



# The Planning Institute of Jamaica



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Report  
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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*

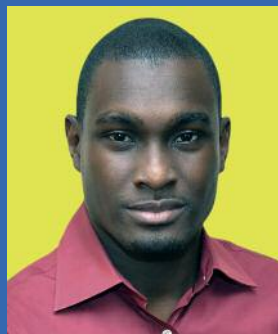
TO BE PROACTIVE IN THE PROVISION OF STRATEGIC AND INNOVATIVE POLICY, AND PROGRAMMATIC RESPONSES TO EMERGING ISSUES AT THE NATIONAL AND ORGANIZATIONAL LEVELS IN PURSUIT OF SUSTAINABLE DEVELOPMENT.



# Members of the Board of Directors



Dr Gladstone Hutchinson



Dr Ike Johnson



Dr Pauline Knight



Professor Brian Meeks



Dr Joy Moncrieffe



Mr Devon Rowe



Professor Alvin Wint



Mr Robert Wynter



# Director General's Statement

DR GLADSTONE HUTCHINSON

DIRECTOR GENERAL, PLANNING INSTITUTE OF JAMAICA



While 2012 was a year of celebration for Jamaica as the nation marked its 50th anniversary and basked in the tremendous success of its athletes at the Olympics, the Planning Institute as an organization was faced with a number of challenges. The major challenges were assisting the Government with securing an Agreement with the International Monetary Fund; creating an environment for macro-economic growth over the short and medium-term despite the fragile global economic recovery; as well as achieving fiscal consolidation.

The Institute accorded priority to five areas during the year: (i) implementing aspects of the Growth-Inducement Strategy (GIS) in the Short and Medium Term; (ii) initiating interventions under the Community Renewal Programme (CRP); (iii) completing the draft of the Medium Term Socio-Economic Policy Framework (MTF) 2012–2015; (iv) Tax Reform; and (v) addressing climate change issues.

**A. The Growth Inducement Strategy:** The GIS, which is fully aligned to *Vision 2030 Jamaica*, served as the guiding principle in the prioritization process in the budget and the medium-term planning process, and in Jamaica's country strategies of the International Development Partners (IDPs). The GIS also critically informed and influenced strategies for the modernization and growth of the

economy in the negotiations with the IMF. *The Growth Inducement Strategy for Jamaica in the Short and Medium Term* was published in October 2012.

**B. The Community Renewal Programme:** The CRP made some strides in delivering social interventions to the targeted 100 inner city communities. Three pilot programmes commenced, namely: the Majesty Gardens Re-Development Project; the Seaview Gardens Development Project; as well as interventions within 17 communities located near to the Kingston Lifestyles Centre Project, which is a public/private sector partnership working to redevelop the commercial centres of Downtown Kingston.

**C. The Medium Term Socio-Economic Policy Framework:** At the end of 2012, a first draft of the MTF was being edited for internal review prior to an external review by the relevant stakeholders. The MTF is the frame of reference for implementing *Vision 2030 Jamaica – National Development Plan*.

**D. Tax Reform:** As a follow up to engaging the public in Town Hall meetings in Mandeville and Montego Bay and co-hosting a panel discussion in Kingston on the Green Paper on Tax Reform, the PIOJ commissioned a report entitled, "Jamaica Tax Reform 2012: Implications for Tax Incidence, Social Equity and Social Protection". The core

objective of this report was to assess the distributional impact of tax reform on consumption expenditure. A team of experts from the PIOJ, led by the Deputy Director General, provided technical expertise to the consultants who prepared the report.

**E. Addressing Climate Change Issues:** The Adaptation Fund Project, launched on November 2, 2012, was one of several initiatives to address the damage caused by the adverse effects of climate change. This Project seeks primarily to protect livelihoods and food security in vulnerable communities by improving land and water management for the agricultural sector; strengthening coastal protection; and building institutional and local capacity for climate change adaptation. The PIOJ is the national implementing agency of the Adaptation Fund.

In addition to work in these priority areas the Institute continued to give evidence-based policy advice particularly through the utilization of modelling tools and survey data to respond to the economic, social and environmental issues facing Jamaica.

There were other notable achievements during the year including the following:

- On September 4, 2012, the PIOJ in collabora-

tion with the Ministry of Foreign Affairs and Foreign Trade launched “Migration in Jamaica: A Country Profile 2012” – the first of its kind for Jamaica and the Caribbean. This Profile is the first step towards the development of a National Policy of Action on International Migration and Development.

- PIOJ received an award for the Most Outstanding Land Information Council of Jamaica Member for 2012.
- A Special Paper on Unemployment Insurance was prepared and presented at the Labour Market Forum held in December at the Jamaica Conference Centre.
- The Government received J\$1.2 billion to assist vulnerable children and families. The signing ceremony took place on April 24, 2012. This was achieved with the input of the External Cooperation Management Division.
- The Economic Partnership Agreement Capacity Building Project, which is being funded by a grant of £2.25 million by the European Union, was launched at the Bureau of Standards Jamaica in December. The Project’s overall objective is to facilitate increased and more diversified exports of agricultural and agri-processed products to the European Union and other markets.

» The major challenges were assisting the Government with securing an Agreement with the International Monetary Fund; creating an environment for macro-economic growth over the short and medium-term despite the fragile global economic recovery; as well as achieving fiscal consolidation.

In 2012, the staff of the Planning Institute of Jamaica marked the 50th anniversary of Jamaica's independence with a number of celebratory 'emancipendence' activities. Under the theme, "A Nation on A Mission, Salute the Journey, Embrace the Vision," PIOJ's Jamaica 50th Planning Committee, organized several events. These included the Jubilee Games; participation in the Golden Jubilee Village; a Labour Day Project; two Learning Hour sessions; and participation in an inter-agency "Jubilee Games" with the National Housing Trust (NHT), the Statistical Institute of Jamaica (STATIN), the National Environmental Planning Agency (NEPA), the Ministry of Finance and Planning (MOFP), the Office of Disaster Preparedness and Emergency Management (ODPEM), the Office of the Contractor General (OCG), and the Independent Commission of Investigations (INDECOM). Importantly, the Jubilee Games was not just a fun event as the Planning Committee collected just over \$20 000 from all the participating agencies and donated the sum to the Jamaica Christian Boys' Home, which has been adopted by the PIOJ.

At the end of January 2013, I will be relinquishing my position as Director General of the Institute, which I held for approximately two and a half years, and returning to the world of academia. Mr Everton McFarlane, who previously held the post of Deputy Director General, will assume the role of Acting Director General. He will be ably assisted by three Directors who have been recently

appointed Deputy Directors General: Mr Kirk Philips, Ms Claire Bernard and Ms Barbara Scott.

I would like to express my tremendous appreciation to the Board of Directors for its astute oversight of the affairs of the Institute which had to operate with a tight resource envelope during 2012. Thanks to the outgoing Board Members – Mrs Sandra Glasgow, Miss Joy Douglas, Mr Colin Steele, Mr Keith Collister and Mr Rolf Simmonds. Welcome to the new Board Members – Professor Brian Meeks, Dr Pauline Knight, Dr Joy Moncrieffe, Dr Ike Johnson who joined the previous three members, Professor Alvin Wint, Mr Devon Rowe and Mr Robert Wynter.

I would also like to commend my PIOJ Directors, managers and staff for your unwavering commitment to performing at the highest professional level. As I have said before, I regard you as "truly global citizens."

My wish for the PIOJ as the organization goes forward is that it will continue its tradition of excellence in giving effective policy responses to the myriad of economic, social and environmental challenges which the country faces and work assiduously to ensure that the next fifty years are better than the last fifty years. We owe this to the previous generation and to the generation to come. There is no greater task than this and the attainment of this goal depends to a large extent on the work of the PIOJ.

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# Directors of the Planning Institute of Jamaica



Mr Everton McFarlane –  
Deputy Director General



Ms Claire Bernard



Mrs Marcia Blake-Hall



Mr Kirk Philips



Ms Barbara Scott



Mr James Stewart



Mr Easton Williams

# ■ Director General's Secretariat



During 2012, the Director General (DG) as head of the Planning Institute of Jamaica (PIOJ) continued to have responsibility for the general strategic, technical and managerial leadership of the PIOJ. General oversight for the organization's governance and operational processes are also the responsibility of the DG in his role as Chairman of the Board. Strategic leadership and oversight was provided through the following:

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

sons at different levels from the various IDP's in numerous meetings locally and abroad as they sought to advance Jamaica's goal of being "the place of choice to live, work, raise families and do business" by 2030.

The DG is supported by the Director General Secretariat (DGS) which comprises the Deputy Director General and staff. The work of the DGS may be highlighted under the following four major areas.

1. Policy and Planning Advice
2. External Cooperation Management
3. External Communication and Marketing
4. Governance and Management

## POLICY AND PLANNING ADVICE

The DGS continued to lead the charge in achieving the Institute's mission and vision by working collaboratively with other Divisions to provide enhanced evidence-based policy and planning advice through the conduct, analysis, promotion and dissemination of socio-economic research and analysis. In January 2012, there was a change in leadership in the country. The DGS, with inputs from internal Divisions, was at the forefront of this change, through the preparation and provision of a comprehensive brief to the new Government on the key strategic priorities to be pursued over the

short and medium-term for the achievement of broad based, inclusive and sustainable growth as articulated by both the Growth Inducement Strategy and *Vision 2030 Jamaica – National Development Plan*.

Given the obvious need to prioritize public expenditure towards a more holistic growth and social equity programme, in a context of tight fiscal space, the DGS, along with the technical inputs of the other Divisions identified, within the comprehensive strategic framework of the Growth Inducement Strategy, priority “programme themes” to underpin the growth impetus of the FY2012/13–FY2014/15 medium-term economic programme. A document outlining these priority growth themes was prepared, submitted and discussed at the Administration’s first Cabinet Retreat and was well received as a credible path for sustained, robust and inclusive growth.

Using the strategic framework of the Growth Inducement Strategy and *Vision 2030 Jamaica – National Development Plan*, the PIOJ, led by the DGS, utilized every possible opportunity to reinforce the message of the need for a holistic approach to development, if the country was to emerge from the historically known level of under-

performance. The DGS, supported by the internal technical divisions, was fully immersed and played a critical role during the budget allocation exercise with the Ministry of Finance and Planning and the year-long GOJ discussions with the International Monetary Fund (IMF) towards an Agreement. In both instances, the team consistently advocated the importance of pursuing a broad based inclusive and integrated approach to development as outlined in the GIS and the Vision 2030 strategic framework. As a result of the work of the Institute, led by the DGS, considerable progress has been made in this regard evidenced by the following:

- fundamental areas of the GIS is now serving as a prioritization framework for the FY2012/13 and medium-term budget
- significant elements of the GIS have been captured in the Government’s policy agenda being negotiated with the IMF over a programme of support for the restructuring of the economy. The main tenets of the Government’s current medium-term macroeconomic programme, in particular the growth component, represent a paradigm shift in policymaking and public policy in Jamaica. Particularly with respect to the inclusion of social sector reform and targeted social protection in the IMF programme

» The DGS continued to lead the charge in achieving the Institute’s mission and vision by working collaboratively with other Divisions to provide enhanced evidence-based policy and planning advice through the conduct, analysis, promotion and dissemination of socio-economic research and analysis.



(L-r) Dr Peter-John Gordon, Lecturer, Department of Economics, University of the West Indies & Chairperson; Dr Gladstone Hutchinson, PIOJ, Director General; the Most Hon. Prime Minister, Portia Simpson-Miller; and Minister of Labour and Social Security, the Hon. Derrick Kellier, stand at attention for the playing of the National Anthem during the launch of the Labour Market Forum in December. In the background is Mrs Toni-Shae Freckleton, Manager, Population & Health Unit, PIOJ.

- Cabinet's approval approval for the establishment of a Poverty Reduction Coordinating Unit within the Institute
- The Government's approval for a Growth Secretariat to be established at the PIOJ to ensure the successful implementation of the priority reforms and major investment projects of the GIS. The Growth Secretariat will provide (a) a focal point for the coordination and monitoring of relevant agencies to ensure the timely achievement of the medium-term programme targets; and (b) analytical and technical support to relevant stakeholders to refine and continuously build-out the framework of the GIS.

It is expected that these two units will be operational during FY2012/13. Of note also is the fact

that the Growth Inducement Strategy (GIS) for Jamaica in the short and medium term was published in October 2012.

As part of the PIOJ's policy advocacy, the Institute received assistance from our development partners to engage the services of consultants to prepare two separate studies to analyse critical areas of Tax Reform for Jamaica as outlined in the Green Paper on Tax Reform which was tabled in Parliament in May 2011. The respective papers assessed the Green Paper on tax reform with respect to main implications for: (i) economic growth and promotion of entrepreneurship in Jamaica; and (ii) Tax Incidence, Social Equity and Social Protection. The DGS, with the input of other divisions, prepared PIOJ's preliminary report and analysis of the



impact of Tax Reform proposals which was submitted to the Parliamentary Committee on Tax Reform (PCTR) through the Finance Ministry in April 2012. Aspects of this report mirrored aspects of the growth and entrepreneurship report submitted by the consultant, however, the PIOJ report highlighted additional areas/facilities which can be explored to complement or replace some of the proposals outlined in the Green Paper. PIOJ's report to the PCTR was accompanied by three appendices: (i) comment on selected tax reform proposals; (ii) draft paper on the implications for tax incidence, social equity and social protection; and (iii) note on social expenditure options to support tax and other reforms.

The organization's commitment to maintaining adequate and timely information flow to the public, continued through the hosting of the quarterly press briefings. The primary objective was to update the media and the public about the performance of the economy, provide information on the out-turn of the global and domestic economy and projections for the near term. The release also included a summary report on the *Vision 2030 Jamaica* Social, Governance and Environment Indicators presented in the format of a dashboard of indicators. This gave an indication of the country's improvements in the indicators of well-being that track Jamaica's achievements towards *Vision 2030 Jamaica*. During 2012, the DG's presentation at the press conference included updates on the Government's continued implementation of key aspects of the GIS and its role in informing the growth agenda for the medium-term.

The DGS was also involved in the preparation of numerous briefs and other documents to inform the FY2012/13 budget presentations for the Honourable Prime Minister, the Minister of Finance and Planning and other members of the Cabinet. Throughout the year, the DGS also provided briefs

to inform the Minister of Finance and Planning's participation and or presentation at various overseas and local functions.

The DGS was able to provide policy and planning advice through the attendance of its technical staff at various high level committees and meetings to provide updates and policy advice on economic, social, environmental and external cooperation matters. These policy forums included meetings with the Most Honourable Prime Minister, Cabinet members and respective advisors. Technical staff within the DGS attended periodic economic monitoring meetings chaired by the Minister of Finance and the Public Service and actively participated in discussions on economic conditions and policy options. The DG and the Deputy Director General (DDG) continued to provide policy and planning advice to the Government through their participation in three Cabinet Retreats during the year. Attendance at these and other high level meetings were supported by various briefs, notes and Cabinet submissions on a wide range of issues. Policy advice was also provided through the DG and the DDG membership on various boards of public sector entities, namely: Bank of Jamaica; Jamaica Social Investment Fund; PetroCaribe Fund; Statistical Institute of Jamaica; Jamaica Productivity Centre; and Energy Efficiency and Conservation Programme.

Calendar year 2012 represents the fourth year of the 21-year implementation period of the *Vision 2030 Jamaica – National Development Plan*. During the year, the PIOJ continued work on building the long-term sustainable framework for the implementation, monitoring, evaluation and communication of the Plan. There were several notable results achieved during the year, including:



- continued institutionalization of *Vision 2030 Jamaica* in Ministries, Departments and Agencies (MDAs) through infusion into the corporate and operational plans of MDAs, and alignment to the National Budget
- continued development of a robust performance monitoring and evaluation system including the preparation of Progress Reports
- preparation of the draft new MTF for the period 2012–2015
- continued dissemination of key information on *Vision 2030 Jamaica* via national development events in the economic, social, environmental and cultural spheres.

The Community Renewal Programme (CRP) Secretariat, a part of the DGO, was established in 2011 to initially commence preparatory work for the implementation of the CRP, the centrepiece of the holistic GIS and a roadmap for the renewal of inner city communities. It has since been determined that the CRP will be implemented in three phases over the 10-year period of its life. Phase 1 of the programme included three primary projects. These are:

- the Majesty Gardens Renewal project
- the Seaview Gardens Lifestyle Commercial Centre project
- the Kingston Lifestyle Centre (KLC) project with the CRP centred on 17 target communities within a one mile radius of the KLC in Downtown Kingston.

During 2012, a pilot phase of the CRP roll-out plan was implemented in Majesty Gardens and introduced in concept to Seaview Gardens and sections of Downtown Kingston. Implementation of the pilot in Majesty Gardens, which began in May 2012, included a multi-agency approach aimed at reasserting the legitimate role of the state in the community and elevating the standard of living of its resident. A Design Charette was held in the

Seaview community in October 7, 2012 by the CRP in conjunction with the Urban Development Corporation (UDC). The Charette was an opportunity to apprise residents of the proposal for the lifestyles centre and to elicit their input.

