



The Planning Institute of Jamaica



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MISSION

Statement

THE PLANNING INSTITUTE OF JAMAICA IS COMMITTED TO LEADING THE PROCESS OF POLICY FORMULATION ON ECONOMIC AND SOCIAL ISSUES AND EXTERNAL COOPERATION MANAGEMENT TO ACHIEVE SUSTAINABLE DEVELOPMENT FOR THE PEOPLE OF JAMAICA.

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



Mr Colin Bullock

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



Professor Brian Meeks

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



Professor Alvin Wint

Professor Wint has been appointed to the Board of Directors since November 1, 2007. He is Professor of International Business and Special Advisor on External Relations to the Vice-Chancellor of the University of the West Indies (UWI), Mona; Chairman, Statistical Institute of Jamaica; Selected Commissioner, Electoral Commission of Jamaica; Chairman, Caribbean Regional Investment Promotion Steering Committee; and Member, Coordinating Committee, National Partnership Council



Dr Pauline Knight

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

Board of Directors



Dr Ike Johnson

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



Mr Robert Wynter

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



Dr Joy Moncrieffe

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



Mr Everton McFarlane

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

Mr Devon Rowe (resigned May 2013)

Director General's Statement



MR COLIN BULLOCK
DIRECTOR GENERAL, PLANNING INSTITUTE OF JAMAICA

I assumed the position of Director General of the Planning Institute of Jamaica (PIOJ) on April 15, 2013, taking the baton from outgoing Acting Director General, Everton McFarlane. With the assistance of the dynamic and professional team at the PIOJ, and given my previous background in the public service, the transition from academia to being the head of the leading government agency for policy advice on economic, social and sustainable development issues was easier than I had expected. However, the position comes with many demands and challenges, and I had to hit the ground running. The initial focus was on ensuring that the Extended Fund Facility (EFF) arrangement with the International Monetary Fund (IMF) was finalized at the IMF staff level and ultimately approved by the Executive Board of the IMF. Board approval was achieved on May 1, 2013. The successful conclusion of the agreement with the IMF resulted in the resumption of budget support from our International Development Partners (IDPs) of approximately US\$300.00 million. These funds were very instrumental in supporting the reform agenda and infrastructure programme of the government.

Following on the agreement with the IMF, a major area of attention was to ensure that the quarterly IMF tests were successfully completed. In this regard, a large proportion of the Institute's work involved activities aimed at providing regular updates, projections and progress towards meeting

targets under the programme. The first quarterly assessment was successfully completed at the end of September, and the second at the end of December. The Institute also played a leading role in drafting the growth strategy section of the Memorandum of Economic and Financial Policies (MEFP) which articulates the programmes, plans and initiatives to be pursued under the EFF. Successive quarterly reviews required supplemental MEFPs which benefited from PIOJ's input ensuring the documents were consistent with the Growth Inducement Strategy and Vision 2030 Jamaica – National Development Plan.

As the foremost policy advisor to the Government of Jamaica, socio-economic research, Policy Briefs, Reports, Cabinet Submissions, Notes and Position Papers were prepared over the period. These covered areas such as: The Potential Socio-economic Impact of an IMF Agreement; the performance of the Jamaican Economy and Projections over the Medium-term; Inflation; Food and Nutrition Security Policy; National Spatial Plan; Caribbean Climate Risk Management Framework; Social Protection Priorities for Financial Year 2014/2015; National Policy and Plan of Action on International Migration and Development; Gender Issues, including the Underachievement of Boys and Vulnerability of Female-headed Households; and Impact Evaluation and Assessment of PATH.

The PIOJ also provided technical advice to a number of ministries, departments and agencies

(MDAs) through its participation on committees and working groups to review issues and assess the way forward. These included the Ministry of Agriculture, Forestry and Fishing on the development of Agro Parks; the Ministry of Transport, Works and Housing on the economic impact of the proposed Southern Coastal Highway; the Ministry of Industry, Investment and Commerce on the development of a logistics hub in Jamaica; the Child Development Agency on the National Plan of Action on Children and Violence; the Ministry of Labour and Social Security on exit strategy for welfare households; the Ministry of Education on school feeding policy; the Ministry of Water, Land, Environment and Climate Change on National Land Policy and Caribbean Climate Risk Management Framework. Ongoing policy advice to the government was provided through membership on the Infrastructure Subcommittee, Economic Programme Monitoring Committee and the Human Resources Committee of Cabinet.

Participating in initiatives to support the national growth agenda was a priority of the PIOJ during 2013. The PIOJ served as the National Focal Point for the Caribbean Growth Forum (CGF) project, including the staging of the launch of the CGF Jamaica Chapter at the CGF Workshop on May 2, and participation in the CGF Regional Workshop in the Bahamas from June 23 to 25. The PIOJ also ensured the alignment of the Growth Inducement Strategy, which was developed as a key initiative under Vision 2030 Jamaica, with the Medium Term Economic Programme FY 2013/2014–FY2015/2016 of the government, and with the Extended Fund Facility Arrangement with the IMF. In addition, the Growth Secretariat was established at the PIOJ on April 1, 2013 to spearhead the execution of a strategy aimed at improving the rate of growth of real Gross Domestic Product of the Jamaican economy over the medium-term. The PIOJ continued to partner with

other MDAs and the IDPs in ensuring various growth initiatives were being pursued and assisted with the coordination of the various initiatives of the government. The combined efforts of the public and private sectors, the IDPs, the PIOJ and the government resulted in some success as there was a return to growth, albeit not robust, in the economy during the end September and end December quarters and further growth is forecast for the remainder of the fiscal year.

