of the analysis:

	2015			
	Discount rate		Future salary	
	1% Increase $'000	1% Decrease $'000	1% Increase $'000	1% Decrease $'000
Impact on the present value of defined benefit obligation	108,170	(141,577)	(60,841)	52,094

	2014			
	Discount rate		Future salary	
	1% Increase $'000	1% Decrease $'000	1% Increase $'000	1% Decrease $'000
Impact on the present value of defined benefit obligation	487,708	(691,629)	(626,360)	534,018

9 LONG-TERM RECEIVABLES

(a) These include:

	2015 $'000	2014 $'000
Staff loans receivable (Note 9(b))	8,313	11,989
Less: Current portion of staff loans included in other receivables (Note 11.2)	(3,547)	(3,338)
	4,766	8,651

(b) Staff loans are in relation to advances for purchase of motor vehicles which are secured by bills of sale on the motor vehicles and are recoverable by instalments. Interest on these loans range from 2% to 3% per annum and have tenure of five years.

10 INVENTORIES

These include:

	2015 $'000	2014 $'000
Publications held for sale	490	510

The cost of inventories recognized as an expense during the year was $0.847 million (2014: $1.2 million). During the year there were no obsolete inventories for write off (2014:$ 2.2 million).

11 RECEIVABLES AND PREPAYMENTS

11.1 These include:

	2015 $'000	2014 $'000
Maintenance fees	7,858	7,794
Trade receivable (sale of publications)	70	54
Prepayments and deposits	9,484	9,561
Net maintenance fee billable to OCG	1,074	-
Other receivables (Note 11.2)	11,771	11,239
	30,257	28,648

The average credit period granted on sale of publications is 30 days (2014: 30 days). No interest is charged on outstanding balances.

11 RECEIVABLES AND PREPAYMENTS, CONTINUED

11.1 continued

Credit is granted to selected ministries, departments and agencies of government on request and approved by management within limits. Collection is monitored on an ongoing basis. There is no customer that represents more than 5% of total balance of trade receivables.

Trade receivables are past due at the reporting date. However, the Institute considers these amounts to be recoverable based on the credit quality of the amounts outstanding. The Institute does not hold any collateral over these balances. The average age of these receivables is 30 days (2014: 75 days).

11.2 Other receivables include:

	2015 $'000	2014 $'000
Advances to staff	2,488	7,278
Current portion of long-term receivables (Note 9)	3,547	3,338
Other	5,736	623
	11,771	11,239

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

12 CASH AND BANK BALANCES

12.1 Cash and bank balances comprise the following:

	2015 $'000	2014 $'000
Funds held for recurrent and resource management	16,146	48,497
Building maintenance fund	397	8,485
Cash and bank balances	16,543	56,982
Interest accrued	95	75
	16,638	57,057
International Development Partners funded projects (IDPs)	64,777	68,745
	81,415	125,802

12.2 Bank balances include interest bearing accounts totalling $57.5 million (2014: $117.1 million), including a foreign currency deposit amounting to $8.7 million (US$72,177) (2014: $3.4 million US$30,122). Interest on local currency deposits are at rates ranging between 0.05% and 4.75% (2014: 0.05% to 4.75%) per annum and on foreign currency deposits at an average rate of .07% (2014: 0.07%) per annum.

12.3 Funds held in bank accounts for International Development Partners (IDPs) funded projects are segregated from the Institute's operating cash resources.

12 CASH AND BANK BALANCES, CONTINUED

12.4 Funds being held in bank accounts in the name of the Institute but which are not accounted for in these financial statements (Note 3) amounted to approximately $38 million at 31 December 2015 (2014: $68 million). The funds held in these bank accounts are funds received from IDPs for projects implemented by the Institute.

13 GOVERNMENT'S CONTRIBUTION TO EQUITY

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

14 DEFERRED INCOME

This represents value of property and equipment (net of depreciation) acquired from special grants received for such purposes (Note 4.15).