In advancing the KLC project, it was recognized that in order to achieve the development objective of building sustainable communities, a collaborative and harmonized approach was needed which could only be achieved through partnerships between stakeholders from the MDAs, Public and Private Sectors. The DG led discussions with these partners resulting in the PIOJ signing various MOUs to date with different agencies proposing to undertake a menu of social support services and infrastructure development within the targeted communities.

Continued implementation and progressive scaling up of the CRP, will begin in the first quarter of FY 2013/2014 with the roll-out of the other two pilot initiatives in the communities of Seaview Gardens and the 17 communities within the 1 kilometre radius of the proposed KLC.

As the country celebrated 50 years of Independence, the Director General mandated the technical Divisions with the task of conducting a comprehensive analysis of the country's performance over the past 50 years which would outline policy implications and recommendations to inform future policy decisions. The assessment will take the form of a series of research papers prepared by the divisions within the Institute. The work has started on the various papers, which when completed, will be compiled and published.

## EXTERNAL COOPERATION MANAGEMENT

The PIOJ, being true to its mandate, continued to be the interface between the Government of Jamaica and International Development Partners

(IDPs) in negotiating external cooperation resources and ensuring its alignment with the strategic priorities of the Government. The DG led this charge and was actively engaged in discussions, along with representatives of the External Cooperation Management Division, to secure well needed funds and technical assistance to support the Government's development and reform agenda. Securing additional support from the IDPs was of great importance during 2012, a year characterized by significant fiscal constraints.

However, delays in securing an IMF Agreement adversely impacted the flow of funds as Jamaica was unable to access resources from some IDPs which relied on IMF assessment/surveillance reports in forming an opinion on a country's macro-economic situation and eligibility for development assistance, especially budget support. In

addition, the Government's fiscal space constraints negatively influenced its ability to borrow the quantum of resources needed to fund its development programmes. Against this background the DG also had regular meetings with local representatives of the major lending IDPs to further strengthen ties and encourage continuous dialogue so as to ensure they were kept abreast of the Government's development agenda, progress towards an IMF agreement and to get feedback regarding likely triggers and timelines for the resumption of eligibility.

Throughout the year, the DG participated in the IDB's Annual Meetings and attended various meetings at the IMF headquarters in Washington DC as part of the GOJ's negotiating team. The DG supported by technical staff within the Institute attended and participated in various workshops locally with members of the IDP community geared at improving the efficiency and effectiveness of official development assistance and providing technical advice on development strategies.

#### EXTERNAL COMMUNICATION AND MARKETING

The Institute, during the year, continued to disseminate the message of the *Vision 2030 Jamaica – National Development Plan* to make "Jamaica, the place of choice to live, work, raise families and do business by 2030." This was done through regular meetings and presentations by members of the Plan Development Unit, often times led by the Director General, with representatives of the public sector, private sector and the civil society.

The DG, supported by the other technical officers, also provided updates, technical and policy advice to critical government and private sector stakeholders by hosting and presenting at various events on a broad cross section of development issues. The areas covered included: Jamaica's

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economic performance and projections; developments in the real sector including an assessment of the downside risks to GDP growth; updates on the Growth Inducement Strategy; as well as various impact assessments of negotiated strategies and policy measures on key economic and social variables including poverty.

The Dialogue for Development Lecture is the vehicle through which the PIOJ interfaces with the public on developmental issues and garners feedback on matters of importance to the policymaking process, was unfortunately not held during the year due to financial and other constraints.

### GOVERNANCE AND MANAGEMENT

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

The Director General continued to promote the need for collaboration among the Divisions within the Institute which resulted in the formulation of four clusters aimed at improving the overall strategic activities and operations of the Institute. The

four clusters are headed by a Deputy Director General and are as follows:

1. Economic Management and Policy Logistics
2. External Cooperation and Project Development
3. Sustainable Development and Social Planning
4. Corporate Governance and Management

An organizational review is among the other activities aimed at improving the outputs of the Institute. The Director General, along with staff of the Corporate Governance and Management Division, prepared and submitted the proposal to the Ministry of Finance and Planning for approval.

Also, during the year, the Director General and Deputy Director General met with the Institute's Administrators on Administrative Professionals Day and engaged them in dialogue on their roles and importance to the overall work of the Institute.

In the latter part of the year, Dr Gladstone Hutchinson, having served as DG for two and half years, advised the staff at staff meeting, that he would be demitting office at the end of January 2013. The DG was to return to his substantive post at the Lafayette College, USA. In his address, he encouraged the Institute to continue the good work it had been doing in 2013 and future years.

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# Policy and Planning

The formulation of policies, plans and programmes is a crucial function of the Planning Institute of Jamaica (PIOJ), and is achieved through its technical divisions – Economic Planning & Research; Social Policy, Planning & Research; External Co-operation Management; Sustainable Development & Regional Planning; and the Plan Development Unit. Additionally, in the execution of its duties, the PIOJ continued to:

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

## ECONOMIC POLICY AND PLANNING

The Institute, during 2012, continued its mandate of monitoring and evaluating macroeconomic and sectoral performance and providing timely and appropriate advice to the Government of Jamaica. In addition, the PIOJ provided policy advice to the Government on trade and trade-related issues. These functions were carried out against the background of Government's negotiation of a new arrangement with the International Monetary Fund (IMF). As a result, a large proportion of the

work was related to activities aimed at securing an IMF Agreement based upon credible strategies and targets.

The effectiveness of policy and planning advice was enhanced by updates being made available on developments in the global economy, particularly on international and domestic price movement to the weekly Post Cabinet Monitoring Committee as well as the preparation of monthly Inflation reports. The Institute also played a pivotal role in the Government of Jamaica's negotiations with the International Monetary Fund by contributing to the Director General's Brief to the IMF Delegation on:

- Jamaica's economic performance and projections
- developments in the real sector including an assessment of the downside risks to GDP growth
- updates on the Growth Inducement Strategy (GIS)
- various impact assessments of negotiated strategies and policy measures on key economic and social variables including poverty.

Periodic updates on the performance of the economy and projections for the medium-term were provided by the Institute. It also participated in economic review meetings with International Development Partners including consultations regarding recent economic developments and

projections and providing updates on the Growth Inducement Strategy. A Roadmap was created and monitored, which provided timelines for Select Growth Projects being implemented by the Government.

In keeping with the PIOJ's mandate of being the foremost policy advisor to the Government of Jamaica, the PIOJ prepared and provided several policy briefs and notes to Cabinet ministers. Chief among these were:

- Social Impact of the GCT Tax Reform – this policy note analysed the impact of the GCT reform on the different income/consumption groups in Jamaica. The results suggest that the cost of consumption for the typical household will increase by 1.5 per cent. The lowest decile is expected to be most negatively impacted, while the highest decile is expected to be least impacted.
- Analysis of the Economic Impact of Construction and Operations of the proposed Kingston Lifestyle Centre – this analysis used the input-output model to determine its likely impact on Gross Output, GDP growth, employment and Government Revenue.
- Response to the IDB's Macroeconomic Sustainability Assessment of Jamaica
- Socioeconomic implication of the Community Renewal Programme on crime, vulnerable youth, education, poverty, employment and growth
- Labour Market and GDP Dynamics: The Jamaican Economy
- Medium Term Policy Matrix – outlining initiatives and projects for FY 2012/13 – FY 2015/15
- Productivity of Foreign Direct Investment (FDI) – showed that FDI productivity declined over the last two decades.

Technical advice was provided on several documents during the year including: Chinese Grant for Agricultural Cooperation; European Union and Jamaica's Joint Annual Report 2011 End of Term Review; Tree Waste to Energy; Chinese funding of projects in Aquaculture, Citrus and Green House facilities; Chinese funding re the Food Safety Modernization Act Pilot Programme in Jamaica; The Green Paper on Tax Reform; Inter-American Development Bank's Macroeconomic Sustainability Assessment; Proposals for Abattoirs in Jamaica; Comparison of Input-Output Tables for 2000 and 2007; PATH recertification Project; KDC Solar Project; Exchange Rate Policy; Student Loan Bureau Demand for Tertiary Education; International Fund for Agricultural Development (IFAD) Project on Rural development; and Tourism Impact Study.

The Institute continued to provide broad-based support to various sectors through its involvement in several sectoral committees and working groups. Support was given to the following organizations:

- Ministry of Agriculture, Forestry & Fishing; Agro Investment Corporation – Development of Agro Parks in Jamaica and Cabinet Submission on Agro Parks
- Ministry of Agriculture, Forestry & Fishing – Development of state-of-the-art abattoir in Jamaica
- Port Authority of Jamaica – Technical note using T21 to measure the potential impact on GDP and Employment of expanding the port
- Ministry of Foreign Affairs and Foreign Trade – Performance of the Global Economy in 2011 and Economic Outlook for 2012
- Ministry of Foreign Affairs and Foreign Trade – Provided inputs and comments for draft versions of the new Trade Policy





(L-r) Mr James Stewart, Director, Economic Policy, Planning & Research Division; Dr Gladstone Hutchinson, Director General; Mr Everton McFarlane, Deputy Director General; and Mr Richard Lumsden, Programme Director, Plan Development Unit, from the PIOJ, field questions from the Media.

- Ministry of Foreign Affairs and Foreign Trade – Macroeconomic Issues including Innovation and Competitiveness
- Ministry of Foreign Affairs and Foreign Trade – Global Economic Crisis: Impact and Implications for Trade and Investment between CARICOM and the USA
- Ministry of Industry, Investment & Commerce – Technical note using T2I to measure the potential impact of establishing a logistic hub in Jamaica using GDP and employment
- ECLAC: Modelling the impact of climate change in the Caribbean.

Technical advice was also provided through involvement in a number of committees and working groups to review issues and assess the way forward. These included:

- Public Sector Monitoring Committee – charged with overseeing public sector wage negotiations, ensuring consistency with government policies and priorities
- Multi-agency Working Group – to review the Draft National Policy and Plan of Action on International Migration and Development
- Technical Working Group – to review the Poverty Measurement Project
- Programme of Advancement through Health and Education (PATH) Technical Steering Committee – to review impact of the PATH project
- Jamaica Trade and Adjustment Team (JTAT) – to monitor trade issues at the national level
- Distributive Trade Committee – to monitor movement of product prices
- Jamaica Energy Council – to monitor, analyse and advise the Government on energy matters
- Fiscal Administration Modernization Programme (FAMP) Steering Committee – charged with strengthening the institutional capacity of customs and inland revenue and management of debt and treasury operations
- Programme Monitoring Committee – to assess the implications of various international and local economic developments and constantly review the fiscal status of the economy
- Jamaica Coalition of Services Industries – to monitor and develop service sector strategies
- National Export Strategy Committee – to update Export policy
- Dairy and Beef Committee – to examine beef and dairy issues and assess the way forward
- National Food and Nutrition committee – to develop a food and nutrition security policy
- Sustainable Coconut Production through Control of Coconut Lethal Yellowing Steering Committee – to develop a variety of coconut resistant to the Lethal Yellowing disease.

## SOCIAL POLICY AND PLANNING

The PIOJ continued to lead and monitor the social sector, through the formulation, coordination, implementation and evaluation of policies, plans and programmes. Major undertakings included presentations of the *Jamaica Survey of Living Conditions 2010* and the *2008 Parish Report* to the Human Resources Committee/Cabinet; hosting of the fifth annual Labour Market Forum; implementation of the Modernization Programme of the Civil Registration and Vital Statistics System (IDB/GOJ); implementation of the Project for development of the National Policy and Programme of Action on International Migration and Development (UNDP/IOM/GMG/UNFPA/GOJ); implementation of the Social Protection Project (WB/GOJ); completed the National Review and Assessment of the Twenty (20) years implementation of the International Conference on Population and Development (ICPD) Programme of Action (PoA); and the reintegration of gender mainstreaming within the organization through recruitment of a Gender Specialist.

The Institute executed its responsibilities covering a wide range of areas in the social sector, including: social protection; gender; vulnerable groups including persons with disabilities, children and the elderly; labour market; youth; national security; justice; governance and community development; education and training; health; and population policy and demography.

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

- Ongoing policy advice provided to the Government through membership on the Human Resources Committee of Cabinet
- Contribution to the development of the second *Medium-Term Framework (MTF) 2012–2015*; and Thematic Working Groups to coordinate and monitor the implementation of *Vision 2030 Jamaica* National Development Plan in the following areas:
  - Population
  - Health
  - Education and Training
  - Governance
  - Social Protection
  - Gender
- Refined key performance indicators aligned to *Vision 2030 Jamaica – National Development Plan*
- National Focal Point for the Global Forum on Migration and Development (GFMD): “Enhancing the Contribution of Migration to the Development of Migrants, Communities and States” with focus on:
  - Circulating Labour for Inclusive Development
  - Factoring Migration into Development Planning
  - Managing Migration and Migrant Protection for Human Development Outcomes.

Jamaica also had representation in other GFMD meetings where PIOJ made presentations:

- “Mainstreaming Migration into National Development Strategies” Geneva, April 26–27.
- “Mainstreaming Migration into Development Planning: Assessing Evidence, Continuing the Dialogue” New York, May 7–8.
- “Factoring Migration into National Development Planning” Mauritius, June 12–13.
- “Policy Coherence in Migration” Brussels, June 26–27.

- National Review and Assessment on the Implementation of the Programme of Action (PoA) of the International Conference on Population and Development (ICPD) was held on the following areas of the Programme of Action:
  - Population, Sustained Economic Growth and Sustainable Development
  - Population Growth and Structure
  - Urbanization and Internal Migration
  - International Migration and Development
  - Family, Well-being of Individuals and Society
  - Reproductive Rights and Reproductive Health & Health, Morbidity and Mortality
  - Gender Equality, Equity and Empowerment of Women
  - Population, Development and Education
- Completed and submitted Jamaica's response to the Global Survey for ICPD PoA Beyond 2014 to the UN
- Led in the execution of a local study tour to a women's cooperative, St. Ann
- Conducted in-house Learning Hour Forum on gender mainstreaming
- Led the preparation of the Jamaica 50th Anniversary publication
- Collaborated on a submission on the 2012 review of the National Minimum Wage
- Provided guidance to the National Student Bureau Prioritization and Incentivization on Loans Initiatives
- Assisted in the development of a Situational Analysis of Children and Women.

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

- Formulation of the National Policy on International Migration and Development and relevant Programme of Action (POA)

- Study on the Financial Sustainability of Jamaica's HIV Programme
- Labour Demand and Labour Forecasting providing an analytic explanation of the mismatch between the output of the education and training system and jobs in the Jamaican labour market and solutions to addressing these concerns and ultimately creating a more efficient labour market
- Formulation of a Comprehensive Social Protection Strategy for Jamaica.

Technical advice provided to the:

- World Bank/Global Fund Mid Term Review
- Study on the Financial Sustainability of Jamaica HIV Programme
- Health Information Systems Framework Steering Committee
- Strategic Programme of Work IDB: Social Sector Fund
- Review of Jamaica National HIV Strategic Plan, 2013–2018
- National Security Policy
- Trafficking in Persons Action Plan
- Enhancing Civil Society Participation in Local Governance for Community Safety Project
- International Assessments of progress on disability issues
- Interventions for the elderly, social and cultural rights, and social impacts of economic measures
- Jamaica Food and Nutrition Security Policy
- Disability Bill
- Child Labour Policy
- The National Assistance Bill.

## SUSTAINABLE DEVELOPMENT AND REGIONAL PLANNING

One of the strategic focus areas of the PIOJ during 2012, related to improved planning and decision making in the key portfolio areas of climate change adaptation and disaster risk reduction; waste management; development planning process; and expanding the use of science and technology in keeping with the national and sectoral strategies of *Vision 2030 Jamaica*. Special emphasis was placed on a number of climate change related projects leading to the completion of Phase I of the Pilot Programme for Climate Resilience; the launch of the Adaptation Fund Programme; and the preparation of a proposal for Phase II of the Risk and Vulnerability Assessment Methodology Development Project (RiVAMP).

As part of its capacity building role, the organization was instrumental in the preparation of three seminal publications: *Socio-economic and Environ-*

*mental Disaster Impact Assessment Handbook for Jamaica*; 2012 *State of the Jamaican Climate: Information for Resilience Building*; and 2012 *State of the Jamaican Climate: Summary for Policymakers* all of which are geared towards improving disaster risk management. This was complemented by the conduct of policy research studies and the organization and the delivery of a number of workshops and training sessions related to damage and loss assessment, climate change and disaster risk reduction.

In the area of Policy and Planning, the Institute continued to deliver technical support and advice to stakeholder Ministries, Departments and Agencies with respect to nine policies and strategies and 20 projects and programmes related to its general portfolio and with emphasis on development planning, land use management, diversification of the energy mix and expansion of renewable energy; and community renewal. These included the following:



A cross section of the audience who attended the launch and Inception Workshop of the GOJ/Adaptation Fund Project, held in November at the Knutsford Court Hotel.



- Jamaica's Food and Nutrition Security Policy
- Protected Areas Systems Master Plan
- Taylor Renewable Energy Enterprise (TREE) "Energy from Waste" project
- Yallahs/Hope River Watershed Management Project
- "HCFC Phase-out" Management Plan
- Integrating Water, Land and Ecosystems in Caribbean Island Developing States (IWEco) Project
- Science Technology and Innovation Roadmap
- Towards a Transparent Development Approval Process in Jamaica (Concept paper)
- Report on Renewable Energy Tariffs.