The year 2013 was undoubtedly a challenging one for the PIOJ. The organization lost two of its stalwarts earlier in the year, resignations of key personnel affected work flows, and the Institute continued to operate within a tight resource envelope. Notwithstanding these difficulties, there were a number of major achievements in 2013 for the PIOJ.

The PIOJ is the National Secretariat for Vision 2030 Jamaica and work progressed on the objective of making “Jamaica, the place of choice to live, work, raise families, and do business.” Two stellar achievements were the completion and approval by Cabinet of the new Medium Term Socio-economic Policy Framework (MTF) which covers the period 2012–2015 and the development of the Vision 2030 Jamaica e-Dashboard of Indicators, which monitors the progress of implementation of the Plan.

The Community Renewal Programme Secretariat, which is housed at the PIOJ, commenced capacity building of 17 of the most volatile communities in Downtown Kingston. Phase 1 intervention included the Majesty Gardens Renewal Project and the Seaview Gardens Training Institute Project (subject to name change) aimed at preparing Jamaicans for employment under the Logistics Hub Initiative. Several partnerships were formed with MDAs and civil society groups. Two of the outcomes of these successful partnerships in 2013 were the execution of the Trench Town Trade and

Investment Fair and the Diaspora Youth Summit. The PIOJ was instrumental in the development of a comprehensive Social Protection Strategy for Jamaica. The strategy seeks to define the goals and objectives of an effective social protection system, and to propose a structured approach to interventions across the gamut of social welfare, social security and labour market initiatives. The Social Protection Strategy will guide the actions of government and Non-governmental Organizations (NGOs) communities in achieving the goal of effective social protection. In addition, a Poverty Reduction Coordinating Unit was established at the PIOJ in mid-December. The Unit represents the government's mechanism for poverty coordination through the implementation of a poverty reduction policy and related programmes consistent with the country's growth strategy.

The PIOJ continued to build and enhance the capabilities of the models and tools such as the Threshold 21 (T21) model; the Input-Output (I/O) model; the Econometrics model; and the Excel/Templates tool used to facilitate analysis of different policies and generate projections.

The PIOJ, through its External Cooperation Management Division, managed a combined portfolio of approximately US\$3.1 billion in grants, loans and technical assistance for public sector projects.

Other notable achievements during the year included the following:

- successful implementation of the Climate Change Adaptation and Disaster Risk Reduction Project and Phase II of the Risk and Vulnerability Assessment Methodology Development Project (RiVAMP II)
- formulation of a National Policy and Plan of Action on International Migration and Development
- negotiation of €22.0 million in grant for the reduction of maternal and child mortality
- participation in the 5th Biennial Jamaica Diaspora Conference 2013 in Montego Bay
- successful hosting of the eighth Dialogue for Development Lecture entitled, "Going for Growth in the Jamaican Economy in a Contractory Environment" and the sixth Labour Market Forum under the theme, "Reshaping the Jamaican Labour Market to Foster Economic Growth and Development"
- completion of a comprehensive report on Jamaica's Progress Towards Achieving the Millennium Development Goals, which will help Jamaica to identify areas of focus with respect to the UN goals, targets and indicators for the post 2015 development agenda
- finalisation and publication of the 2012 *State of the Jamaican Climate: Information for Resilience Building – Summary for Policy Makers*; and the *Socio-economic Disaster Impact Assessment Handbook for Jamaica*. The publications, which were produced by the PIOJ, examine how and why Jamaica's climate is known to vary, how it has changed historically and how it is likely to change through the end of the century.

I am impressed with the professionalism and technical capabilities of the PIOJ's staff during the nine months I have been at the Institute. This is why the PIOJ not only remains the chief advisor to the government on economic, social and environmental issues but its scope of work keeps expanding. I commend my colleagues on the work achieved in 2013 and look forward to continued collaboration of the Director General's Office on future projects in 2014. Finally, I could not end this message without expressing my tremendous appreciation to the Board of Directors who ably guided me when I became the new Director General and Chairman of the Board and expertly assisted me in overseeing the strategic, administrative and financial affairs of the Institute.



Directors of the Planning Institute of Jamaica



Mr Everton McFarlane
Director General (Actg.)
January 23–April 2013



Mr Colin Bullock
Director General
(Appointed April 2013)



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



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



Mr Kirk Philips
Deputy Director General,
Corporate Governance and
Management



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



Mr James Stewart
Director, Economic Planning,
Research and Policy Logistics



Mr Easton Williams
Director, Social Policy,
Planning and Research

■ Director General's Secretariat



The Director General (DG) is the head of the Planning Institute of Jamaica (PIOJ) and is responsible for the overall strategic, technical and managerial leadership of the organization. The DG ensures the PIOJ maintains an effective operational relationship at all levels. As Chairman of the Board, the DG provides oversight for the organization's governance and operational processes. The DG, with the support of senior members of management, ensures the timely, cost effective and efficient delivery of quality of goods and services to all stakeholders. The work of the Director General is supported by a Secretariat which comprises a Deputy Director General and administrative and technical support.