	2015 $'000	2014 $'000
Balance at beginning of year	398,723	358,813
Grants received	9,051	52,840
Transferred to income (see Note 18)	(14,814)	(12,930)
Balance at end of year	392,960	398,723

	2015 $'000	2014 $'000
Current portion	14,814	12,930
Long-term portion	378,146	385,793
	392,960	398,723

15 OWED TO PROJECTS

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

16 PAYABLES AND ACCRUALS

	2015 $'000	2014 $'000
Rent payable	-	1,558
Short-term employee benefits	49,853	39,900
Other payables and accruals	23,240	36,785
	73,093	78,243

The credit period on purchases of goods/services from the Institute's major suppliers ranges from 30 – 60 days (2014: 30 - 60 days). The Institute has financial risk management procedures in place to ensure that all payables are paid within the credit time frame.

17 GOVERNMENT SUBVENTIONS

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

18 OTHER INCOME

	2015 $'000	2014 $'000
Rental income	12,220	11,648
Building management fees	2,893	3,897
Loss on sale of publications	(847)	(2,232)
Deferred income (see Note 14)	14,814	12,930
Write back of accruals	1,558	-
Other	2,941	930
	33,579	27,173

19 EXPENSES

	2015 $'000	2014 $'000
Staff costs		
Salaries and allowances	279,452	256,838
Retirement benefits plan charge	6,856	6,641
Travelling and motor vehicle upkeep	60,157	52,163
Statutory contributions	12,587	12,187
Staff welfare and subsistence	26,416	18,406
Accrued vacation	1,301	(1,955)
	386,769	344,280
Property expenses		
Parking	1,559	2,297
Security	8,904	8,682
Utilities	24,818	27,030
Landscaping	690	523
Cleaning and maintenance	5,920	6,485
Insurance	3,036	4,829
Repairs and maintenance	4,409	6,453
Property tax	269	350
Subsistence	693	200
	50,298	56,849
Consultancy and professional fees	3,350	4,837
Depreciation and amortisation	20,960	18,224
Other operating expenses		
Foreign travel	2,800	4,471
Entertainment	2,024	1,002
Motor vehicle expenses	1,244	1,669
Computer and supplies	10,987	6,298
Postage	108	118
Stationery and office supplies	4,114	3,972
Advertising, special events and publications	4,707	9,649
Other general expenses	3,885	2,807
	29,869	29,986
Loss on disposal of property & equipment	-	15
	491,246	454,191

20 RELATED PARTY TRANSACTIONS AND BALANCES

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

	2015 $'000	2014 $'000
Salaries and allowances including statutory contributions	47,862	44,019
Pension contributions	2,018	1,894
Directors' fees	223	515

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

21 COMMITMENTS

Capital commitments

	2015 $'000	2014 $'000
For acquisition of equipment	5,000	-

At 31 December 2015, the Institute entered into a contractual agreement for the acquisition of a transformer unit.

22 LEASING ARRANGEMENTS

The Institute leases part of its office building with lease term of five to ten years with an option to extend for a further three to five years. The lessee does not have an option to purchase the property on expiry of the lease period.

Non-cancellable operating lease receivables are as follows:

	2015 $'000	2014 $'000
No later than 1 year	12,341	12,341
Later than 1 year and no longer than 5 years	12,341	24,682
	24,682	37,023

Lease payments in respect of a car park leased, is recognised by the Institute as an expense during the year totalling $2,408,414 (2014: $2,237,897).

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

23.1 *Capital risk management*

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

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

23.2 *Significant accounting policies*

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

23.3 *Categories of financial instruments*

	2015 $'000	2014 $'000
Financial assets (at amortised cost)		
Loans and receivables (including cash and bank balances)	106,955	154,266
Financial liabilities (at amortised cost)		
Other financial liabilities	70,710	90,582

23.4 *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.

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT, CONTINUED

23.5 *Credit risk*

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Institute. The Institute's principal financial assets are cash and bank balances, receivable and long-term receivables. The credit risk on cash and bank balances is limited as the Institute minimises this risk by seeking to limit its obligations to reputable banks and financial institutions. In respect of receivables the risk is minimised by extending credit to or placing deposits with credit worthy parties. Long-term receivables representing staff loans are secured by bill of sales over motor vehicles financed. Further, unpaid balances are deducted from emoluments due if required.