The PIOJ also played a leading role in efforts to review and improve the operations related to waste management. In this regard, it carried out research on the status of waste management in Jamaica to inform the work of a specially convened committee and reviewed proposals and Cabinet Submissions.

Technical advice and support was provided to over 30 steering and planning committees and councils.

In the area of development planning and land management, the organization contributed to the revision of the National Land Policy, preparation of the Greater Treasure Beach Sustainable Development Plan, discussions towards the preparation of local sustainable development plans and the Draft Squatter Management policy.

Using Geographic Information Systems technical services, the organization undertook spatial analysis and provided technical advice both internally and externally to support:

- The roll-out and ongoing implementation of the Community Renewal Programme, where GIS

was used to determine and map the proposed location for the Kingston Lifestyle Centre Support Service Area and to advance discussions and decision-making on the project

- Proposals for Mandeville to become an educational capital
- Research papers and presentations.

## NATIONAL DEVELOPMENT PLAN

During 2012, the implementation of the country's first long-term strategic plan, *Vision 2030 Jamaica – National Development Plan* and the Medium Term Socio-Economic Policy Framework (MTF) 2009–2012, continued. *Vision 2030 Jamaica* provides a comprehensive planning framework in which the economic, social, environmental and governance aspects of national development are integrated. The Plan is expected to put Jamaica in a position to achieve developed country status by 2030 and is based on the vision: "Jamaica, the place of choice to live, work, raise families and do business". During 2012 the PIOJ focused on building the long-term sustainable framework for the implementation, monitoring, evaluation and communication of the Plan.

This period represents the fourth year of the 21-year implementation period. Over the period, several results were achieved including:

- continued institutionalization of *Vision 2030 Jamaica* in Ministries, Departments and Agencies (MDAs) through infusion into the corporate and operational plans of MDAs, and alignment to the National Budget
- continued development of a robust performance monitoring and evaluation system including the preparation of Progress Reports
- preparation of the draft new MTF for the period 2012–2015



- continued dissemination of key information on *Vision 2030 Jamaica* via national development events in the economic, social, environmental and cultural spheres.

### **INSTITUTIONALIZATION OF *Vision 2030 Jamaica***

Over the reporting period, PIOJ continued to advance the process of institutionalization of the Plan internally and externally with key Ministries, Departments and Agencies (MDAs) to embed ownership of, and engender commitment towards implementation of *Vision 2030 Jamaica*.

### **STRATEGIC CONSULTATIONS WITH MDAs**

The PIOJ as the National Secretariat for *Vision 2030 Jamaica* continued to carry out ongoing meetings with MDAs to facilitate:

- alignment of the corporate and operational plans of MDAs and subsequently the National Budget for FY2012/2013 with *Vision 2030 Jamaica* and the MTF
- alignment of key national policies and strategies with *Vision 2030 Jamaica*, including the new National Sport Policy and the National Policy and Plan of Action on International Migration and Development.

The PIOJ worked closely with the Cabinet Office to complete the alignment of the new Strategic Business Plan templates by the Cabinet Office in FY 2012/2013 with the goals and outcomes of *Vision 2030 Jamaica*, including the explicit alignment of the three-year plans and budgets for all ministries under the phased establishment of the Performance Monitoring and Evaluation System (PMES) in the public sector. The PIOJ also ensured the alignment of the Growth-Inducement Strategy (GIS) and the Community Renewal Programme (CRP), which were developed as key initiatives under *Vision 2030 Jamaica*, with the Medium Term Economic Programme FY2012/13 – FY2015/16 of the Government.

### **ESTABLISHMENT OF A ROBUST PERFORMANCE MONITORING AND EVALUATION SYSTEM**

Ten Thematic Working Groups (TWGs), with membership drawn from the public and private sectors, civil society and international development partners have been established to support the implementation, monitoring and evaluation of *Vision 2030 Jamaica*. It is planned that a total of 18 TWGs will be established. The organization continued to support the operation of the existing TWGs – Education and Training, National

» *Vision 2030 Jamaica* provides a comprehensive planning framework in which the economic, social, environmental and governance aspects of national development are integrated. The Plan is expected to put Jamaica in a position to achieve developed country status by 2030 and is based on the vision: “Jamaica, the place of choice to live, work, raise families and do business”.

Security and Justice, Strong Economic Infrastructure, Effective Social Protection, Energy and Minerals Development, Environment and Natural Resources Management, Hazard Risk Reduction and Adaptation to Climate Change, Population, Tourism, and Health.

Meetings were held with relevant ministries towards the establishment of the remaining eight TWGs, including with the Ministry of Youth and Culture, Ministry of Industry, Investment and Commerce, Ministry of Agriculture and Fisheries, and the Ministry of Science, Technology, Energy and Mining (the latter with respect to the Technology and ICT TWG). No new TWGs were established during the period.

#### CONSULTATIONS TOWARDS AN INTEGRATED MONITORING AND EVALUATION FRAMEWORK

The *Vision 2030 Jamaica* monitoring and evaluation framework is being built on existing systems and processes within the public sector. The Institute continued to participate in high-level meetings with key agencies including the Office of the Prime Minister (OPM), the Cabinet Office and the Ministry of Finance and Planning (MoFP) to ensure the integration of *Vision 2030 Jamaica* with proposed and existing national and sectoral processes and mechanisms for planning, budgeting, monitoring and evaluation in the public sector. Chief among these are the Performance Monitoring and Evaluation System (PMES); the proposed development of a Whole of Government Business Plan; the Medium Term Expenditure Framework (MTEF); and the Jamaica Public Investment Prioritization System.

The overall expected outcome is an integrated national framework for monitoring and evaluation which is consistent with current public sector transformation efforts and the Government's

commitment to Results-Based Management (RBM), and which is fully aligned to *Vision 2030 Jamaica*.

#### CAPACITY STRENGTHENING

During the period, the PIOJ in collaboration with the Cabinet Office began preparation for the hosting of a workshop on Results-Based Management (RBM) to be held in 2013. Steps included preparation of the course programme for RBM training and a draft MOU between the PIOJ and the Cabinet Office for the staging of the RBM workshop. An MOU was also prepared, to support the Cabinet Office in conducting a Government-wide Readiness Assessment in 60 selected Departments and Agencies for the implementation of the Performance Monitoring and Evaluation System (PMES).

#### PERFORMANCE REPORTING

A draft Three-Year Progress Report on *Vision 2030 Jamaica* for FY 2009/2010 – FY 2011/2012 was finalized. A Two-Year Progress Report on the implementation of MTF 2009–2012 was also completed and circulated to stakeholders.

As an integral part of the PIOJ's Quarterly Press Briefings, four quarterly reports were made during 2012 on the National Dashboard of Indicators, which was introduced in 2010 to track progress towards achievement of the national goals of *Vision 2030 Jamaica*, using the following eight areas of measurement of national development and social well-being:

- Health Status
- Education Status
- Labour Force Quality
- Security Status
- Justice Status
- Economic Growth

- Employment
- Environmental Stewardship Status

During the period, the full monitoring and evaluation framework of over sixty national indicators and targets used to track progress under *Vision 2030 Jamaica* was updated on the JamStats database, including data time series for available years, baseline values and targets for 2012, 2015 and 2030. JamStats is the comprehensive national database used to store the *Vision 2030 Jamaica* framework of indicators and targets.

The *Vision 2030 Jamaica* National Secretariat in collaboration with the JamStats Unit, and UNICEF Jamaica, with technical consultancy services from the UN DevInfo Support Group, commenced the development of an online interactive graphical dashboard to monitor the progress of implementation of *Vision 2030 Jamaica*. The online interactive graphical dashboard is expected to be operational in the first quarter of 2013.

#### PREPARATION OF THE NEW MTF 2012–2015

The implementation of *Vision 2030 Jamaica* as approved by Cabinet calls for the preparation of a new MTF every three years. The Institute led the process of preparation of the new Medium Term Socio-Economic Policy Framework (MTF) for FY2012/2013 to FY2014/2015. The new MTF 2012–2015 will provide the strategic framework of development priorities at the national and sectoral levels over the three-year period FY2012/2013 to FY2014/2015.

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

- Initial meetings with key stakeholders and completion of supporting documentation including MTF Preparation Brief, Jamaica Country Assessment Report, Environmental Scanning Report and draft 2-Year MTF Progress Report
- Staging of Country Assessment and National Prioritization Workshop on April 11–12, 2012 to identify the priority national issues and challenges through consultation with national stakeholders
- Execution of an online survey administered from April to May 2012 to enable the selection of priority national issues and challenges by the Jamaican Diaspora
- Staging of a total of 14 sector planning workshops from June 2012 to October 2012 to identify the priority issues and actions to be taken over the next three years for each sector
- Undertaking an independent Review of the previous MTF 2009–2012; however, the independent Review of MTF 2009–2012 was not completed
- Preparation of Draft MTF 2012–2015 for circulation and review by stakeholders.

A Consultative Review Workshop will be held on the Draft MTF 2012–2015 in February 2013 to obtain feedback from stakeholders. It is planned that the final draft MTF 2012–2015 will be completed for submission to Cabinet by the end of February 2013.

# ■ Programme/Project Development, Coordination and Monitoring

## EXTERNAL COOPERATION MANAGEMENT

One of the core functions of the PIOJ includes aligning external cooperation resources with the priorities of the Government, improving the efficiency and effectiveness of Official Development Assistance, and providing technical advice on development strategies. This involves coordinating and managing programmes and projects that are supported by loans, grants and technical assistance from International Development Partners (IDPs). To this end Portfolio reviews and periodic meetings were routinely held with all IDPs and Partner Ministries, Departments and Agencies (MDAs) during the year and site visits to projects under implementation were undertaken as an important aspect of the monitoring process.

The Institute also ensured the alignment of development programmes with national development strategies articulated in the *Vision 2030 Jamaica – National Development Plan*. In keeping with the principles of aid effectiveness, the PIOJ sought to promote country ownership of projects by encouraging the use of country systems and the building of local capacity. The coordination of sector based meetings was pursued with partners to ensure effective targeting of resources and to minimize duplication of effort among IDPs.

The work of the organization continued to be impacted by Jamaica's delays in reaching an agreement on a programme with the International

Monetary Fund (IMF). This resulted in Jamaica being unable to access resources from some IDPs which relied on IMF assessment/surveillance reports in forming an opinion on a country's macro-economic situation and eligibility for development assistance, especially budget support. In addition, the Government's fiscal space constraints negatively influenced its ability to borrow the quantum of resources needed to fund its development programmes.

Progress was made on a new version of a project database within the Institute for all projects being funded by IDPs. This database is a first step towards creating a broad-based monitoring and evaluation system which will track progress on project implementation more effectively and allow for corrective action to be taken earlier in the process. This is expected to result in more efficient utilization of valuable official development assistance.

In 2012, the PIOJ managed a combined portfolio of approximately US\$2.1 billion (\$186.9 billion), consisting of new and ongoing projects.

## BILATERAL COOPERATION

### BILATERAL

The Institute facilitated cooperation between the Government of Jamaica (GOJ) and bilateral International Development Partners (IDPs) ensuring

alignment of resources with GOJ's priorities. This involved, inter alia, co-ordination and monitoring of cooperation programmes with 16 countries, programme development, the mobilization of resources, facilitating the appraisal of projects, the preparation of data to inform macro-economic analysis and the negotiation of loans, grants and technical assistance. The organization also held discussions with the Ministry of Foreign Affairs and Foreign Trade and other stakeholders to engage non-traditional IDPs such as Australia, Brazil and Chile in an effort to facilitate increased access to development assistance from emerging markets. The portfolio of projects and programmes managed by the Unit amounted to US\$863.2 million (\$76.8 billion). A major share of the resources was channelled to the Social and Economic infrastructure sectors to support projects in construction, agriculture, education, climate change, security and justice.

In keeping with efforts to deepen cooperation relationships with non-traditional partners, there was increased focus on these programmes. Information was provided to several NGOs on the Australian small grants programme, which is aimed at supporting projects to alleviate poverty and promote sustainable development. Meetings were held with MDAs to finalize cooperation documents on national development planning to facilitate a study tour to Brazil by a technical team involved in various aspects of the execution of Vision 2030 Jamaica – National Development Plan. The organization also co-ordinated two missions from Chile aimed at promoting and strengthening trade, economic, scientific, technical and cultural cooperation. The areas identified for cooperation included renewable energy, disaster management, agriculture, language training, fisheries and mining.

The PIOJ planned and co-ordinated consultations

with the Regional Director of the Canadian International Development Agency (CIDA), Head of CIDA Jamaica and representatives from the private sector, NGOs as well as MDAs. This meeting afforded opportunities for stakeholders to obtain a better understanding of CIDA's cooperation programme in Jamaica as well as at the regional level. It also provided a forum for discussion about priorities for future cooperation.

Portfolio reviews of national and regional projects were convened with local CIDA representatives. During these sessions implementation issues were discussed and pipeline projects agreed. CIDA advised of the extension of its 2008–2018 country strategy programming framework to twelve years from the original ten years. This extension had no impact on the budget which remained at CAD\$600 million (\$53.5 billion).

Members of staff also participated in the end of project review for the CIDA-funded Democracy and Governance Fund which supported projects in the social sector, the major ones being: Boys Town Youth Development Initiative; Building Disaster Resilient Communities and Hush the Guns project designed as a rehabilitation programme for offenders and those at risk of offending. This was an effort to help in the reduction of recidivism and crime and violence among the youth.

Negotiations were held with CIDA representatives for grant assistance for two regional projects totalling CAD\$40.0 million (\$3.6 billion) – Caribbean Local Economic Development Programme CARILED, and the Promotion of Regional Opportunities for Products Through Enterprises and Linkages (PROPEL) aimed at contributing to economic growth by enhancing the capacity of approximately 28,000 small farmers, to provide an adequate and consistent supply of agricultural products to large purchasers, such as



hotels and airlines within the region. At the Ministerial level, discussions were held for a proposed regional project for climate change adaptation, scheduled to begin implementation in the last quarter of 2013.

The programme of cooperation with China continued to be the most active as MDAs submitted many requests for assistance to projects and programmes. During the year the PIOJ was therefore engaged in the mobilization of grant resources totalling US\$12.4 million (\$1.1 billion). The following were proposed for assistance: Youth Information Centres, Early Childhood Institutions, Confucius Institute, agriculture sector and feasibility studies for the establishment of a logistics hub and a Water Supply and Hydro-electric Project in the Mahogany Vale area.

The PIOJ participated in the Jamaica–Cuba Bi-national meetings where intergovernmental cooperation programmes were reviewed and assistance proposed for the Ministries of Health, Agriculture, Tourism, Transport and Works, Finance (scholarships) and the Office of the Prime Minister.

As the focal point for the Japan Overseas Cooperation Volunteers and Dispatch of Experts Programmes, the Institute approved the recruitment of seven Japanese nationals who were assigned to the areas of education, environment and industry and commerce. There were also preliminary negotiations with Japan for two new projects – a composting project that would reduce the volume of waste at Riverton and other NSWMA landfills by adopting more efficient composting methods and a project in Disaster Management of Flood Prone Areas that is aimed at reducing the cost of damage and loss of life caused by flooding in four river basins.

A member of staff was selected to be Jamaica's representative in Peru at a seminar on the impact

and challenges of graduation to middle income country designation in the new context of international cooperation for development in Latin America and the Caribbean.

The Institute spearheaded negotiations with representatives of the Government of Korea for assistance for a Cadastral Mapping project, to provide land registration services for selected settlers living on state-owned land without registered titles. This was concluded with the signing an Agreement for US\$2.1 million (\$186.9 million) between the Ministry of Finance and Planning and the Korean Overseas International Cooperation Agency. Additionally 12 Government representatives benefited from short training in Korea in renewable energy.

The preparation of the Commonwealth Debt Initiative (CDI) Report was led by the PIOJ. This Report highlighted the Government's efforts to meet specified targets which are the basis for the granting of debt relief by the UK to Jamaica. DFID indicated that it was unlikely that GOJ would receive debt relief of approximately £5 million (\$706.1 million) for 2011/2012 because of the country's inability to meet the required targets, particularly in relation to establishing an Agreement with the IMF. However, DFID stated its willingness to roll this amount into the 2012/2013 debt relief allocation.

There were consultations with USAID for its new education strategy, 2013–2017 as well as its new climate change project – Jamaica Rural Economy and Ecosystems Adapting to Climate Change (JA-REEACH) – aimed at implementing strategies that build resilience of lives and livelihood to the impacts of climate change.

The Institute provided quantitative and qualitative data on grant/loan flows, potential flows from pipeline projects and potential sources of new financing to the Ministry of Finance and Planning to aid its macro-economic analysis.

Programme briefs and position papers were prepared, and project documents/proposals submitted for project funding were reviewed. The organization also participated in site visits, and ad hoc and project steering committee meetings to monitor project status and resolve bottlenecks affecting the pace of project implementation.

## EUROPEAN UNION

The Office of the National Authorising Officer (NAO), located within the Planning Institute of Jamaica is charged with the responsibility of executing the GOJ-EU Cooperation Programme. The Honourable Minister of Finance and Planning is the NAO for Jamaica.