During 2013, the PIOJ through the Director General Secretariat (DGS) continued to provide policy advice to the Government of Jamaica (GOJ) on social, economic, environmental and external cooperation management issues. The DGS worked closely with the internal technical divisions as well as the various Ministries Departments and Agencies (MDAs) to provide robust policy advice to the leaders of the country and to ensure policy coherence and consistency. The main achievements of the DGS for the review year may be highlighted under four major areas:

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

POLICY AND PLANNING ADVICE

The DGS, in an effort to advance the work of the Institute worked closely with the internal technical divisions to provide the Government and other stakeholders with sound evidence-based advice on various socio economic and sustainable development issues. Of note, however, is the pivotal role the PIOJ played in the International Monetary Fund (IMF)/GOJ negotiations which began in 2012 and continued into the first quarter of 2013. With the support and input of the internal divisions the DGS prepared the growth strategy section of the Memorandum of Economic and Financial Policies (MEFP). The MEFP outlines the policies, programmes and initiatives to be pursued during the life of the EFF with the IMF. Additionally, the PIOJ, led by the DG was successful in ensuring the growth strategy component of the MEFP was aligned to the Cabinet approved Growth Inducement Strategy and Vision 2030 Jamaica – National Development Plan.

With the May 1, 2013 Board approval of a four-year EFF with IMF came additional responsibilities for the PIOJ. Specifically, the Institute was expected to be the custodian of the growth section of the programme, providing continuous performance updates, projection, identification of constraints and bottlenecks in addition to guidance regarding the continuous roll out of additional initiatives to spur growth. The DGS provided strategic oversight and leadership to this entire process and of critical

importance is the provision of a policy logistics platform ensuring policy coherence and consistency within the Institute and across various MDAs. The IMF fielded a mission team quarterly to meet with the various government authorities to discuss the programme performance and outlook. Each quarter the DG chaired a meeting with the IMF staff to discuss the progress of the growth targets with PIOJ colleagues and relevant government officials with implementation remit for the sections of the growth strategy. The DG and technical staff of the DGS also attended and actively participated in IMF meetings with the Minister of Finance and Planning and other government ministers.

The facilitation of strategic projects is an important component of the GOJ's growth strategy and PIOJ, led by the DGS, was a member of the multi-agency team tasked to identify strategic projects for investor facilitation and solicitation. The DGS, with the support of the technical staff from other divisions worked closely to prioritize and rank projects based on alignment to growth strategy, employment creation and linkages with other sectors.

The technical staff of the DGS, led by the DG attended various high level meetings and committees to provide policy advice on economic, social, environmental and external cooperation matters. These interactions included meetings with the Prime Minister, the Minister of Finance, his Cabinet colleagues and other senior government officials. Attendance at these and other high level meetings were supported by various policy briefs, notes and Cabinet submissions. The PIOJ, under the leadership of the DG, played an integral role in all the Cabinet retreats held during the review year. For each retreat the Institute provided the Cabinet with an update of the real sector, short-term prospects and most importantly the progress

of the various programmes and initiatives in the growth agenda. Other presentations made by the DG at Cabinet Retreat included Social Protection Strategy and fostering sustainable economic growth. The DG was also requested to join his colleague senior economic advisors to make presentations on progress under the IMF EFF and general performance of the economy to the Cabinet and various committees of Parliament. The technical staff of the DGS and other divisions provided support to the DG at these meetings. Policy advice as well as technical assistance and administrative oversight was also provided through the DG's and technical staff of the DGS membership on various boards of public sector entities, namely: Jamaica Social Investment Fund; Petro Caribe Fund; Financial Services Commission; Permanent Secretaries' Board; and the Statistical Institute of Jamaica.

The DG provides direct leadership and strategic oversight to three secretariats housed within the DGS which play pivotal roles in PIOJ supporting the planning and monitoring activities towards the country achieving inclusive sustainable growth and development. These secretariats are the Vision 2030 Jamaica, Community Renewal, and Growth Secretariats. The Vision 2030 Jamaica Secretariat continued to provide leadership during the fifth year of the 21 year implementation period of the Vision 2030 Jamaica - National Development Plan. During the year, there was continued institutionalization of the Plan in MDAs through the infusion into the corporate and operational plans of the MDAs and alignment to the national budget. Major achievements during the year included:

- Cabinet approval of the MTF for FY2012/2013 – FY2014/2015. The Vision 2030 Secretariat led the process for the development and completion of the MTF 2012–2015 which provides the strategic framework of development priorities at



Director General, PIOJ, Mr Colin Bullock (right), exchanges pleasantries with Neville Ying (left), Executive Director, Jamaica Diaspora Institute; Mr Chris Zacca, President, Private Sector Organization of Jamaica; and Prof. E. Nigel Harris, Vice Chancellor, The University of the West Indies, Mona, during the Caribbean Growth Forum, Jamaica chapter at the UWI, Regional Headquarters in May.

the national and sectoral levels for the three year period FY2012/2013 – FY2014/2015

- a draft three-Year Progress Report on Vision 2030 Jamaica for FY 2009/2010 – FY 2011/2012 was completed for review by stakeholders
- the development of an online interactive graphical e-Dashboard to monitor the progress of implementation of *Vision 2030 Jamaica*. This was achieved in collaboration with the JAM-STATS Unit, and UNICEF Jamaica, with technical consultancy services from the UN DevInfo Support Group.