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.

23.6 *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.

	2015				
	Weighted Average Effective Rate %	**Less than 1 Month $'000**	**1 to 12 Months $'000**	**Over 12 Months $'000**	**Total $'000**
Financial assets					
Long-term receivables	3	-	3,440	4,873	8,313
Receivables	-	-	20,773	-	20,773
Cash and bank deposits	2	81,415	-	-	81,415
		81,415	24,213	4,873	110,501
Financial liabilities					
Payables	-	-	70,710	-	70,710
Owed to projects	-	-	42,520	-	42,520
		-	113,230	-	113,230

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT, CONTINUED

23.6 *Liquidity risk management, continued*

	2014				
	Weighted Average Effective Rate %	Less than 1 Month $'000	1 to 12 Months $'000	Over 12 Months $'000	Total $'000
Financial assets					
Long-term receivables	3	-	3,338	8,651	11,989
Receivables	-	-	15,748	-	15,748
Cash and bank deposits	2	126,529	-	-	126,529
		126,529	19,086	8,651	154,266
Financial liabilities					
Payables	-	29,222	-	-	29,222
Owed to projects	-	-	61,360	-	61,360
		29,222	61,360	-	90,582

23.7 *Market risk*

The Institute's investment activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. (See Notes 23.8 and 23.9).

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

23.8 *Foreign currency risk management*

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

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

	2015 $'000	2014 $'000
Cash and bank deposits - United States dollars	8,692	3,453

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT, CONTINUED

23.8 *Foreign currency risk management, continued*

23.8.1 Foreign currency sensitivity analysis

The Institute's deposits are exposed to the United States dollar. The Institute's sensitivity to 1% revaluation or 8% devaluation (2014: 1% revaluation or 10% devaluation) in the Jamaican dollar against the United States dollar is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rate in the short-term.

The sensitivity to a 1% revaluation or 8% devaluation (2014: 1% revaluation or 10% devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J$0.087 million or an increase of J$0.695 million in net income (2014: decrease of J$0.034 million or an increase of J$0.0345 million in net income).

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

23.9 *Interest rate risk management*

The Institute's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note (Note 23.6).

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates for the Institute's bank deposits at the end of the reporting year as these are substantially the interest sensitive instrument impacting financial results. For floating rate deposits, the analysis assumes the amount of asset outstanding at year end was outstanding for the whole year. An increase/decrease of 1%/1.5% on Jamaican dollar (J$) deposits and an increase/decrease of 1.0%/0.5% for United States dollar (US$) deposits represents management's assessment of the reasonable possible change in interest rates in the short-term. In 2014 the assumptions were an increase/decrease of 2.50%/1.0% for J$ deposits and an increase/decrease of 2%/0.5% for US$ deposits.

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT, CONTINUED

23.9 *Interest rate risk management, continued*

If market interest rates had been 1% higher or 1.5% lower on J$ deposits and 1% higher or 0.5% lower on US$ deposits and all other variables were held constant:

	2015 **$'000**	**2014** **$'000**
Effect on net surplus increase 1% (2014: 2.5%) (J$ deposits)	575	2,840
Effect on net surplus decrease 1.5% (2014: 1%) (J$ deposits)	(862)	(1,136)
Effect on net surplus increase 1% (2014: 2%) (US$ deposits)	87	69
Effect on net surplus decrease 0.5% (2014: 0.5%) (US$ deposits)	(43)	(17)

The Institute's sensitivity to interest rates has reduced during the current year as the Institute had a decrease in the number of interest sensitive bank deposits.

23.10 *Fair value of financial instruments*

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

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

(i) The carrying amount of cash and bank balances, receivables and payables that mature within one year are assumed to approximate their fair value.

(ii) The fair values of long-term receivables have not been estimated as these are special loans to employees.

Fair value measurements recognised in the Statement of Financial Position
There were no financial instruments that were measured or disclosed subsequent to initial recognition at fair value.