In 2012, the cooperation programme consisted of 15 programmes and projects totalling €220.6 million (\$24.9 billion) in grant resources. These programmes and projects are funded from the European Development Fund (EDF) and the General Budget of the EU. GOJ counterpart funding totalled €4.7 million (\$530.6 million) for projects and programmes during the same period.

The PIOJ led the preparation and negotiations for four projects and collaborated with the Ministry of Agriculture in the negotiations of conditions for a sector budget support programme. This resulted in the signing of five Financing Agreements totalling €51.3 million (\$5.8 billion) by the GOJ:

- Poverty Reduction Programme III in the amount of €10.0 million (\$1.1 billion), building on the previous PRP I and PRP II, the PRP III will help translate community priorities into practical poverty reducing activities. The overall objective of PRP III is that of the Community Renewal Programme: to empower residents of volatile communities to achieve their fullest potential and contribute to the attainment of a secure, cohesive and just Jamaican society.

- Economic Partnership Agreement Capacity Building project for €2.25 million (\$254.0 million) to be implemented by the PIOJ. This project aims to create an enabling institutional environment to support increased compliance of agriculture and agribusiness exports with international quality standards.
- Institutional Strengthening of the NAO Office for €1.0 million (\$112.9 million). The programme aims to reinforce the efficacy, efficiency and impact of the Government of Jamaica's policies on growth and the fight against poverty. In addition, ensuring the effective utilisation of the EU–Jamaica Cooperation funds enabling the NAO to perform efficiently and effectively its duties as stipulated in the Cotonou Agreement.
- Support to the Sugar Cane Sector from the 2011 Accompanying Measures for Sugar (AMS) for €31.0 million (\$3.5 billion) in line with the Jamaica Country Strategy adopted in 2006 and the Multiannual Indicative Programme, 2011–2013. The Programme aims to reduce poverty and improve the living standards of the rural population in sugar dependent areas.
- Tropical Storm Nicole Rehabilitation for €7.0 million (\$790.2 million), a budget support programme which aims to reduce poverty and minimise the risk of the Government of Jamaica's economic reform process as a consequence of post disaster rehabilitation expenditures.

In preparation for the 10th EDF End of Term Review, the PIOJ in collaboration with the Delegation of the European Union hosted the 2011 Joint Annual Report consultation with Non-state Actors. A total of 10 NSA organizations were present for the consultation.

Working jointly with the Delegation of the Euro-

pean Union and relevant Ministries, Departments and Agencies, the organization also advanced the preparation and design of projects for the:

- Programme for the Reduction of Maternal and Child Mortality (PROMAC) €22.0 million (\$2.5 billion)
- EPA Capacity Building Project II for €5.0 million (\$64.5 million)
- Justice, Security, Accountability & Transparency Programme (JSAT) for €12.6 million (\$1.4 billion).

In addition, the PIOJ, with the Ministry of Finance, facilitated the Repeat Public Expenditure and Financial and Accountability (PEFA) assessment, which evaluated the state of the country's public financial management systems.

In fulfilment of contractual obligations under EU-funded projects and programmes, the PIOJ processed a total of 58 payment orders for works, grants, supplies and service contracts amounting to €13.5 million (\$1.5 billion).

The execution and management of the cooperation programme continued through daily interactions with the Delegation of the European Union, Government Ministries, as well as the preparation of tender dossiers, evaluation and review of project proposals, provision of advice at steering committee meetings, and conducting of site visits, among others.

## MULTILATERAL TECHNICAL COOPERATION

The PIOJ manages the grant and technical assistance cooperation programme which is supported by the agencies of the United Nations (UN) which comprise: the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population

Fund (UNFPA), the United Nations Environment Fund (UNEP), the Food and Agriculture Organization (FAO), the International Atomic Energy Agency (IAEA) and the Pan American Health Organization (PAHO).

The organization also monitors the technical cooperation programme with the Organization of American States (OAS), the Commonwealth Fund for Technical Cooperation (CFTC) and the Global Fund to Fight Aids, Tuberculosis and Malaria.

The Institute worked with the IDPs to identify priority sectors/areas to which aid would be directed. Initiatives were directed primarily to the Social Infrastructure sector. The UNDP, FAO, OAS and the CFTC however provided support for the directly productive sector to bolster the Government's efforts to address persistent issues of poverty as well as to support efforts to address challenges in the macro economy.

The year represented the first year of the new programming cycle for the UN system, following almost two years of programme identification and planning. However, at the beginning of the year, it was still not possible to initiate implementation as intended because the final stages of project preparation were carried over into the New Year. Actual disbursement for projects in the new cycle started during the latter part of the year and is expected to gain momentum during 2013.

In keeping with the PIOJ's mandate for Aid Coordination, five meetings were hosted with the representatives of specific MTCs to facilitate information sharing, programme planning and to accelerate project implementation. During the year, the organization coordinated/managed 57 projects, contributing to a more integrated approach to the process of project identification, design and planning. A significant portion of the time was expended in troubleshooting and the

resolution of difficult issues towards more timely delivery of outputs.

Guidance was provided for the implementation of projects through participation in 12 project committees and boards related to environment, policy support, energy and governance. Periodic reviews of the programme portfolios of development partners, notably UNAIDS and UNFPA, were also coordinated.

Collaboration with the IAEA and the CFTC, organizations which traditionally support a modest number of interventions, were among the highlights of the year. The IAEA funded a study tour to Jamaica for a development specialist from Belize who sought to learn from Jamaica's processes in managing the programme portfolio with the IAEA. The PIOJ was instrumental in obtaining technical assistance for Jamaica to safely remove and store two radioactive sources which were found in scrap metal at the ports. The organization responded to an offer by the IAEA and successfully planned and executed two workshops in which the agency trained Jamaican nationals in radiation safety. The first such event was a regional one-week workshop on regulatory infrastructure for the control of radioactive sources. The workshop, which involved 53 overseas participants from CARICOM member states and 15 local officials, provided an opportunity for each participating country to assess the status of regulatory infrastructure for radiation safety and security, given the existing radiation sources. The objectives of the workshop were to:

- Disseminate information on relevant international safety and security standards
- Prepare an action plan for developing radiation protection capabilities
- Examine issues of illicit trafficking of nuclear radioactive material.

A second workshop was also held for Jamaica and Belize in the general design of projects and for the preparation of projects for 2014–2015. These projects were submitted to the Agency for review in December.

The PIOJ continued to support the Ministry of Local Government and Community Development (MLGCD) through assistance from the CFTC to achieve the objectives of the Local Government Reform Programme (LGRP). The Institute facilitated technical and financial assistance to the Ministry and convened the quarterly inter-agency Stakeholder Committee on Local Governance. A critical objective of this committee was to establish a more integrated approach to planning and implementation of projects targeting the sector. Local Governance projects monitored were:

- Enhancing Civil Society Participation in Local Governance for Community Safety
- Building Civil Society Capacity to Support Good Governance by Local Authorities
- Capacity Building of Local Government/Local Governance organizations in Jamaica.

Key focal areas for the committee were:

- the progress of the Parish Safety and Security Project (Enhancing Civil Society participation in Local Governance for Community Safety)
- identifying and meeting the capacity needs of the broad governance framework to support the expanded role of the local authority.

The ongoing work of the organization also included preparation of numerous briefs and reports for use by local and international partners, and analysis of project documents submitted by MDAs and IDPs. A total of nine missions were hosted from the CFTC, the UNDP and the IAEA. The PIOJ also participated in 16 visits to sites for the Sustainable Land Management Project (SLM),



Small Grants projects, IAEA projects, as well as the Rural Youth Employment Project.

### MULTILATERAL FINANCING

The PIOJ managed a combined portfolio of 92 projects in the amount of US\$1.1 billion (\$97.9 billion). This comprised 63 projects valued at US\$542.9 million (\$48.3 billion) from the Inter-American Development Bank (IDB), 17 projects valued at US\$220.8 million (\$19.6 billion) from the Caribbean Development Bank (CDB) and 13 projects valued at US\$330.1 million (\$29.4 billion) from the International Bank for Reconstruction and Development (IBRD) – World Bank.

Two new loans totalling US\$50.0 million (\$4.4 billion) were successfully designed, developed and negotiated with the IDB and the CDB. These were: a loan from the IDB of US\$30.0 million (\$2.7 billion) to support efforts to improve human capital and labour market outcomes of the poor by enhancing the efficiency and effectiveness of key

social protection programmes and a loan of US\$20.0 million (\$1.8 billion) from the CDB to support the Students' Loan Bureau for disbursement to tertiary students.

Additionally, the organization facilitated the development and negotiation of five new grants totalling US\$19.0 million (\$1.7 billion). This included US\$500 000 (\$44.5 million) from the IDB for Labour Markets and Social Security Support; and US\$500 000 (\$44.5 million) for Enhanced Information Management for more efficient audits within the Auditor Generals Department; and US\$11.5 million (\$1.0 billion) from the UK trust fund to Support a Second Expansion of the Citizen Security and Justice Programme II. The CDB approved the Basic Needs Trust Fund 7 US\$6.9 million (\$614.0 million) to fund the reduction in vulnerability, in a sustainable and gender-sensitive manner, of people living in poor communities; as well as Institutional Strengthening support to the Students' Loan Bureau of US\$175 000 (\$15.6 million).



*Ms Alicia Dunn (2nd right) Project Economist, IDB Portfolio, PIOJ, in discussion with Mr Anthony O'Conner, Project Manager, NWC (right), during a site visit at Darling Street, Sewage Plant, Downtown, Kingston. Consultants from Kier Construction (standing left) discuss the project.*



The Institute participated in the rescoping of two loan projects within the IDB and World Bank portfolio. The Youth Development Programme had a change in executing agencies from the Ministry of Education to the Ministry of Youth and Culture as well as enhanced involvement of the National Youth Service (NYS) and the National Centre for Youth Development (NCYD). The World Bank funded Education Transformation Capacity Building Project was restructured to include support for the establishment of the Central Ministry and the Department of School Services.

The organization coordinated and hosted reviews of the portfolios of the IDB and CDB with the participation of the development agencies executing entities and the MOFP to determine strategies for improving the rate of implementation of the existing portfolios. The monitoring and coordinating function of the organization was carried out through continued participation on steering committees as well as site visits for projects. Furthermore, numerous missions from multilateral agencies were coordinated to design and develop new projects, as well as to monitor existing programmes. The Institute reviewed portfolios and made recommendations for the cancellation of unutilized balances; the reallocation of resources within and across projects, as well as extensions to the period of implementation within the cooperation programmes. Technical briefs and notes were also prepared for the Honourable Prime Minister, Honourable Minister of Finance and other government officials.

## PROJECT CYCLE MANAGEMENT

The Institute is primarily responsible for project development and the analysis and prioritization of projects. During the year the PIOJ provided

technical guidance in the continued development and roll out of the Community Renewal Programme and served on the MOF's Prioritization Committee.

## SOCIAL PROGRAMME/PROJECT DEVELOPMENT, COORDINATION AND MONITORING

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

- Participated and provided technical advice to various Boards, Commissions and Committees, including:
  - Early Childhood Commission and Sub-Committees
  - Dispute Resolution Foundation
  - National Commission for UNESCO
  - National Policy Data Sharing Steering Committee
  - Project Board for the Development of a National Statistics System
  - National Identification System Committee
  - National Council for Senior Citizens
  - National Advisory Board on Disability
  - Sam Sharpe Teachers' College
  - EXED Community College
  - Child Nutrition Committee
  - Labour Market Information Technical Advisory Committee
  - MOE's Advisory Committee on Literacy and Numeracy
  - Jamaica Social Investment Fund Board
  - National Centre for Youth Development – National Youth Policy
  - Community Renewal Programme
  - Local Governance

- Caribbean Child Research Conference Planning Committee
- Ministry of National Security
- Child Labour “TACKLE” Project
- Dashboard Oversight Committee
- Crime Database Technical Working Group.
- Chaired and provided secretariat services for quarterly meetings of the Labour Market Information Technical Advisory Committee (LIMATIC); The Social Safety Net Programme Implementation Committee (SSNPIC); Migration and Development Protect Board; Jamaica Survey of Living Conditions (JSLC); and the JamStats Steering Committees.
- Chaired Poverty Review Technical Working Group toward bringing the poverty measurement review process to conclusion. Meeting held with World Bank Team – conducting an independent review of the process.
- Provided administrative support to the Management Institute of National Development (MIND) for the Social Research Methods and Policy Analysis Training Programme.
- IDB/GOJ Human Capital Protection Programme, chaired Technical Working Group established to review key studies under a Technical Cooperation Agreement focusing on Understanding the Social Impacts of the Financial Crisis.
- GOJ/IIN (Inter-American Children’s Institute) Child Rights Project to finalize the National Policy on an Integrated Response to Children and Violence and its accompanying Monitoring and Evaluation Framework.

The Institute served as the implementation agency for the following social projects.

**The Modernization Programme of the Civil Registration and Vital Statistics System Unit.** The

following were achieved under the programme:

- Comprehensive review of: (i) stakeholder agency’s existing policies and procedures; (ii) current process of death registration and reporting for each of the relevant stakeholder agencies (in order to propose innovations to improve the quality and coverage of vital statistics on death and to ensure the proper reporting of all death information).
- Formulation of Memorandum of Understanding (MOU) on common definitions and intra- and inter-agency guidelines, procedures, and formal data-sharing agreements to enable, promote and facilitate coordination and compliance with international standards.
- Development and printing of public education materials for the Registrar General’s Department.
- Proposal for a common technological platform to be shared by all of the stakeholder agencies and to allow for greater inter-connectivity and inter-operability across each of the agencies’ systems.
- Methodology developed, completed, and approved to track an individual’s vital history from birth to death across each agency that collects vital data.
- Development of software, protocols and manuals, and purchase and installation completed (including appropriate testing) of hardware and software, to link vital events in the RGD database.
- Proposal drafted on how to streamline the information gathering, verification, and reporting processes within and across agencies.
- Technical review to analyse the legal framework and technical requirements for the introduction of a unique identifying number completed and approved.
- Comprehensive and ongoing training programme designed and piloted.

## National Policy and Plan of Action on International Migration and Development

Main activities included:

- Developed and launched Study on Extended Migration Profile – the first in the English-speaking Caribbean
- Identified 8 priority areas for policy:
  - Governance and Policy Coherence
  - Data, Research and Information Systems
  - Diaspora and Development
  - Labour Mobility and Development
  - Remittance and Development
  - Human Rights and Social Protection
  - Return and (Re) Integration and
  - Family, Migration and Development.
- Established thematic sub-committees for the priority areas
- Completed Situation and SWOT Analyses to assess the internal and external environment for international migration and development
- Convened national consultations and strategic workshops with general public and specialized interest groups on the main issues for consideration in the National Policy and Plan of Action
- Completed Draft National Policy and Plan of Action on International Migration and Development.

## Social Protection Project (GOJ/World Bank) Component 4

The following were achieved:

- Completed two significant diagnostic pieces of research: (i) Review of the State Capacity to Prepare Wards of the State for Independent Living; (ii) A Review of Current and Emerging Vulnerability in Jamaica in the Context of Risk to Income, Poverty and the Food Security

- Participated in World Bank course on Disability and Development
- Technical oversight to the extensive Impact Evaluation of PATH
- Established and chaired PATH Impact Review Evaluation Committee.

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

- Developed several project proposals to support areas of improvement and development in the health sector:
  - EU Project Proposal on MDGs 4 and 5: A Project Proposal on Infant and Maternal Health specifically targeting the Millennium Development Goals (MDG) 4 and 5 was prepared and submitted to the European Union (EU).
  - IDB/GOJ Project: Impact of Economic Crisis – Health Sector Financial Sustainability: During the year, there was the commencement of two studies – Remittances and Health Sector Reform
  - WB Financial Sustainability of Jamaica's HIV Programme: Findings of study published and led to the commencement of another study which aims to develop an Investment Plan for Jamaica's Response to HIV/AIDS.
  - IAEA Radiation Safety Infrastructure: Workshop involving key stakeholders highlighted critical issues and major impediments. Discussions included Jamaica's progression towards a Radiation Safety Legislation as well as the construction of a Nuclear Medicine Department for the public sector.
  - Development of a Health Information Systems Strategic Framework: The Health

Information and Technologies (HIT) Steering Committee conducted a series of workshops aimed at developing a Health Information and Technologies (HIT) framework for Jamaica. Draft Strategic Framework prepared and phased implementation to commence in 2013.

- USAID Basic Education Project
- GOJ/ILO School Transition Projects Financing
- IDB/DFID Supported Citizens' Security and Justice Programme
- EU Cooperation Programme – Governance Strengthening Project
- WB Policy Based Loan for Education and for support to Employment Insurance.

## SUSTAINABLE DEVELOPMENT PROJECTS

In addition to coordination and monitoring the sector broadly, the Institute coordinated and provided oversight for four projects during the period. These were:

**The GOJ/EU/UNEP Climate Change Adaptation and Disaster Risk Reduction Project (CCA&DRRP)** under which the PIOJ assisted in raising awareness on the matter of climate change through media outreach; improved project visibility through the erection of signage at project locations in Oatley and Portland Bight; participated in site visits – St. Ann's Bay and Moy Hall in St. Andrew – and in activities to mark National Tree Planting and World Town Planning Days; and facilitated the hosting of a High Level Meeting on Geospatial Data Management at the Urban and Regional Information Systems Association (URISA) Caribbean GIS Conference.