The Community Renewal Programme (CRP) Secretariat which was established in 2011 continued the phased rolling out of the CRP during the review period. Work continued in Majesty Gardens, the first pilot implemented in 2012. The

Majesty Gardens pilot now operates with full implementation under the six pillars of the CRP coordinating framework. The first phase of the renewal in Majestic Gardens ended with the handover and occupation of 48 housing units for residents, the continued delivery of adult literacy and numeracy classes and various business development interventions and initiatives. The second phase of the Majesty Gardens intervention will begin in 2014. The second pilot project, Seaview Gardens intervention, underwent a change in direction with the re-introduction of an educational institute by the Ministry of Education. One of the key highlights for the CRP Secretariat was the January 2013 Cabinet approval of the CRP to work in 17 communities in the Downtown Kingston Area, and support the efforts of the Ministry of Local Government and Community Devel-

opment in the redevelopment of Downtown, Kingston. Through a coordinated and harmonized approach, several partnerships have been formed with MDA's and other civil society groups.

The Growth Secretariat became operational on April 1, 2013 following Cabinet's 2012 approval for the establishment of a secretariat to be housed at PIOJ to, among other things, support the coordination, implementation and monitoring of the various components of the Government's Growth Strategy, including the growth initiatives under the IMF EFF, and provide technical and analytical support for the continued build out of the growth agenda framework. The Secretariat facilitated the development of collaborative reporting and consultative mechanism on matters related to growth initiatives in order to avoid duplication of effort. A three-year programme of work has been established for the Secretariat with the following short-list of priorities which were established following the consultation of the DG chaired Public Private Administrative Board:

- The optimization of trade policy
- Development of a pre-investment analysis template and financing facility
- Structural reforms including development approvals, tax expenditure reform, probate reform
- Secured transaction and mobile banking reform
- Public education programme to facilitate reform agenda particularly with respect to increasing the effective access to finance.

The Secretariat worked closely with relevant MDAs throughout the year and provided robust technical support and active participation in various committees which were instrumental in advancing work in the following areas, among others:

- Government's reform of the tax expenditure system

- Plans to fast track the implementation of a project preparation facility by end FY2013/14 to support the privatization and Public-Private Partnership (PPP) initiatives being pursued by the GOJ
- Evaluations of proposals for consulting services to create and implement the monitoring and evaluation study of the Mobile Money for Microfinance (M3) project
- The passage of the secured interest in personal property bill and the establishment of a collateral registry.

Numerous position papers were completed during the year which informed the PIOJ's participation in various high level meetings on various issues. Of note is the comprehensive brief on the development approvals process which served to guide PIOJ's policy advice to the Government regarding priority areas of focus for the reform of the approval process.

EXTERNAL COOPERATION MANAGEMENT

Consistent with the Institute's mandate, the GOJ's negotiations with the International Development Partners (IDPs) and bilateral partners towards accessing external cooperation resources continued to be led by the PIOJ. At various times the negotiations were led by the DG and the DGS, with the operational and technical oversight provided by the PIOJ's External Cooperation and Management Division (ECMD). The year started with continued concerns regarding the delays in securing an IMF agreement which adversely impacted the flow of funds as Jamaica was unable to secure resources from some IDPs which relied on IMF assessment and surveillance reports to inform their opinion on the country's macro-economic status and eligibility for budget support. As

a senior member of the GOJ's negotiating team towards an IMF agreement, the DG led discussions with the IDPs providing updates on the progress of negotiations, growth agenda framework and elaborated the important role of the IDPs for the successful completion of negotiations and ultimate success of an IMF programme. Both prior to and post IMF Board approval, discussions surrounded likely triggers and timelines for the resumption of eligibility. The DG, supported by technical staff from the DGS and the ECMD, articulated the importance of external multilateral financing to augment limited GOJ resources to ensure the development reform programme was adequately financed. Continued discussions throughout the year bore fruit resulting in approximately US\$300 million disbursement in multilateral funding.

The DGS also played an active role in discussions surrounding the preparation of the development partners' country strategy and project documents ensuring their alignment with Vision 2030 Jamaica and the general short- to medium-term priorities of the Government. Given limited resources and the growth imperative underpin-

ning the EFF Agreement, aid effectiveness was also a priority on the agenda of discussions.

During the review period, the DG was a member of the GOJ delegation at the annual meetings of the IMF, the World Bank and the Inter-American Development Bank, and participated fully in GOJ missions to the IMF to continue discussions of the performance of the country under the EFF.

EXTERNAL MARKETING

Throughout the review period, the DG and the DGS technical staff participated and chaired various events with critical stakeholders in both the government and private sector on development issues of both national and international importance. Presentations geared towards providing socio-economic and sustainable information and raising awareness on the Institute's work were delivered locally, regionally and internationally. In particular the DG delivered various presentations on the GOJ's integrated growth strategy and the continued progress and roll-out of the various elements. The DG constantly highlighted the growth strategy's alignment with Vision 2030 Jamaica and

» Throughout the review period, the DG and the DGS technical staff participated and chaired various events with critical stakeholders in both the government and private sector on development issues of both national and international importance. Presentations geared towards providing socio-economic and sustainable information and raising awareness on the Institute's work were delivered locally, regionally and internationally

reinforced the message of the need for a holistic cross disciplinary approach to development if the country was to emerge from the historically known level of underperformance.