Baseline data was gathered on climate change knowledge in selected vulnerable communities and among targeted groups. This was done by way

of a localised Knowledge, Attitude, and Practice (KAP) Survey designed and conducted with the assistance of an Intern from Indiana University in the USA.

### **Pilot Programme for Climate Resilience (PPCR)**

**Phase I** funded by the Climate Investment Funds and the Inter-American Development Bank concluded with the completion of five technical studies namely: the Climate Change Knowledge Attitude and Practice (KAP) Survey; Review of Policies, Plans, Legislation and Regulations for Climate Resilience in Jamaica; Communications Strategy and Action Plan; Climate Data Assessment and Projections; and Socio-economic and Environmental Disaster Impact Assessment Handbook for Jamaica. The studies will contribute significantly to the state of knowledge and information on climate change and will be used to inform adaptation strategies and actions during Phase II. Under the project, 20 automatic weather stations were procured and installed to increase the efficiency of the Meteorological Service in capturing a range of climate data including rainfall and temperature. Water quality monitoring and GPS mapping equipment were procured to support key operations of the Water Resources Authority. The project also facilitated improvements to the reporting features and availability for the Office of Disaster Preparedness and Emergency Management's Major Events Situational Awareness System (MESAS) which provides early post-disaster information.

Development of the **GOJ/Adaptation Fund Project** was finalized and the project submitted to the Adaptation Fund Secretariat and approved. Programme preparation was supported by a US\$30 000 grant which defrayed the cost of the necessary engineering estimates on the Negril coastline and the conduct of stakeholder consultations. Over 200 men and women were consulted

in some 10 workshops during the programme design. The official launch and Inception workshop for the project was held in November. The PIOJ is the National Implementing Entity to the Adaptation Fund and the Programme Management Unit coordinates implementation across four agencies.

The development of the project concept for Risk and Vulnerability Assessment Methodology Development Project Phase II (RiVAMP II) commenced with a scoping mission and a number of stakeholder consultations and site visits to the project area. An MOU was signed with the Ministry of

Water, Land, Environment and Climate Change (MOWLECC) to provide financial support through Component 3 of the CCA& DRRP. RiVAMP II will facilitate the study of land cover changes in the South – Negril/Orange River Watershed (Negril) – for the period 1968 to present and use findings to design climate change adaptation strategies for the area using an ecosystems-based approach. The ensuing rehabilitation in the terrestrial ecosystem will complement work (shoreline protection, replanting of mangroves etc.) in the coastal ecosystem and reverse the high level of environmental degradation in Negril.



# Research and Information Services

The PIOJ continues to provide technical and research information services to its stakeholders through a number of media including publications, special studies and research papers, and library services. The PIOJ was awarded the title of Most Outstanding Land Information Council of Jamaica (LICJ) Member Agency for the year, at the LICJ's 20th Anniversary celebrations and Biennial Awards Ceremony. One member was nominated to serve on the Strategic Climate Fund Committee which oversees the implementation of the PPCR, while another member received the Jacqueline DaCosta LICJ Award for excellence and was recognized by the Urban and Rural Information Systems Association (URISA) Caribbean Chapter for exemplary leadership to the Chapter and dedication to URISA programmes.

## MODEL DEVELOPMENT AND ANALYSIS

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

### THRESHOLD 21 (T21)

This model was adjusted to facilitate the analysis of different policies including:

- Community Renewal Programme: prepared policy note on the impact of crime reduction on real GDP.
- Energy Price Scenario: prepared policy note on the impact of lower energy prices on real GDP.
- Infrastructure Investment: prepared policy note on the impact of investment projects on real GDP.
- Impact of Oil Price on GDP Growth – prepared policy note on the impact of prices of US\$10 per barrel and US\$15 per barrel of oil on GDP growth for the short run and the long run.
- Socioeconomic Impact of the Supplementary Budget FY2011/12: T21 Analysis – the supplementary budget of FY2011/12 was compared with the Initial budget of FY2011/12 using five socioeconomic indicators: 1) Real GDP Growth; 2) Employment; 3) Access to Basic Health Care; 4) Poverty and 5) Crime.

### DEBT DYNAMIC MODEL

This model was updated and used to carry out a summary on debt sustainability comparisons and projections of Debt to GDP.

### INPUT-OUTPUT (I/O) MODEL

This model was updated to incorporate the Household Sector. This allowed for impact assessment analysis to include the induced effects created by

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household consumption. The model was used to analyse the impact of proposed construction investments.

### ECONOMETRICS

This model was used in the projection of GDP (constant and current prices). It was also used to develop a rudimentary time series model to project the tertiary enrolment rate up to 2030 and do poverty forecasts.

### CGE MODEL

The CGE Model is a taxation model developed to facilitate macroeconomic analysis of the impact of

tax changes on the economy and was used to measure the impact of changes in the GCT rate on consumption.

### TRAINING AND WORKSHOPS

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

- Debt Sustainability Assessment Workshop which focused on the sustainability of the debt, given current projects
- Natural Resource Valuation Training aimed at promoting the use of natural resource valuation techniques in the decision-making process
- Global Environment Facility Caribbean Fund for Wastewater Seminar aimed at providing sustainable financing to the wastewater sector, support policy and legislative reform and foster regional dialogue
- Strengthening the Link between Trade and financial resilience in the Caribbean: The role of Fiscal Policies. This workshop highlighted and discussed the impact of fiscal and tax incentives in countries in the Caribbean
- Modelling for Financial Analysis for Electric Sector Expansion Plan
- Energy Indicators for Sustainable Development aimed at building technical capacity within the public sector
- Economic Restructuring and Policy Adjustment seminar held in China. This seminar explored economic development in the context of the challenges faced by developing countries

- Economic Recovery and Development for Developing Countries seminar held in China. The focus was to share the development plans of the Chinese Government and possible ways by which Jamaica could benefit
- Presented lectures on I-O tables for an economic course at the University of the West Indies (UWI)
- Training on STATA data Analysis and Statistical Software Training
- Workshop to review the draft socio-economic and environmental Disaster Impact Assessment handbook for Jamaica
- Public consultation on the National Food and Nutrition Security Policy
- Presentation on the Port Communication System; an electronic platform which connects the multiple systems operated by a variety of organizations
- Remittance & Development Sub-Committee Workshop to prepare comments for the final draft of the National Policy and Plan of Action on International Migration and Development
- ECLAC Technical Advisory Group on Climate Change in the Caribbean in Saint Lucia
- Public Lecture on Regulatory Reform – Assessing the Evidence, at the UWI
- Office of Utility Regulation Forum “Regulation as A Catalyst for Sustainable Development”
- Workshop on Natural Gas to highlight information critical to the development of a framework for the introduction of natural gas
- Labour market conference on Social protection through Unemployment Insurance.

Training of government professionals (JamStats):

- Twenty-one persons trained in Database Administration – Office of the Children’s Registry, Office of the Children’s Advocate, Child Development Agency, Department of Correc-

tional Services, National Centre for Youth Development (NCYD), Ministries of Health, Education, and Justice, and the Statistical Institute of Jamaica (STATIN), Jamaica Constabulary Force (JCF), and the National Family Planning Board (NFPB).

- Seven persons trained in the use of the database – UNICEF, Bureau of Women’s Affairs, and the Early Childhood Commission.

## PUBLICATIONS

The production of the Institute’s publications is an important part of the dissemination of socio-economic information/data. The Institute’s two premier publications are the *Economic and Social Survey Jamaica (ESSJ)* and the *Jamaica Survey of Living Conditions*; these publications and others are available for sale online through the PIOJ’s website and bookstore.

During the year the organization produced the latest version of the following publications:

- *Economic and Social Survey Jamaica 2011 (ESSJ 2011)*
- *Jamaica Survey of Living Conditions 2010 (JSLC 2010)*
- EU&O 16 #2
- EU&O 16 #3
- EU&O 16 #4
- EU&O 17 #1
- *Growth Inducement Strategy for Jamaica in the Short and Medium Term.*

In collaboration with its partners, other publications produced by the Institute, during the year, included:

- Audio Version of the Popular Version of the *Vision 2030 Jamaica – National Development Plan*, (Draft audio version)

- Jamaica 50 Research Paper “Old Issues and New Challenges to Urbanization in Jamaica”
- Status Report on Waste Management in Jamaica
- Policy Brief on Innovation for Competitiveness in Jamaica
- A draft Socio-economic and Environmental Impact Assessment of Hurricane Sandy
- Jamaica: Country Profile – Prepared for Discussion at the United Nations International Expert Meeting on Crowdsourcing Mapping for Disaster Risk Management and Emergency Response, Vienna, Austria
- Volume 63 of the *Labour Market Information Newsletter* (LMIN) Jamaica 50th Anniversary Study
- The Effects of Recession on the Poor
- Labour Force Dynamics and Poverty

- Non-Communicable Disease in Jamaica
- The Measurement of Social Well-being in Jamaica
- Social Research in Jamaica.

In addition, Jamaica’s page on the Climate Investment Fund (CIF) networking platform was updated with 4 PPCR stakeholder workshop reports and the revised Strategic Programme for Climate Resilience (SPCR) as part of the role of Country Administrator for the network.

### SPECIAL STUDIES/SPECIAL PAPERS

Research, information, monitoring and analytical functions are important facets of the Institute’s work, and this feeds into the preparation of a number of special papers/studies. During the year, several papers were produced as follows:



Communication Specialist, PIOJ, Mrs Claudette Myers (cente) outlines the work of the Institute, and informs members of the public about the publications, as they peruse the documents, during the Book Industry Association of Jamaica’s (BIAJ) Book Fair at Emancipation Park, in March

- Socioeconomic Implications of the Composition of Fiscal Adjustment: Simulation Results Using the Jamaican Threshold 2I (T2I Model)
- Estimated Impact of Government Capital Expenditures, FY 2012/13 – 2015/16
- Socioeconomic Impact of the Community Renewal Programme
- Categorizing Household by Deciles to Assess Tax Reform Impact
- Labour Market and GDP Dynamics: the Jamaican Economy 2007–2010
- Jamaica's Medium-term Economic Programme FY2012/13 – FY2015/16: Key Issues and Options
- Impact assessment of the construction phase of the Megamart project in Mandeville, and potential impact for Jamaica and Manchester in particular
- Impact Analysis of Selected Investment Projects Facilitated by GOJ using the Input-Output Model
- A Note on PIOJ's input-output based government investment multipliers
- Socioeconomic Analysis Impact of the FY2012/13 Budget
- Economic Impact of the Government of Jamaica's Economic Programme on GDP growth
- Productivity of Foreign Direct Investment in Jamaica
- Socioeconomic Impact of the Multimodal Logistic Centre
- Growth and Employment Impact of FDI Inflows relating to the Expansion of Jamaica's Port
- Abattoirs in Jamaica
- Agro Parks – Summary reports and analysis for the eight proposed Agro Parks in Jamaica.

## LIBRARY SERVICES/INFORMATION MANAGEMENT

This was a transformational year for the Wesley Hughes Documentation Centre:

- One main focus was removing duplicates from the library's collection as well as documents that were no longer of value to create space for new publications.
- The library conducted a Library Exposition and Panel Discussion on April 27, 2012 under the theme "Libraries Contributing to National Development".

## ACQUISITION & DATABASE MANAGEMENT

A total of 2 842 documents were acquired in 2012 compared with 2 233 in 2011. The bibliographic database now contains 15 686 from 15 124, and the Audio Visual Database now has 1 229 from 587 in 2011. This increase is as a result of the Jamaica Social Investment Fund (JSIF) Audio Visual collection.

## SOCIO ECONOMIC INFORMATION NETWORK

Four issues of *SECIN News* were published in order to keep librarians informed about network business and to provide a means of informing them about progress in the implementation of *Vision 2030 Jamaica – National Development Plan*. In addition, the newsletter is used by the focal point to promote new publications of the Institute.

## ACCESS TO INFORMATION (ATI) AND REFERENCE QUERIES

Five access to information requests were satisfied in 2012 compared with 45 in 2011; additionally, 779 reference queries were recorded and processed. The number of loans recorded decreased to 5 001 from 5 685.



# ■ External Communication and Marketing

The PIOJ continued to collaborate with its partners; and internal projects within the organization, as part of the promotion/marketing strategy for the Institute. This year in conjunction with the Climate Change Adaptation and Disaster Risk Reduction Unit (CCADRRP) – which provided the funding – the Institute restarted its public education programme to schools after a two-year hiatus. In addition, the organization actively interfaced with its customers including public/private sector, researchers, students, and communities through the mounting of several displays across the island geared towards promoting the work of the PIOJ and the socio-economic publications. On the downside, budgetary constraints again hampered the staging of the Institute's Dialogue for Development Lecture which was not held this year.

The visibility of the organization remains at a high level in the public domain. In May, steps were taken to promote the work of the PIOJ to the Jamaican diaspora; to this end the Institute entered into discussions with the Caribbean Entertainment Everyday Network (CEEN TV) – the sister station of SPORTSMAX – for CEEN TV to provide news coverage of the PIOJ's major events in the New York Tri-State area, which includes New York, New Jersey and Connecticut. Websites which have a regional reach are also apprised of the Institute's activities.

The provision of socio-economic information and

the marketing of the Institute's publications to stakeholders and tertiary institutions continued. During the year, several events were staged including consultations; public fora; speakers bureau and signing ceremonies. The media, stakeholders and public were also kept abreast of the various activities through the interviews; News Releases; Outside Broadcasts; advertisements; and Think Tank sessions; which were arranged. In addition, the Institute continued to employ social media as a means of capturing a wider audience base and increasing its visibility through its Facebook Fan page.

## QUARTERLY PRESS BRIEFINGS

The Institute's premier event, the press briefing, continues to be held on a quarterly basis – February, May, August and November. This year, in addition to the general media coverage which is provided, the Caribbean Entertainment Everyday Network (CEEN TV) agreed to provide news coverage of all of the Institute's press briefings. CEEN TV provides coverage to the Jamaican diaspora within the New York Tri-State area (New York, New Jersey and Connecticut). The press briefings are geared towards updating the media and the public about the performance of the economy. In addition, it also provides information on the out-turn of the global and domestic economy, as well as a summary of the Vision 2030 Social, Governance and Environment Indicators, which gives an

indication of the country's improvements in the indicators of well-being and progress that track Jamaica's achievements towards *Vision 2030 Jamaica*. The *Economic Update and Outlook*, a by-product of the press briefings provides information on a quarterly basis.

### PUBLIC EDUCATION PROGRAMME

After a two-year hiatus, the Institute reintroduced its public education programme in October to schools at the St Elizabeth Technical High School (STETHS), in the parish of St Elizabeth. Working in conjunction with the Climate Change Adaptation and Disaster Risk, Reduction Project (CCAD-DRP) within the PIOJ, presentations were made on Labour Market Trends, Geographic Information Systems; and Climate Change – which was the new component to be introduced – to over 160 students who attended. The public education programme is geared at providing students with information on: the current job market; the significance of climate change; and mapping/storing data. The programme spans schools at the tertiary and high school levels islandwide. In addition, it provides the Institute with an opportunity to market its publications. An edutainment section has been added through the group, Voices for Climate Change.

### OTHER EVENTS

The PIOJ staged over 19 events including launches, workshops, seminars, among other things during the year in an effort to actively market and promote the work of the PIOJ; and raise the level of awareness.

### LAUNCH OF JAMAICA'S MIGRATION PROFILE

On Tuesday, September 4, the Institute joined the ranks of several countries when it prepared the

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Migration Profile under the guidance of the International Organization for Migration (IOM). The Profile – *Migration in Jamaica: A Country Profile 2012* – was the first of its kind for the country and the Caribbean. The launch was held at the Jamaica Pegasus Hotel.

The development of the profile is consistent with the national priority of *Vision 2030 Jamaica* to ensure that international migration is adequately measured, and monitored to serve the development needs of Jamaica. The launch was followed later in the month by a series of National Sectoral



Ambassador Paul Robotham, Ministry of Foreign Affairs & Foreign Trade (centre) peruses the Migration Profile along with (l-r) Mr Easton Williams, Director, Social Policy, Planning & Research, PIOJ; Mr Jesus Orus Baguena, Head of Operations, EU Delegation; Ms Akiko Fujii, UNDP Resident Representative; and Mr Robert Paiva, Representative, IOM

Consultations on the draft National Policy and Plan of Action on International Migration and Development. Consultations were held in the parishes of Kingston, Manchester, St. Ann and St. James.

Among the events held during the course of the year were:

- the launch of the publication – *Can the Future be Discovered?* – a collaboration between the PIOJ and Pelican Publishers
- signing ceremonies including the PIOJ/Ministry of Youth & Culture/UNICEF Country Programme Action Plan 2012–2016
- The Government of Jamaica (GOJ)/EU/PIOJ launch and signing for the implementation of

the Economic Partnership Agreement (EPA) Capacity Building Project, in November. Some seven government laboratories benefited in the amount of \$240.75 million approximately or €2.25 million

- the Launch and Inception Workshop of the GOJ/Adaptation Fund Project. The PIOJ is the national implementing agency of the Adaptation Fund. The GOJ/Adaptation Fund Project seeks to improve water and land management in communities in eight parishes
- in tandem with the Sir Arthur Lewis Institute of Social & Economic Studies (SALISES), UNICEF, Office of the Children's Registry, and other entities, the staging, for the 7th year, the Caribbean Child Research Conference in

November, under the theme, Political Independence and Child Rights

- in collaboration with the UNFPA, United Nations Population Fund, staging of World Population Day in July, under the theme: Adolescent Sexual and Reproductive Health – It's Your Right – Claim It with Responsibility; and launch of the *State of World Population Report 2012*, which addressed the issue of Human Rights & Development
- the two-day staging of the Labour Market Forum in December, which explored the topic, Reforming Jamaica's Labour Market: Social Protection through Unemployment Insurance
- a panel discussion and Expo on Libraries Contributing to National Development
- workshops in conjunction with the GOJ/International Atomic Energy Agency (IAEA)/Pan Health Organization on the Regulatory Infrastructure for the Control of Radioactive Sources
- in conjunction with the Ministry of National Security's Citizen Security and Justice Renewal Programme (CSJP), the Institute's Community Renewal Programme (CRP) staged an Information Village and Peace Concert in Majesty Gardens.

### SPEAKERS BUREAU/PRESENTATIONS

The Institute is equipped with a cadre of highly trained professionals who are capable of providing information on social, economic and sustainable development planning to stakeholders – private/public sector; schools; students and tertiary institutions. During the year a number of presentations were made on the following areas including:

- PIOJ's socio-economic publications to tertiary institutions
- Impact of Globalization on the Jamaican

Economy & *Vision 2030 Jamaica* – St. Elizabeth Technical High School students

- Indicators of Development – Black River High School
- Strengthening the Capacity for Climate Change Resilience in Jamaica for UWI, SALISES Conference on Globalization and Sustainable Rural and Agricultural Development
- GIS Technology, Related Careers and Population Applications – Holy Childhood High
- GIS and Climate Change Applications – PIOJ Publications Promotion
- Jamaica's National Emergency Response GIS Team at the United Nations International Expert Meeting on Crowdsourcing Mapping for Disaster Risk Management and Emergency Response in Vienna, Austria
- Evaluating GIS Growth in Jamaica – Emerging Issues and Lessons Learnt at the Biennial Urban and Regional Information Systems Association (URISA) Caribbean GIS Conference



Mr Clifford Mahlung (at the podium), Acting Head, Climate Branch Meteorological Office, makes a presentation on Climate Change to students





*A cross section of students who attended the presentations at STETHS. Seated in the front row are the Presenters from the PIOJ (l-r) Mrs Nadine Brown, GIS Analyst; Mr Steven Kerr, Manager Human & Community Development; Mrs Karen Sancko, Manager, Corporate Affairs, Marketing & Communication (CAMC); and Mrs Marcia Blake-Hall, Director, CAMC*

- Labour Market – Denbigh High, the Queens High, Innswood High, Willowdene Group of Schools, VTDI, UWI Placement and Career Services, among others
- Measurement of Poverty in Jamaica using the Jamaica Survey of Living Conditions (JSLC) at the UNDP/OECS Secretariat/CDB Expert Meeting and Workshop on Multi-dimensional Poverty Measurement in the Caribbean, Barbados.

## WEBSITE

The PIOJ's website is one the tools used to disseminate socio-economic and sustainable development data to stakeholders through access to the Institute's publications online. In addition, news releases, speeches, job vacancies, tender documents, photos and upcoming events, continue to be posted. This year the home page received a

“face-lift” to make it more visually appealing, user-friendly; and more accessible to information.

The webstore, which allows customers to purchase publications online, was recently upgraded to allow for free access to certain publications; and customers are now able to preview publications before purchasing. The webstore has been quite active this year, as in the previous year, with individuals purchasing publications primarily from the United States and the Caribbean. In addition, customers can access the *Vision 2030 Jamaica* website

[www.vision2030.gov.jm](http://www.vision2030.gov.jm) and the JamStats website through a link from the PIOJ's website.

The *Vision 2030 Jamaica* website was comprehensively upgraded this year. The site features news and activities, resources and publications related to the Plan. The web-based communication of *Vision 2030 Jamaica* was also extended to social media including Facebook and YouTube. The site is upgraded on an ongoing basis.

## PROMOTIONAL/MARKETING ACTIVITIES

Promotional work continued to increase the awareness/sales of the Institute's publications. A number of opportunities were identified in this regard at conferences, seminars, workshops, schools and tertiary institutions. At the start of the year, PIOJ met with the University College of the Caribbean to supply some 17 publications to the institution including the *Economic and Social Survey Jamaica (ESSJ)* and *Jamaica Survey of Living Conditions (JSLC)* which will be supplied on an



annual basis. The Institute also met with the International University of the Caribbean (IUC) and with St. Joseph's Teachers' College in September. Over 70 publications were supplied to these institutions (60 publications to IUC and 13 to St. Joseph's Teachers' College). Plans are in gear to make similar arrangements with tertiary institutions outside of the Kingston Metropolitan Area (KMA) next year.

The PIOJ also looks for partnerships to acquire new publications. This year, working in tandem with Pelican Publishers, the Institute acquired 20 copies of the publication *Can the Future be Discovered* and 10 copies of *Discovering the Future* on consignment basis, as the organization recognizes the significance of science and technology and its impact on development. In addition, the Institute's publications will now be listed in the Caribbean Bibliographic Information System (CBIS) through JAMCOPY.

Several opportunities were identified to market and promote the publications. Approximately 28 displays were mounted at conferences, workshops, seminars and schools across the island. The PIOJ also mounted a *Vision 2030 Jamaica* booth at the Independence Expo inside the Golden Jubilee Village at the National Arena over a six-day period, in August.

One of the highlights of the year was the infusion of *Vision 2030 Jamaica* into the activities for the celebration of Jamaica's 50th anniversary of Independence. This included co-sponsorship with the Jamaica Cultural Development Commission (JCDC) of six billboards in strategic locations across the island, showcasing the Vision 2030 logo and Vision Statement. Sponsorship was also provided for the performing arts and creative writing competitions undertaken by the JCDC. Presentations on the Plan were made to trainers and

» One of the highlights of the year was the infusion of *Vision 2030 Jamaica* into the activities for the celebration of Jamaica's 50th anniversary of Independence. This included co-sponsorship with the Jamaica Cultural Development Commission (JCDC) of six billboards in strategic locations across the island, showcasing the Vision 2030 logo and Vision Statement.

prospective entrants in the competitions in the various performing art forms and Creative Writing Competition at the regional planning workshops of the JCDC over the period March–June 2012.

An additional 10 000 copies of the Popular Version of *Vision 2030 Jamaica* were printed during the year; and a total of 3 000 copies were provided to the Ministry of Education, bringing the total copies provided to that Ministry between 2010 and 2012 to 13 000. A draft audio version of the Popular Version of *Vision 2030 Jamaica* was prepared. At the end of December 2012, approximately 46 280 copies of the Popular Version had been distributed to stakeholders islandwide through various communication interventions.

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

- a Public Education programme produced by the Jamaica Information Service (JIS), to improve public visibility of the Plan through time signals and “Get the Facts” features on radio and television
- sponsorship and participation in the SDC Community Twenty/20 Cricket Competition 2012 and the activities of Community Month 2012 to promote *Vision 2030 Jamaica*
- collaboration with the St. Ann Inter-Agency Network for Transforming Social Services (SAINTSS) initiative to promote *Vision 2030 Jamaica* in the parish
- sponsorship of the Inaugural Disability Friendly Awards Gala Dinner, held on November 19, 2012 to acknowledge the contributions and experiences of people with disabilities, and honour the outstanding contributions made by individuals or organizations to improve the lives of people with disabilities
- completion of a 10 minute, six-part Information Video on *Vision 2030 Jamaica*
- ongoing delivery of special presentations and consultations islandwide to sensitize a wider cross-section of the population about the Plan
- mounting of exhibitions across the island in collaboration with several private and public sector agencies, NGOs and civil society organizations, to disseminate key information to various publics
- discussions, interviews, press releases, news stories and features on the Plan in the print and electronic media (JIS radio, television & print, national radio and television stations and the two leading newspapers)
- production and distribution of promotional documents including 6 000 *Vision 2030 Jamaica* Information Brochures to various target groups across the island

- production and electronic distribution to various target groups including the Diaspora, of the quarterly newsletter – *Vision 2030 Jamaica Update*
- production of the draft audio version of the Popular Version in collaboration with a member of the Jamaican Diaspora.

## CUSTOMER SERVICE

The PIOJ continued to improve its level of customer service in 2012. The Institute, along with a number of other government entities, was a pilot agency for the public sector’s Customer Service Monitoring and Evaluation System. The System will enable the PIOJ to better monitor its customer service performance internally as it is more evidence-based. At the end of November 2012, a Customer Service audit of the PIOJ was carried out by staff of the Public Sector Modernization Division, Cabinet Office. The audit was conducted on all five value chain elements that comprise the Customer Service Monitoring and Evaluation System. The value chain elements are: Service and Operational Planning; Service Expectation Identification; Service Awareness Creation; Service Delivery Operations; and Direct Customer Interface. The results of the audit are expected in early January, and these results will indicate if the PIOJ has been able to attain Level 4, currently the highest level in the National Customer Service Programme.

The PIOJ’s Citizen Charter was updated and will be finalized for printing in early 2013. The Citizen’s Charter outlines standards of service provided by the organization to its customers. Members of staff participated in customer service network meetings and workshops throughout the year.

# Governance and Management

The Institute continued to play an integral role in implementing customer-centric strategies as well as integrating organizational processes through its six business centres: Information Systems; Human Resource Management and Development; Wesley Hughes Documentation Centre; Office Management Services; Accounting; and Facilities Management.

Organizational evaluation was a key focus within the construct of the public sector transformation programme. Four strategic focus areas were established, headed by Deputy Directors General:

1. Sustainable Development and Social Planning
2. Corporate Management and Governance
3. External Cooperation and Project Management
4. Economic Planning and Policy Logistics.

In addition, Human Resource Management (HR) and Information Technology (IT) functions were realigned to the Director General's Secretariat to strengthen organizational capability. The IT function is expected to play a dual purpose of infusing technological solutions in keeping the PIOJ at the frontline as well as a larger role across government. HR, in its repositioning, will be better able to engage best practices not only within the PIOJ but the leadership that is required with the public sector accountability framework.

With collaborative leadership as an emphasis, the human resource development plan focused on:

- Readiness Assessments
- Revisiting the mandate, vision/mission, philosophy, policies, programmes, practices and business processes
- Culture Analysis
- Promoting collaboration as a stated value of the organization
- Exposing and training potential leaders.

A key feature was the introduction of a PIOJ Toastmasters Club with a robust programme of communication and leadership projects designed to help people learn the art of speaking, listening, and thinking. The specific purpose was to develop competencies in Leadership and Communication. The club was chartered in April, having achieved the minimum membership requirement of 20 members.

In partnership with MIND, members of staff also participated in, Government Accounting training, Strategic and Corporate Planning, Leadership and Change Management. Other areas of institutional strengthening included JEF Leadership series, the HRMAJ conference, Poverty and Energy Management.

The Institute's drive for cost efficiencies and productivity was enhanced through the adoption of

new ICT solutions and upgrading of existing systems. With its limited ICT budget, the organization invested in upgrading its aged hardware infrastructure through completion of the migration of core servers to an enterprise virtualization solution and replacement of workstations. This venture placed the organization on the next generation technology platform and will facilitate long-term growth plans. Industry standards have also been met with the upgrade.

The upgrade of the VOIP Unified Telephony and Messaging system, Access Control and Surveillance System, and Financial Management System continued and the websites were enhanced with additional functionalities for the public. Development of the Projects Database System progressed with increased functionality while investigations were conducted for the introduction of a Leave Management System. There was general adherence to Service level agreements through an effective monitoring and compliance programme.

In July 2012, the Records Management Committee was established to steer the management of record keeping practices and facilities. Consequently, a Records and Information Management (RIM) Working Group was established. The group is responsible for the ongoing review, discussion and implementation of the policy and related procedures. In addition, this group shall recommend improvements in record keeping practices and facilities to senior management through the RIM Advisory Committee.

## STAFF RECOGNITION

### ADMINISTRATIVE PROFESSIONALS WEEK

The Administrators were treated to a week of educational activities. The week-long recognition programme ended with 'Conversations' with the Director General and Deputy Director General.

### HEALTH & WELLNESS EXPO

A two-day Health and Wellness expo was held under the theme "Healthy Living". The objective was to create wellness and encourage lifestyle changes. Seminars and workshops were held with support from financial institutions, the Diabetic Association, the National Health Fund (NHF), Jamaica Cancer Society, Health Clubs, as well as practitioners in the field of Chiropractic and Neurology, Reflexology, Nutrition, Biotechnology and Counselling.

## ASSETS UNDER MANAGEMENT

### POOLED INVESTMENT FUND (PIF)

The management of the Pension Fund is performed jointly by the Board of Trustees Planning Institute of Jamaica and Sagcor Life Jamaica Limited. As at December 2012 the fund stood at \$703.3 million.

### OFFICE MANAGEMENT

The integrated approach to asset management and maintenance planning was the platform for making informed decisions related to procurement, resource allocation and usage in an effort to streamline operations.

### FACILITIES MANAGEMENT

The Planning Institute of Jamaica embarked on several resource-conservation activities geared to cost containment at the PIOJ building. Established routines were continued, such as the monitoring of lights, recycling of plastic, and the recycling of paper. Focus was placed on refining the functional and structural elements of the building to include the elevator and the exterior finishes.

Internal air quality was improved by eradicating airborne pollutants with the washing of the AC vents and the installation of air purifying plants in some offices.

## INTERNAL COMMUNICATIONS

Building staff camaraderie and creating an environment where staff can interact with each other and be provided with useful information on various aspects of the Institute's work, is an important part of the internal communications of the organization. The Learning Hour sessions, the intranet and in-house newsletters the *PIOJ Highlights* and the *Green Team News* are some of the methods used in this regard.

In keeping with the country's independence activities, the PIOJ staged a few Learning Hour sessions,

in celebration of Jamaica 50 – Storytime with Amina Blackwood-Meeks and a musical rendition highlighting 50 years of music in Jamaica with reggae icon, Ibo Cooper. Three other Learning Hour sessions were held – *Tax Reform*, *Rural Women & the Challenges they Face in Relation to Climate Change*, and a *Vision 2030 Jamaica* video presentation.

The organization continues to find creative measures to foster staff interaction. In July, staff along with various government entities participated in a series of fun activities dubbed the Jubilee Games, in celebration of Jamaica's 50th independence.



A cross section of the staff who attended the Learning Hour session with musical icon, Ibo Copper in July



## BOARD OF DIRECTORS COMPENSATION – JANUARY–DECEMBER, 2012

Board	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Dr Gladstone Hutchinson	Nil	–	–	–	Nil
Mr Robert Wynter	7 500	–	–	–	37 500
Dr Pauline Knight	7 500	–	–	–	30 000
Professor Brain Meeks	7 500	–	–	–	30 000
Professor Alvin Wint	7 500	–	–	–	37 500
Dr Ike Johnson	7 500	–	–	–	37 500
Mr Devon Rowe	7 500	–	–	–	22 500
Dr Joy Moncrieffe	7 500	–	–	–	37 500
<b>TOTAL</b>					232 500
Finance and Audit Committee	Fees (\$)	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*	7 000	–	–	–	14 000
Dr Joy Moncrieffe*	3 500	–	–	–	7 000
Mr Devon Rowe*	3 500	–	–	–	3 500
Mr Robert Wynter*	3 500	–	–	–	3 500
<b>TOTAL</b>	70 000				28 000

\* Members who serve on two committees of the Board.

## SENIOR EXECUTIVE COMPENSATION, 2012

Position of Senior Executive	Year	Salary (\$)	Gratuity (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances	Non-Cash Benefits (\$)	Total (\$)
Director General (Contract)	2012	12 140 000	–	140 000	–	–	65 000	12 345 000
Deputy Director General	2012	6 141 146	–	930 915	614,114	–	–	7 072 061
Director, Corporate Services	2012	4 054 764	–	930 915	–	–	–	4 985 679
Director, External Cooperation Management	2012	3 877 823	–	930 915	368,496	–	–	4 808 738
Director, Sustainable Development & Regional Planning	2012	4 129 743	–	930 915	392,660	–	–	5 060 658
Director, Economic Planning & Research (incumbent appointed August 2012)	2012	3 842 554	–	930 915	337,100	–	–	4 773 469
Director, Corporate Affairs, Marketing & Communications Division	2012	3 710 666	–	930 915	350,374	–	–	4 641 581
Director, Social Policy, Planning & Research (incumbent appointed August 2012)	2012	3 612 734	–	930 915	930 915	–	–	4 543 649
Total	2012	41 509 430	–	6 656 405	2,351,134	–	65 000	48 230 835

Notes: 1. All contracts are in Jamaican currency.