Of note, Mr Bullock delivered the XXVIII Aldith Brown Memorial Lecture focusing on “Caribbean Banking in the Context of Highly Indebted Caribbean Economy”. In addition, he chaired the Trade Agreements session at the 5th Biennial Jamaica Diaspora Conference 2013. The annual Dialogue for Development Lecture series, which was not held the past two years, recommenced during 2013. The theme of the lecture was “Going for Growth in the Jamaican Economy in a Contractary Environment”, presented by Mr Richard Byles, President and Chief Executive Office of Sagicor Life Jamaica Limited.

Consistent with PIOJ’s commitment to maintain adequate and timely information flow to the public, the DG continued to host quarterly economic press briefings. The primary objective was to update the media and the public about the recent performance of the domestic economy and provide near term projections. 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 and track Jamaica’s achievements towards Vision 2030 Jamaica. Of note during 2013, the DG’s presentation at the press conference included generally, updates on the Government’s continued implementation of key aspects of the Growth strategy and specifically with respect to targets established under the EFF.

GENERAL MANAGEMENT

During the year 2013, the Planning Institute of Jamaica (PIOJ) underwent a change of the guard.

In January, the PIOJ said goodbye and extended well wishes to Dr. Gladstone Hutchinson as head of the Institute who served for two and a half years. The departure of Dr Hutchinson resulted in the need to fill the position of Director General and Commander in chief of the Institute. During the search for a suitable replacement, Mr Everton McFarlane, then Deputy Director General (DDG), Economic Planning and Policy Logistics, graciously accepted the invitation to serve in the position for a period of approximately two months. During that time, Mr McFarlane led the Institute with the same level of style and professionalism that staff, MDAs, multilateral agencies have come to expect. After the tenure of Mr McFarlane, the Institute welcomed Mr Colin Bullock in April 2013. The post of DDG within the DGS became vacant (April-December 2013) as Mr McFarlane, after completing his stint as DG, was assigned to the Ministry of Finance and Planning.

The newly appointed DG, with the assistance of the management and Board of the PIOJ continued to provide general oversight for the management of the Institute and provided leadership to ensure the output of the Institute was at the highest standard. This was accomplished in part by the monthly Committee of Management and Board meetings.

As the Institute continues to improve its infrastructure and operations, emphasis was placed on the ongoing organisational review, ICT, governance, fiduciary and risk management, knowledge management and the strengthening of the customer service focal points. Keen attention was also given to the integration of human resource policies and practices in tandem with the new guidelines detailed in the recently concluded Heads of Agreement.

Policy and Planning

The formulation of policies, plans and programmes is vital to the 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. These divisions fall under one of four clusters – Economic Planning and Policy Logistics; Sustainable Development and Social Planning; External Cooperation Management and Project Development; and Corporate Management and Governance – each headed by a Deputy Director General.

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

During the year, the Institute continued its mandate of monitoring and evaluating macroeconomic and sectoral performance and providing timely

and suitable advice to the Government of Jamaica. In addition, the Institute also provided policy advice on trade and trade-related issues. These functions were carried out against the background of challenging economic conditions and the government's efforts to satisfy conditionalities of the International Monetary Fund. As a result, a large proportion of the work involved activities aimed at providing economic updates, projections and status of attaining targets under the IMF Extended Fund Facility to Jamaica.

The organization played an integral role in improving the effectiveness of policy and planning advice during 2013. This was done by making available weekly updates on developments in the global economy, particularly on international and domestic price movements to the weekly Post Cabinet Monitoring Committee as well as the preparation of monthly Inflation Reports. The PIOJ provided periodic updates on the performance of the economy and projections for the medium term; participated in economic review meetings with International Development Partners including consultations on recent economic development and projections; provided updates on the projects included in the medium-term Growth Strategy Matrix; and tracked the implementation of infrastructural related projects and submitted bi-monthly reports to the Infrastructure Subcommittee of Cabinet.

In keeping with the Institute's mandate of being the foremost policy advisor to the Government of Jamaica, the PIOJ prepared and provided several policy briefs and notes. The subject area for these briefs and notes were mainly on:

- Potential socio-economic impact of an IMF agreement
- The distributional impact of proposed GCT measures on consumption
- Assessment of the upside and downside risks associated with baseline growth projections
- Government's efforts at fostering growth facilitation and social protection
- Recent macroeconomic developments related to investment trends
- Socio-economic impact of FY 2013/14 budget
- Analysis on the movements in minimum wage to determine the potential impact on the inflation rate
- Potential socio-economic impact of the Tax Reform Initiative.

Technical advice was provided on several documents from Ministries, Departments and Agencies (MDAs) during the year. These documents included: Financial Sustainability of Jamaica National HIV/AIDS Programme; Travel and Tourism as a Driver of Economic Development in Jamaica; Financing Agreement for Tropical Storm Nicole Rehabilitation Programme; Measures for Climate Change Adaptation and Resilience in Selected Communities in the Upper Rio Minho Watershed; Informal definition Study; A Comprehensive Assessment of Jamaica's Progress Towards Achieving the Millennium Development Goals; World Bank Country Strategy Document; Water Sector Policy Review document; Public Sector Investment Programme Policy paper; Going for Growth in the Jamaican Economy in a Contractary Environment; Changes in Jamaica's

Poverty Rate – Jamaica Survey of Living Conditions; and Public Investment Management System.

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: the completion of a comprehensive report on Jamaica's Progress Towards Achieving the Millennium Development Goals, which will help Jamaica to identify areas of focus with respect to the UN goals, targets and indicators for the post-2015 development agenda; development of a comprehensive Social Protection Strategy for Jamaica; completion of a National Report on the Review and Appraisal of the Implementation of the Programme of Action (POA) of the International Conference on Population and Development, 1994–2014; advice to the Ministry of Finance and Planning on the development of the Public Sector Re-tooling Project; presentation on the Adequacy of the National Minimum Wage to the Minimum Wage Advisory Commission; hosting of the sixth annual Labour Market Forum under the theme "Reshaping the Jamaican Labour Market to Foster Economic Growth and Development"; and formulation of a National Policy and Plan of Action on International Migration and Development. A new unit was established within the Social Policy Planning and Research Division – the Poverty Reduction Coordinating Unit – which became operational in mid-December with the recruitment of a Programme Manager.

The provision of evidence-based policy and planning advice was realized through the conduct, analysis, promotion and dissemination of socio-economic research. In 2013, the following were accomplished:



(L-r) Mr James Stewart, Director, Economic Policy, Planning & Research Division; Mr Colin Bullock, Director General; and Mr Richard Lumsden, Programme Director, Plan Development Unit, from the PIOJ, prepare to respond to questions from the Media during the PIOJ's Quarterly Press Briefing.

- Ongoing policy advice provided to the government through membership on the Human Resources Committee of Cabinet
- Review and participation in consultations on the draft Medium-Term Socio-Economic Framework (MTF) for 2012–2015; Thematic Working Groups to coordinate and monitor the implementation of Vision 2030 Jamaica – National Development Plan in the areas of Health, Population, Education and Training, National Security and Governance
- Development of the Vision 2030 Jamaica e-Dashboard – the latest innovation that allows stakeholders to monitor the progress toward achieving national development goals. Contributions included: preparation and submission of mock-up for Phase II Vision 2030 e-Dashboard; provision of technical support at launch of the e-Dashboard; and sensitization of participants on functionality of the e-Dashboard
- Contributed to the development of an Action Plan for the Food and Nutrition Security Policy
- Finalized the draft Comprehensive Social Protection Strategy for Jamaica
- Contributed to the monitoring and evaluation of PATH through an Impact Evaluation and Targeting Assessment, and Defining a Graduation Strategy for the programme
- Provided guidance on gender issues, including the underachievement of boys and vulnerability of female-headed households; assumed chairmanship of the Gender Mainstreaming Committee and developed an Action Plan for gender mainstreaming
- Updated and reviewed the International Monetary Fund performance indicators

- Participated in negotiations on social protection and early childhood development loans
- Significantly contributed to the review of papers and reports related to the IDB-funded Adolescent Dislocation Study as well as UN documents and reports.

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

Cabinet Submissions

- Policy Implications and Recommendations from the 2011 Population and Housing Census
- National Policy and Plan of Action on International Migration and Development

Briefs

- EU-ACP Committee of Ambassadors, Migration and Development, with specific focus on Re-Admission, Visa and Remittances
- UN High-Level Dialogue on Migration and Development for Jamaica Mission to the EU
- Policy Coherence for the Ministry of Labour and Social Security (MLSS) for the Minister's participation in the regional International Labour Organization (ILO) Conference
- Social Protection priorities for financial year 2014/2015

Notes

- JSLC 2012: Delay in Release of Poverty Data
- JSLC 2012: Poverty Rates
- Confidential Note – JSLC 2012: Analysis of Increase in Poverty Rate from 2010 to 2012
- JSLC: Release of Data and Publication Tabling Deadline for the “Large Sample” Report
- JSLC: Amendment to 2012 Poverty Rate
- Social Protection Strategy

Position Papers

- Role of Tertiary Education in National Development for Jamaica Tertiary Education Commission
- Submission and presentation on the Adequacy of the National Minimum Wage to the Minimum Wage Advisory Commission

The PIOJ participated in several high-level regional and international dialogues, including:

- 46th Session on the UN Commission of Population and Development, New York, April 22–26 under the theme: “New Trends in Migration: Demographic Aspects”
- Global Leadership Meeting on Population Dynamics in the Context of the Post-2015 UN Development Agenda, Dhaka, March 12–13 with focus on reviewing population trends and assessing the importance of population dynamics for incorporation into the Post-2015 Development Agenda
- The 3rd Thematic Meeting of the Global Forum on Migration and Development (GFMD) on Migration as an Enabler for Inclusive Social Development — Enhancing Migrant Empowerment and Voluntary Social and Economic Assets Transfer, Geneva, November 20–21 with focus on legal frameworks and policies to ensure human rights of migrants are respected as well as access to information and services; and the impact of policies and bilateral/multilateral cooperation on positive development outcomes from migration in the areas of health and education as well as the role of migration in the Post-2015 Development Agenda
- CARICOM Stakeholders' Consultation with the ACP Eminent Persons' Group on the Future of the ACP Group, St George's Grenada, November 1–2 with objective to solicit the views and perspectives of CARIFORUM stakeholders