2. Director General's security part of contract agreement.

3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

# » 2012 YEAR IN REVIEW «



*In discussion (L-r): Mr Peter Knight, Chief Executive Officer, NEPA; the Hon. Robert Pickersgill, Minister of Water, Land, Environment and Climate Change; Ms Claire Bernard, Director, Sustainable Development & Regional Planning Division, PIOJ; Mr Alwin Hayle, Permanent Secretary, Ministry of Water, land, Environment & Climate Change; Mr Donovan Stanbury, Permanent Secretary, Ministry of Agriculture & Fisheries; and Mr Jeffrey Spooner, Acting Director, Meteorological Service, UNFCCC Focus*



*A cross section of the audience listen attentively during the Labour Market Forum in December, held at the Jamaica Conference Centre*



*The Tivoli dancers perform during World Population Day in July at the Emancipation Park*



*Ms Barbara Scott (left), Director, External Cooperation Management takes the signed document from the Hon. Lisa Hanna, Minister of Youth & Culture, Ministry of Youth & Culture (centre) during the signing of the Country Programme Action Plan (CPAP) in May at the PIOJ. Mr Robert Fuderich (2nd left) Representative, UNICEF and Mr Robert Martin (right), Permanent Secretary, Ministry of Youth & Culture look on*



Programme Associate, Ms Charmaine Brimm (left), Community Renewal Programme, PIOJ, peruses her notes during discussions on the Pilot—Majesty Gardens Renewal Project with representatives from various Ministries, Agencies and NGOs. The meeting was held in July, at the PIOJ



Mrs Kadian Christie (left), informs members of the public who visited the PIOJ/Vision 2030 Jamaica booth, about the goals of Vision 2030 Jamaica-National Development Plan at the Independence Village Expo, National Arena, in June



(l-r) Jermaine Hall, PIOJ vies with representatives from INDECOM, Statistical Institute of Jamaica and Ministry of Finance during the PIOJ's Jubilee Games held at the Institute in August



Members of the PIOJ staff end their routine after the Cheerleading competition during the PIOJ's Jubilee Games in August



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258 • +  
326 • +  
358 • +  
346 • +  
32987 • +  
365853 • +  
1,547,543 • +  
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1,456,754 • +

12 • +  
68 • +  
487 • +  
384 • +  
874 • +  
875 • +  
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PLANNING INSTITUTE OF JAMAICA

AUDITED

# FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

**THE PLANNING INSTITUTE OF JAMAICA**  
**YEAR ENDED DECEMBER 31, 2012**

**CONTENTS**

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## INDEPENDENT AUDITORS' REPORT

To the members of

THE PLANNING INSTITUTE OF JAMAICA

### Report on the financial statements

We have audited the financial statements of The Planning Institute of Jamaica (the Institute), set out on pages 2 to 30, which comprise the statement of financial position as at December 31, 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

#### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Report on the financial statements (Cont'd)

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Institute as at December 31, 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

  
Chartered Accountants

Kingston, Jamaica,  
April 18, 2013

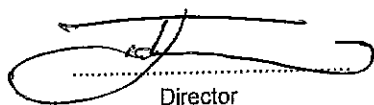
## THE PLANNING INSTITUTE OF JAMAICA

## STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2012

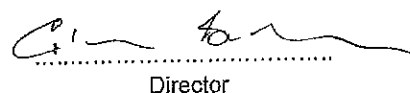
	<u>Notes</u>	<u>2012</u> \$'000	<u>2011</u> \$'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property and equipment	6	374,748	388,199
Retirement benefit asset	7	148,837	110,384
Long-term receivables	8	<u>1,267</u>	<u>1,874</u>
		<u>524,852</u>	<u>500,457</u>
<b>Current assets</b>			
Inventories	9	5,389	5,413
Receivables and prepayments	10	24,976	29,538
Cash and bank balances	11	<u>174,755</u>	<u>185,868</u>
		<u>205,120</u>	<u>220,819</u>
<b>Total assets</b>		<u>729,972</u>	<u>721,276</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
Government contribution to equity	12	353	353
Accumulated surplus		<u>221,829</u>	<u>168,475</u>
		<u>222,182</u>	<u>168,828</u>
<b>Non-current liabilities</b>			
Deferred income	13	<u>366,746</u>	<u>381,007</u>
<b>Current liabilities</b>			
Owed to projects	14	58,501	92,082
Payables and accruals	15	<u>82,543</u>	<u>79,359</u>
		<u>141,044</u>	<u>171,441</u>
<b>Total equity and liabilities</b>		<u>729,972</u>	<u>721,276</u>

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

The financial statements on Pages 2 to 30 were approved and authorised for issue by the Board of Directors on April 18, 2013, and are signed on its behalf by:



Director



Director



**THE PLANNING INSTITUTE OF JAMAICA**

**STATEMENT OF COMPREHENSIVE INCOME**

**YEAR ENDED DECEMBER 31, 2012**

	<u>Notes</u>	<u>2012</u> \$'000	<u>2011</u> \$'000
<b>INCOME</b>			
Government subventions	16	402,027	390,613
Interest income		4,822	3,477
Other income	17	<u>33,288</u>	<u>28,316</u>
		<u>440,137</u>	<u>422,406</u>
<b>EXPENSES</b>			
Staff costs	18	292,573	347,544
Property expenses		44,524	43,985
Consultancy and professional fees		2,183	2,830
Depreciation		30,371	30,998
Other operating expenses		<u>17,132</u>	<u>13,329</u>
		<u>386,783</u>	<u>438,686</u>
<b>NET SURPLUS (DEFICIT) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>53,354</u>	( <u>16,280</u> )

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

**THE PLANNING INSTITUTE OF JAMAICA**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED DECEMBER 31, 2012**

	Government Contributions to Equity \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at January 1, 2011	<u>353</u>	<u>184,755</u>	<u>185,108</u>
<i>Deficit and Total comprehensive income for the year</i>	<u>-</u>	<u>( 16,280)</u>	<u>( 16,280)</u>
Balance at December 31, 2011	<u>353</u>	<u>168,475</u>	<u>168,828</u>
<i>Surplus and Total comprehensive income for the year</i>	<u>-</u>	<u>53,354</u>	<u>53,354</u>
Balance at December 31, 2012	<u>353</u>	<u>221,829</u>	<u>222,182</u>

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

## THE PLANNING INSTITUTE OF JAMAICA

## STATEMENT OF CASH FLOWS

## YEAR ENDED DECEMBER 31, 2012

	<u>Note</u>	<u>2012</u> \$'000	<u>2011</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net surplus (deficit)		53,354	( 16,280)
Adjustments for:			
Loss (gain) on disposal of property and equipment		24	( 107)
Adjustment to property and equipment		-	3
Foreign exchange adjustment		( 228)	( 14)
Deferred income		( 14,261)	( 14,230)
Depreciation of property and equipment		30,371	30,998
Interest income		( 4,822)	( 3,477)
Retirement benefit plan (credit) charge		( 22,777)	61,097
Operating cash flows before movement in working capital		41,661	57,990
Decrease in inventories		24	135
Decrease in receivables and prepayments		4,013	355
(Decrease) increase in owed to projects		( 33,581)	40,956
Increase in payables and accruals		<u>3,184</u>	<u>6,489</u>
Cash provided by operating activities		15,301	105,925
Contributions to retirement benefit plan		( 15,676)	( 14,168)
Net cash (used in) provided by operating activities		( <u>375</u> )	<u>91,757</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		4,771	3,477
Acquisition of property and equipment		( 16,944)	( 4,925)
Long-term receivables (net)		1,156	1,139
Proceeds on sale of property and equipment		<u>-</u>	<u>107</u>
Cash used in investing activities		( <u>11,017</u> )	( <u>202</u> )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital grant received		<u>-</u>	<u>1,790</u>
Cash provided by investing activities		<u>-</u>	<u>1,790</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		( 11,392)	93,345
<b>OPENING CASH AND CASH EQUIVALENTS</b>		185,775	92,416
Effect of foreign exchange rate changes		<u>228</u>	<u>14</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	11	<u>174,611</u>	<u>185,775</u>

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

# THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

### 1 IDENTIFICATION

#### 1.1 General information

The Planning Institute of Jamaica (the Institute) was established as a body corporate under the Planning Institute of Jamaica Act on April 9, 1984. The registered office of the Institute since April 2008 is at 16 Oxford Road, Kingston 5, Jamaica. Prior to that the registered office was located at 10-16 Grenada Way, Kingston 5, Jamaica.

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

#### 1.2 Principal activities

The objectives of the Institute include:

- (i) initiation and co-ordination of planning for economic, financial, social, cultural and physical development of Jamaica;
- (ii) monitoring the implementation of plans so initiated or co-ordinated;
- (iii) consultancy activities for Government Ministries, Agencies and Statutory Bodies;
- (iv) management of technical co-operation agreement programmes.

#### 1.3 Reporting currency

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

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

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

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

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

#### 2.2 ***New and revised IFRS applied with no effect on the financial statements***

***Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (annual periods beginning on or after July 1, 2011)***

The amendments:

- Replace references to a fixed date of 'January 1, 2004' with 'the date of transition to IFRS, thus eliminating the need for companies adopting IFRS for the first time to restate derecognition transactions that occurred before the date of transition to IFRS.
- Provide guidance on how an entity should resume presenting financial statements in accordance with IFRS after a period when the entity was unable to comply with IFRS because its functional currency was subject to severe hyperinflation.

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)  
(Cont'd)2.2 *New and revised IFRS applied with no effect on the financial statements (Cont'd)****Amendments to IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets (annual periods beginning on or after July 1, 2011)***

- The amendments increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

***Amendments to IAS 12 Income Taxes: Deferred - Tax Recovery of Underlying Assets (annual periods beginning on or after January 1, 2012)***

- Under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes unless the presumption is rebutted.

2.3 *New and revised IFRS in issue but not yet effective*

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

		Effective for annual periods beginning on or after
<u>New Standards</u>		
IFRS 9	Financial Instruments	
	- Classification and Measurement of financial assets	January 1, 2015
	- Accounting for financial liabilities and derecognition	January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint Arrangements	January 1, 2013
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurement	January 1, 2013
<u>Revised Standards</u>		
IAS 1	Presentation of Financial Statements	
	- Amendments to revise the way other comprehensive income is presented	July 1, 2012
IFRS 1	First-time Adoption of International Financial Reporting Standards:	
	- Amendment addressing how a first-time adopter would account for a Government loan with a below market rate of interest when transitioning to IFRS	January 1, 2013



## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

		Effective for annual periods beginning on or after
<u>Revised Standards</u> (Cont'd)		
IFRS 7	Financial Instruments: Disclosures <ul style="list-style-type: none"> <li>- Amendments requiring disclosures about the initial application of IFRS 9</li> <li>- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities</li> </ul>	(i)  (ii)
IFRS 10	Consolidated financial statements <ul style="list-style-type: none"> <li>- Amendment to provide additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period</li> <li>- Amendment providing 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial instruments of <i>IAS 39 Financial Instruments: Recognition and Measurement</i></li> </ul>	January 1, 2013  January 1, 2014
IFRS 11	Joint Arrangements <ul style="list-style-type: none"> <li>- Amendment eliminating the requirement to provide comparative information for periods prior to the immediately preceding period</li> </ul>	January 1, 2013
IFRS 12	Disclosure of Interests in Other Entities <ul style="list-style-type: none"> <li>- Amendment eliminating the requirement to provide comparative information for periods prior to the immediately preceding period</li> <li>- Amendment requiring additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries</li> </ul>	January 1, 2013  January 1, 2014
IAS 19	Employee Benefits <ul style="list-style-type: none"> <li>- Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects</li> </ul>	January 1, 2013

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

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

		Effective for annual periods beginning on or after
<u>Revised Standards</u>		
(Cont'd)		
IAS 27	Consolidated and Separate Financial Statements	
	- Reissued as IAS 27 <i>Separate Financial Statements</i>	January 1, 2013
	- Amendment requiring an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated)	January 1, 2014
IAS 28	Investments in Associates	
	- Reissued as IAS 28 <i>Investments in Associates and Joint Ventures</i>	January 1, 2013
IAS 32	Financial Instruments: Presentation	
	- Amendments to application guidance on the offsetting of financial assets and financial liabilities	January 1, 2014
IFRS 1, IAS 1, 16, 32 and 34	Amendments resulting from Annual Improvements 2009-2011 cycle: Repeat application, borrowing costs; comparative information; servicing equipment; tax effect of equity distributions; interim reporting of segment assets - respectively	January 1, 2013
<u>New and Revised Interpretations</u>		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013
(i)	Annual periods beginning on or after January 1, 2015 (or otherwise when IFRS 9 is first applied)	
(ii)	Annual periods beginning on or after January 1, 2013 and interim periods within those periods	

2.4 *New and revised IFRS in issue but not yet effective that are relevant*

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

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

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2012

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)  
(Cont'd)2.4 *New and revised IFRS in issue but not yet effective that are relevant (Cont'd)*

Key requirements of IFRS 9 are as follows:

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

The directors anticipate that on adoption, the standard will not have a significant impact on the amounts reported.

- IFRS 13 *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013, with earlier application permitted) establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 *Financial Instruments: Disclosures* will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The directors have not yet performed an assessment of the impact of this standard.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

2.4 *New and revised IFRS in issue but not yet effective that are relevant (Cont'd)*

- The amendments to IAS 1 *Presentation of items of other comprehensive income (effective for annual periods beginning on or after July 1, 2012 with earlier application permitted)* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

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

- *Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures*

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to IFRS 7 requires entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after January 1, 2014, with retrospective application required.

The directors anticipate that the application of these amendments to IAS 32 and IFRS 7 will not have a significant impact but may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in future periods.

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

## THE PLANNING INSTITUTE OF JAMAICA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

##### 2.4 *New and revised IFRS in issue but not yet effective that are relevant (Cont'd)*

- IAS 19 (Cont'd)

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

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

- *Annual Improvements to IFRSs 2009 - 2011 Cycle Issued in May 2012*

The Annual Improvements to IFRS 2009 - 2011 Cycle include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013. Amendments to IFRSs include:

- amendments to IAS 16: *Property, Plant and Equipment*

##### Amendments to IAS 16

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. The directors do not anticipate that the amendments to IAS 16 will have a significant effect on the Institute's financial statements.

#### 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).



# THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

### 4 SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 *Statement of compliance*

The Institute's financial statements have been prepared in accordance, and comply with International Financial Reporting Standards (IFRS).

#### 4.2 *Basis of preparation*

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

#### 4.3 *Property and equipment*

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

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

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.

#### 4.4 *Impairment of tangible assets*

At the end of each reporting year, the Institute reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

# THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

#### 4.4 *Impairment of tangible assets (Cont'd)*

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

#### 4.5 *Employee benefit costs*

##### Pension obligations

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

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

#### 4.6 *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 realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

#### 4.7 *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.

#### 4.8 *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.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

4 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.8 *Financial assets (Cont'd)*

4.8.1 Loans and receivables

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.

4.8.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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.

4.8.3 Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

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

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

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**

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

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

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

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

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

**4.8.4 Derecognition of financial assets**

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

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

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.

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

**4.9.1 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.

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**

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

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

**4.9.2 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.

**4.9.3 Financial liabilities**

**4.9.3.1 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.

**4.9.3.2 *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.

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

A party is related to the Institute if:

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

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

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

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**

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

**4.11 *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 is 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.

**4.12 *Revenue recognition***

**4.12.1 *Government grants***

The Institute's policy for recognition of revenue from Government grants is described in Note 4.11 above.

**4.12.2 *Rental income***

The Institute's policy for recognition of revenue from operating leases is described in Note 4.13 below.

**4.12.3 *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.

**4.12.4 *Building management fees***

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

**4.13 *Leasing***

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

**4.13.1 *The Institute as lessor***

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



## THE PLANNING INSTITUTE OF JAMAICA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

##### 4.14 *Foreign currencies*

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

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

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

#### 5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

##### 5.1 **Critical judgments in applying accounting policies**

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

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

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

###### 5.2.1 *Retirement benefits*

As disclosed in Note 7, the Institute operates a defined benefit pension plan. The retirement benefit asset disclosed in the statement of financial position \$148.837 million (2011: \$110.384 million) in respect of the defined benefits plan is subject to estimates in respect of periodic costs which costs are dependent on returns on assets, future discount rates, rates of salary increases and inflation rate in respect of the pension plan.

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

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

The effect of experience adjustments on the Plan assets and liabilities are disclosed in Note 7.

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2012

## 6 PROPERTY AND EQUIPMENT

	Freehold <u>Building</u> \$'000	Leasehold <u>Improvements</u> \$'000	Furniture, Fixtures <u>and Equipment</u> \$'000	Motor <u>Vehicles</u> \$'000	<u>TOTAL</u> \$'000
<b>Cost</b>					
January 1, 2011	410,846	10,448	152,302	6,141	579,737
Additions (government subventions)	-	-	3,135	-	3,135
Additions (capital grants)	-	-	1,790	-	1,790
Adjustment	-	( 23)	-	-	( 23)
Disposal	-	-	( 155)	-	( 155)
December 31, 2011	410,846	10,425	157,072	6,141	584,484
Additions	2,081	-	10,585	4,278	16,944
Disposal	-	-	( 5,748)	-	( 5,748)
December 31, 2012	<u>412,927</u>	<u>10,425</u>	<u>161,909</u>	<u>10,419</u>	<u>595,680</u>
<b>Depreciation</b>					
January 1, 2011	41,921	9,896	108,152	5,493	165,462
Charge for year	10,271	346	19,784	597	30,998
Adjustment	-	( 20)	-	-	( 20)
Disposal	-	-	( 155)	-	( 155)
December 31, 2011	52,192	10,222	127,781	6,090	196,285
Charge for year	10,279	203	19,588	301	30,371
Disposal	-	-	( 5,724)	-	( 5,724)
December 31, 2012	<u>62,471</u>	<u>10,425</u>	<u>141,645</u>	<u>6,391</u>	<u>220,932</u>
<b>Carrying Amount</b>					
December 31, 2012	<u>350,456</u>	<u>-</u>	<u>20,264</u>	<u>4,028</u>	<u>374,748</u>
December 31, 2011	<u>358,654</u>	<u>203</u>	<u>29,291</u>	<u>51</u>	<u>388,199</u>

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

Building	-	40 years
Leasehold improvements	-	3 years
Furniture, fixtures and equipment (including computer equipment)	-	5 - 10 years
Motor vehicles	-	3 years

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2012

## 7 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, 2012 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.

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

	<u>2012</u>	<u>2011</u>
Gross discount rate	10.5%	10%
Expected return on assets	9.5%	7%
Expected rate of salary increases	7%	6%
Future pension increases	5%	4%
Inflation	6%	5%

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Present value of defined benefits obligations	(468,753)	(418,856)
Fair value of plan assets	<u>753,611</u>	<u>695,164</u>
	284,858	276,308
Unrecognised actuarial losses	( 15,612)	( 19,456)
Assets not recognised due to limitation in paragraph 58 of IAS 19	<u>(120,409)</u>	<u>(146,468)</u>
Net asset in the statement of financial position	<u>148,837</u>	<u>110,384</u>

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Current service cost	15,831	17,582
Interest costs	37,252	40,578
Expected return on plan assets	( 49,801)	( 51,647)
Recognised loss	-	1,913
Recognised past service cost	-	248
Increase in unrecognised asset	<u>( 26,059)</u>	<u>52,423</u>
Total included in employee benefit costs (Note 18)	<u>( 22,777)</u>	<u>61,097</u>
Actual return on plan assets	<u>52,568</u>	<u>101,466</u>

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

## 7 RETIREMENT BENEFIT ASSET (Cont'd)

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Opening balance	110,384	157,313
Amounts credited (charged) to income	22,777	( 61,097)
Contributions paid	<u>15,676</u>	<u>14,168</u>
Closing balance	<u>148,837</u>	<u>110,384</u>

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Opening defined benefit obligations	418,856	417,208
Service cost	15,831	17,582
Interest cost	37,252	40,578
Members' contributions	8,985	7,888
Value of annuities purchased	9,424	29,497
Benefits paid	( 19,522)	( 23,417)
Actuarial gain	<u>( 2,073)</u>	<u>( 70,480)</u>
Closing defined benefit obligations	<u>468,753</u>	<u>418,856</u>

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Opening fair value of plan assets	695,164	574,521
Members' contributions	8,985	7,888
Employer's contributions	15,676	14,168
Value of annuities purchased	9,424	29,497
Expected return on plan assets	49,801	51,647
Benefits paid	( 19,522)	( 23,417)
Actuarial (loss) gain	<u>( 5,917)</u>	<u>40,860</u>
Closing fair value of plan assets	<u>753,611</u>	<u>695,164</u>

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

## 7 RETIREMENT BENEFIT ASSET (Cont'd)

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Equity fund	226,963	234,435
Fixed income fund	183,716	181,178
Foreign exchange fund	105,295	94,055
Mortgage and real estate fund	112,040	96,438
Money market fund	24,940	23,286
Other	<u>100,657</u>	<u>65,772</u>
Fair value of plan assets	<u>753,611</u>	<u>695,164</u>
Expected rate of return	<u>9.5%</u>	<u>7%</u>

The overall expected rate of return of 9.5% (2011: 7%) on plan assets was based on market expectation of inflation of 6% (2011: 5%) plus a margin for real returns 2% (2011: 2%) on a balanced portfolio of equities, bonds and property.

The history of experience adjustments is as follows:

	<u>2012</u> \$'000	<u>2011</u> \$'000	<u>2010</u> \$'000	<u>2009</u> \$'000	<u>2008</u> \$'000
Present value of defined benefit obligation	(468,753)	(418,856)	(417,208)	(196,421)	(238,248)
Fair value of plan assets	<u>753,611</u>	<u>695,164</u>	<u>574,521</u>	<u>489,469</u>	<u>412,214</u>
Fund surplus	284,858	276,308	157,313	293,048	173,966
Experience adjustments on plan liabilities	( 2,073)	( 70,480)	178,564	85,622	13,515
Experience adjustments on plan assets	5,917	( 40,860)	( 12,636)	( 8,778)	78,778

The Institute expects to make a contribution of \$27.1 million (2012: \$21.6 million) to the defined benefit plan during the next financial year.

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

## 8 LONG-TERM RECEIVABLES

(a) These include:

	<u>2012</u> \$'000	<u>2011</u> \$'000
Staff loans receivable (Note 8(b))	3,056	4,212
Less: current portion of staff loans in receivable (Note 10.2)	<u>(1,789)</u>	<u>(2,338)</u>
	<u>1,267</u>	<u>1,874</u>



**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**

**8 LONG-TERM RECEIVABLES (Cont'd)**

- (b) Staff loans are in relation to advances for purchase of motor vehicles which are secured by bills of sale on the motor vehicles and are recoverable by installments. Interest on these loans range from 5% to 8% per annum and have a tenure of five years.

**9 INVENTORIES**

These include:

	<u>2012</u> \$'000	<u>2011</u> \$'000
Publications held for sale	<u>5,389</u>	<u>5,413</u>

The cost of inventories recognised as an expense during the year was \$1.229 million (2011: \$1.610 million).

**10 RECEIVABLES AND PREPAYMENTS**

10.1 These include:

	<u>2012</u> \$'000	<u>2011</u> \$'000
Maintenance fees	9,211	5,440
Trade receivable (sale of publications)	225	198
Prepayments and deposits	1,270	3,365
Other receivables (Note 10.2)	<u>14,270</u>	<u>20,535</u>
	<u>24,976</u>	<u>29,538</u>

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

Trade debtors are past due at the reporting date. However, the Institute considers these amounts are recoverable based on the credit quality of the amounts outstanding. The Institute does not hold any collateral over these balances. The average age of these receivables is 90 days (2011: 90 days).

10.2 Other receivables include:

	<u>2012</u> \$'000	<u>2011</u> \$'000
Subvention receivable	-	5,971
Receivable from Government Ministries	4,751	4,621
Advances to staff	5,090	5,001
Withholding tax recoverable	1,241	1,397
Current portion of long-term receivables (Note 8)	1,789	2,338
Other	<u>1,399</u>	<u>1,207</u>
	<u>14,270</u>	<u>20,535</u>

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

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**

**11 CASH AND BANK BALANCES**

11.1 Cash and bank balances comprise the following:

	<u>2012</u> \$'000	<u>2011</u> \$'000
Funds held for administration and resource management	87,819	85,246
Funds held for special projects	69,576	91,145
Building maintenance fund	<u>17,216</u>	<u>9,384</u>
Cash and cash equivalents	174,611	185,775
Interest accrued	<u>144</u>	<u>93</u>
	<u>174,755</u>	<u>185,868</u>

11.2 Bank deposits include interest bearing accounts totalling \$148.6 million (2011: \$174.9 million), including a foreign currency deposit amounting to \$3.4 million (US\$37,931) (2011: \$1.5 million (US\$17,472)). Interest on local currency deposits are at rates ranging between 1.5% and 5.5% (2011: 1.5% to 6.25%) per annum and foreign currency deposit at a rate of 0.05% (2011: 1%) per annum.

11.3 Funds being held in bank accounts in the name of the Institute but which are not accounted for in these financial statements (see Note 3) amounted to approximately \$289.6 million at December 31, 2012 (2011: \$302.1 million). The funds held in these bank accounts include funds received from overseas agencies for special projects.

**12 GOVERNMENT CONTRIBUTION TO EQUITY**

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

**13 DEFERRED INCOME**

This represents value of property and equipment (net of depreciation) acquired from special grants received for such purposes (see also Note 4.11).

	<u>2012</u> \$'000	<u>2011</u> \$'000
Balance at beginning of year	381,007	393,447
Grants received	-	1,790
Transferred to income (see Note 17)	<u>( 14,261)</u>	<u>( 14,230)</u>
Balance at end of year	<u>366,746</u>	<u>381,007</u>

**14 OWED TO PROJECTS**

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

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

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**

**15 PAYABLES AND ACCRUALS**

	<u>2012</u>	<u>2011</u>
	<u>\$'000</u>	<u>\$'000</u>
Rent payable	1,558	1,558
Short-term employee benefits	43,556	43,401
Government of Jamaica/European Union Credit Scheme	6,462	6,462
Accruals and other payables	<u>30,967</u>	<u>27,938</u>
	<u>82,543</u>	<u>79,359</u>

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

**16 GOVERNMENT SUBVENTIONS**

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

**17 OTHER INCOME**

	<u>2012</u>	<u>2011</u>
	<u>\$'000</u>	<u>\$'000</u>
Rental income	14,399	9,371
Building management fees	2,622	2,402
Profit on sale of publications	597	264
Contributions - Special projects	-	239
Deferred income (see Note 13)	14,261	14,230
Other	<u>1,409</u>	<u>1,810</u>
	<u>33,288</u>	<u>28,316</u>

**18 STAFF COSTS**

	<u>2012</u>	<u>2011</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and allowances	289,269	259,275
Statutory contributions	10,424	9,809
Retirement benefit plan charge (Note 7.3)	( 22,777)	61,097
Accrued vacation benefits	1,915	5,685
Other staff cost	<u>13,742</u>	<u>11,678</u>
	<u>292,573</u>	<u>347,544</u>

**19 RELATED PARTY TRANSACTIONS AND BALANCES**

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

	<u>2012</u>	<u>2011</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and allowances including statutory contributions	<u>48,491</u>	<u>43,323</u>

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

**THE PLANNING INSTITUTE OF JAMAICA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**

**20 COMMITMENTS**

Capital commitments

	<u>2012</u> \$'000	<u>2011</u> \$'000
For acquisition of equipment	4,300	8,920
Building improvements	<u>-</u>	<u>4,137</u>
	<u>4,300</u>	<u>13,057</u>

**21 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 at the expiring of the lease period.

Non-cancellable operating lease receivables are as follows:

	<u>2012</u> \$'000	<u>2011</u> \$'000
No later than 1 year	13,823	14,399
Later than 1 year and no longer than 5 years	59,159	59,774
Later than 5 years	<u>-</u>	<u>13,208</u>
	<u>72,982</u>	<u>87,381</u>

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

**22.1 Capital risk management**

The Institute manages its capital to ensure that the entity will be able to continue as a going concern. The Institute is a Government owned entity and its operations are funded by the Government of Jamaica. The Board of Directors is responsible to obtain adequate funding from the Government of Jamaica for its operations to ensure that the Institute meets its operational objectives and remains a viable entity. The Institute's overall capital risk management strategy remains unchanged from 2011.

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

**22.2 Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 3 to the financial statements.

**22.3 Categories of financial instruments**

	<u>2012</u> \$'000	<u>2011</u> \$'000
Financial assets (at amortised cost)		
Loans and receivables (including cash and bank balances)	<u>199,612</u>	<u>213,562</u>
Financial liabilities (at amortised cost)		
Other financial liabilities	<u>88,546</u>	<u>104,098</u>

## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

## 22.4 Financial risk management objectives

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

The annual budgeting exercise and the 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.

## 22.5 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Institute. The Institute's principal financial assets are cash and bank balances, receivable and long-term receivables. The credit risk on cash and bank balances is limited as the Institute minimises this risk by seeking to limit its obligations to substantial financial institutions. In respect of receivables the risk is minimised by extending credit to 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.

## 22.6 Liquidity risk management

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

The table below summarises the Institute's remaining contractual maturities for the financial assets and financial liabilities.

	Weighted Average Effective Rate %	2012			Total \$'000
		Less than 1 Month \$'000	1 to 12 Months \$'000	Over 12 Months \$'000	
<b>Financial assets</b>					
Long-term receivables	8.5	-	1,941	1,482	3,423
Receivables	-	21,801	-	-	21,801
Cash and bank deposits	4	175,106	-	-	175,106
		<u>196,907</u>	<u>1,941</u>	<u>1,482</u>	<u>200,330</u>
<b>Financial liabilities</b>					
Payables	-	30,045	-	-	30,045
Owed to projects	-	-	58,501	-	58,501
		<u>30,045</u>	<u>58,501</u>	<u>-</u>	<u>88,546</u>



## THE PLANNING INSTITUTE OF JAMAICA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

## 22.6 Liquidity risk management (Cont'd)

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

## 22.7 Market risk

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

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

## 22.8 Foreign currency risk management

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

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Cash and bank deposits - United States dollars	<u>3,425</u>	<u>1,479</u>

## 22.8.1 Foreign currency sensitivity analysis

The Institute's deposits are exposed to the United States dollar. The Institute's sensitivity to a 1% revaluation or 10% devaluation (2011: 1% revaluation or 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 10% devaluation (2011: 1% revaluation or devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J\$0.034 million or an increase of J\$0.343 million in net surplus (2011: decrease or increase in net surplus J\$0.015 million).

The foreign currency sensitivity has increased due to the increase in deposits held in foreign currency.

THE PLANNING INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

22.9 *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 22.6).

Interest rate sensitivity analysis

Interest rate sensitivity have been determined based on the exposure to interest rates for the Institute's bank deposits at the end of the reporting year as these are substantially the interest sensitive instrument impacting financial results. For floating rate deposits, the analysis assumes the amount of asset outstanding at year end was outstanding for the whole year. An increase/decrease of 4%/1% on Jamaican dollar (J\$) deposits and 2.5%/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 2011 the assumption was a 0.5% increase or decrease.

If market interest rates had been 4% higher or 1% lower on J\$ deposits and 2.5% higher or 0.5% lower on US\$ deposits (2011: 0.5% higher or lower) and all other variables were held constant:

	2012 \$'000	2011 \$'000
Effect on net surplus increase 4% (J\$ deposit)	5,808	-
Effect on net surplus decrease 1% (J\$ deposit)	(1,452)	-
Effect on net surplus increase 2.5% (US\$ deposit)	86	-
Effect on net surplus decrease 0.5% (US\$ deposit)	( 17)	-
Effect on net surplus increase/decrease of 0.5%	-	875

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

22.10 *Fair value of financial instruments*

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available for some of the financial assets and liabilities of the group, the fair values in the financial statements have been presented using various estimation techniques based on market conditions existing at the end of the reporting year. Generally, judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Institute would realise in a current market exchange.

The following methods and assumptions have been used:

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

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

Our examination of the financial statements of the Institute for the year ended December 31, 2012 was intended primarily for the purpose of formulating an opinion on those financial statements taken as a whole. The additional information presented in page 2 has been taken primarily from accounting and other records of the Institute and is not necessary to give a true and fair view of the financial position of the Institute at December 31, 2012 or of its financial performance and cash flows for the year then ended. Such information has not been subjected to sufficient tests and other auditing procedures to enable us to express an opinion as to the fairness of all the details included therein and accordingly we do not express an opinion on the additional information.

  
Chartered Accountants

Kingston, Jamaica,  
April 18, 2013

## THE PLANNING INSTITUTE OF JAMAICA

## OPERATING EXPENSES

## YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> \$'000	<u>2011</u> \$'000
Staff costs		
Salaries and allowances	244,808	220,959
Retirement benefits plan charge	( 22,777)	61,097
Travelling and motor vehicle upkeep	44,461	38,316
Statutory contributions	10,424	9,809
Staff welfare and subsistence	13,742	11,678
Accrued vacation	<u>1,915</u>	<u>5,685</u>
	<u>292,573</u>	<u>347,544</u>
Property expenses		
Parking	1,615	1,211
Security	6,937	7,343
Utilities	20,571	19,082
Landscaping	452	424
Cleaning and maintenance	5,028	4,556
Insurance	4,138	4,582
Repairs and maintenance	5,681	6,677
Property tax	<u>102</u>	<u>110</u>
	<u>44,524</u>	<u>43,985</u>
Consultancy and other professional fees	<u>2,183</u>	<u>2,830</u>
Depreciation of property and equipment	<u>30,371</u>	<u>30,998</u>
Operating expenses		
Foreign travel	1,067	828
Entertainment	608	220
Motor vehicle expenses	1,580	1,715
Computer and supplies	5,850	4,117
Postage	58	166
Stationery and office supplies	3,198	2,288
Advertising, special events and publications	3,296	831
Other general expenses	<u>1,475</u>	<u>3,164</u>
	<u>17,132</u>	<u>13,329</u>
	<u>386,783</u>	<u>438,686</u>