- regarding the future of the ACP Group beyond 2020
- International Conference on Population and Development (ICPD) Beyond 2014 Review: The Caribbean Forum on Population Migration and Development was held in Georgetown, Guyana, July 9–10 with the specific objective to review and evaluate implementation of the ICPD Programme of Action (PoA) in the Caribbean sub-region
 - Sixteenth Meeting of the Monitoring Committee of the Caribbean Development and Cooperation Committee, Georgetown, Guyana, July 11: the objective was to reflect on the Caribbean’s priorities on issues framed as part of the global review process: ICPD beyond 2014, the SIDS Sustainable Development Agenda and the Post-2015 Development Agenda
 - Global Project Board for the “Mainstreaming Migration into National Development Planning”, December 3, 2013 and the OECD Workshop on “Strengthening the Migration-Development Nexus through Improved Policy and Institutional Coherence”, Paris, France, December 4–5 with focus on understanding policy and institutional coherence and its measurement specifically in the context of migration and development
 - The First Session of the Regional Conference on Population and Development in Latin America and the Caribbean was held in Montevideo, Uruguay, August 12–15 to review the progress made on implementation of the ICPD PoA in the region over the past 20 years
 - UN High-Level Dialogue on International Migration and Development (IMD): The UN High-Level Dialogue on IMD was convened at UN Headquarters, New York, October 3–4. Members of the Institute were representatives on the national delegation. Jamaica made substantive input in three areas of the dialogue:
 - Participation as a panellist in Roundtable 1 – “Assessing the effects of international migration on sustainable development and identifying relevant priorities in view of the preparation of the post-2015 development framework”
 - Statement to the General Assembly
 - Jamaica was one of the countries highlighted in the Side Event – “Putting migration on the development agenda: How to integrate migration into development planning and the post-2015 development agenda?”
 - International Workshop and Study Tour on Regional Municipal Citizen Security and Peaceful Coexistence was held in Cali, Columbia, June 26–29 to assemble researchers, policy-makers, and subject matter experts to explore what has been learned about evidence-based approaches to preventing crime and violence, address key implementation lessons through an in-depth dialogue with municipal governments’ technical teams, academic partners and decision-makers across the Americas
 - Regional Workshop on Disabilities held in Ecuador, March 2013 with focus on the care and empowerment programmes for persons with disabilities
 - Ninth Meeting of the Working Group on Macroeconomic Aspects of Intergenerational Transfer held in Barcelona, Spain, June 2013 with focus on inequality, generational economy overtime, macroeconomic, immigration and other issues of the public sector.
- Technical advice and comments on the following policies, plans, programmes and research were provided:
- Adoption Act
 - Child Care and Protection Act
 - School Feeding Policy
 - Infant and Youth Child Feeding Policy

- Food and Nutrition Security Policy
- Law and Policy Framework for Adolescent Sexual and Reproductive Health
- National Policy for Gender Equality
- Revision of National Youth Policy
- Draft Children Diversion Policy
- National Plan of Action on Children and Violence
- Rural Bus Service System
- Community Renewal Programme
- Proposed Inner City Basic Services Project II
- Jamaica's performance for the Global Violence Prevention Survey
- National Diversion Programme for Reducing the Juvenile Population in State Run Institutions
- Defining a social protection course curriculum for the UWI
- Proposed Citizens' Security and Justice Programme III
- EU Security Sector Reform Programme for the 11th EDF
- IDB Emerging and Sustainable Cities Initiative
- Research on Adolescent Dislocation
- Programme of Advancement Through Health and Education.

The PIOJ participated and provided technical advice and support to various policy-level Boards, Councils, Commissions and Committees, including:

- Early Childhood Commission and its Sub-Committees
- Registrar General's Department Advisory Board
- Health Information Systems Strategic Framework
- Executive of the Nurses' Association of Jamaica
- Vital Statistics Commission
- National Working Group on International Migration and Development

- UNFPA Annual Review Programme
- PAHO/WHO Regional Goals for Human Resource for Health Initiatives
- Sexual and Reproductive Health and the Law: Challenges and Proposals for Reform
- UNAIDS Medium-Term Review
- Second Annual Review of National Non-Communicable Diseases
- Financial Sustainability Plan for HIV/AIDS Steering Committee
- Dispute Resolution Foundation Board
- National Commission for UNESCO
- National Identification System Committee
- National Council for Senior Citizens
- National Advisory Board on Disability
- National Youth Policy Technical Oversight Committee
- National Trafficking in Persons Task Force
- National Child Diversion Policy Working Committee
- CXC National Council
- Jamaica Social Investment Fund Projects Committee
- Jamaica Crime Observatory Sub-technical Committee
- Caribbean Child Research Conference Planning Committee
- Workforce Adjustment Policy Committee
- Poverty Review Technical Working Group
- Research Ethics Committee
- Sam Sharpe Teachers College Board
- EXED Community College Board.

The organization chaired and provided secretariat services for quarterly meetings of the Labour Market Information Technical Advisory Committee (LIMITAC); the Social Safety Net Programme Implementation Committee (SSNPIC); Migration and Development Project Board; Jamaica Survey of Living Conditions (JSLC) Steering Committee; and the JamStats Steering Committee.

SUSTAINABLE DEVELOPMENT AND REGIONAL PLANNING

In the area of policy development, technical advice and support was provided to stakeholder MDAs, and International Development Partners with respect to three policies and strategies and 18 projects and programmes. These related to the areas of food security, renewable energy, land management, disaster risk management, and environmental protection. Select initiatives included:

- Food and Nutrition Security Policy
- Caribbean Climate Risk Management Framework
- Emerging and Sustainable Cities Initiative
- National Spatial Plan
- National Land Policy
- Monitoring and Evaluation System for the Mauritius Strategy for Implementation of the Programme of Action for Small Island Developing States

- Strengthening the Operational and Financial Sustainability of the National Protected Areas System Project
- Development of the 11th European Development Fund
- Analysis and Investment in Low Emissions Growth Project
- Promoting Renewable Energy Production and Products in the Sugar Industry of Jamaica
- Disaster Risk Management Project.

The Institute was represented on over 30 steering, review and planning committees, councils, thematic working groups and national delegations. Notably, support was given with respect to the report—Comprehensive Assessment of Jamaica’s Progress Towards the Millennium Development Goals; Jamaica’s National Report for the 3rd Small Island Developing States (SIDS) Conference in 2014; PPCR Pilot Country Meetings; the 2nd Global Land–Oceans Connections Conference; and the CARICOM Position on the Post 2015

Development Agenda.

These were supplemented by input in the monitoring and implementation of Vision 2030 Jamaica and the MTF 2012–2015.

Contributions made towards improving local development planning and land management included the revision of the National Land Policy and the finalization of the Greater Treasure Beach Sustainable Development Plan. Staff assisted with the development of criteria and collation of data for conferring



(L-r) Mrs Sanya Wedemier-Graham, AMEP Programme Assistant, UNEP; Ambassador Paloa Amadei, Head of Delegation of the European Union to Jamaica; Mr Michael Wilson, Senior Hydrologist, Water Resources Authority; Mr Colin Bullock, Director General, PIOJ; and Hon. Ian Hayles, Minister of State, Ministry of Water, Land, Environment and Climate Change.

city status on a number of urban centres; provision of data for Phase II of the UN-HABITAT Participatory Slum Upgrading Programme (PSUP); and the design of a study aimed at improving the Development Applications Approval Process (DAAP) in Local Authorities. In addition, technical input was also provided in the preparation of a concept paper for the development of Spatial Data Infrastructure Legislation for Jamaica as part of efforts to advance national geographic information management.

The provision of high quality quantitative and qualitative data for informed decision-making remained a strategic priority of the PIOJ. To this end, the organization carried out ongoing development of indicators to measure STI progress in Jamaica, and provided digital and hardcopy maps generated by the use of Geographic Information Systems to seven internal and external clients. Spatial analysis was conducted and technical advice provided to support:

- the preparation of land use maps and change detection analysis conducted in the South Negril/ Orange River Watershed under the RiVAMP II project
- the mapping of the location, types and status of projects under the Rural Youth Employment Project
- the identification of priority coastal locations for LiDAR survey under Caribbean Regional Strategic Programme for Climate Resilience.

NATIONAL DEVELOPMENT PLAN

During the year, the long-term sustainable framework for the implementation, monitoring, evaluation and communication of the country's first long-term strategic plan, *Vision 2030 Jamaica – National Development Plan* and the new MTF 2012–2015, continued. The 2013 period represents

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

- continued institutionalization of Vision 2030 Jamaica in MDAs through infusion into their corporate and operational plans, and alignment to the National Budget
- continued development of a robust performance, monitoring and evaluation system including, the preparation of Progress Reports
- completion of the MTF covering the period 2012–2015 and approval by Cabinet
- continued dissemination of key information on *Vision 2030 Jamaica* via national development and community oriented events in the economic, social, environmental and cultural spheres.

In addition to the institutionalization of Vision 2030 Jamaica in MDAs, the PIOJ continued to conduct ongoing meetings with MDAs to facilitate alignment of their corporate and operational plans with *Vision 2030 Jamaica* and the MTF. The PIOJ continued to work with the Cabinet Office to complete the alignment of the new Strategic Business Plan templates by MDAs in FY 2013/2014 with the goals and outcomes of Vision 2030 Jamaica and the MTF 2012–2015. This included the 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 Institute also participated in the development of the draft templates for the proposed Whole-of-Government Business Plan and Progress Reports being undertaken by the Cabinet Office, in alignment with *Vision 2030 Jamaica* and the MTF 2012–2015.

The PIOJ also ensured the alignment of the Growth-Inducement Strategy (GIS), with the Medium Term Economic Programme FY2013/14

– FY2015/16 of the Government, and with EFF Arrangement with the IMF. Presentations on the Growth Agenda were made to key ministries; the Economic Development Committee of Cabinet; the Permanent Secretaries' Board; and the Cabinet Office Corporate Planners and Policy Analysts Network. The organization also served as the National Focal Point for the Caribbean Growth Forum (CGF) project.

Eleven of the planned 18 Thematic Working Groups (TWGs) have to date been established to support the implementation, monitoring and evaluation of *Vision 2030 Jamaica*. Seven TWGs held meetings – Education and Training; National Security; Environment and Natural Resources Management; Hazard Risk Reduction and Adaptation to Climate Change; Population; Tourism; and Health. A highlight of the year was the launch of the Governance TWG in December 2013.

During the period, a draft Three-Year Progress Report on Vision 2030 Jamaica for FY 2009/2010 – FY 2011/2012 was completed for review by stakeholders. As part of the PIOJ's Quarterly Press Briefings, four quarterly reports were made on the National Dashboard of Indicators, which is used to track progress towards achievement of the national goals of *Vision 2030 Jamaica*. The National Dashboard of Indicators uses the following eight areas of measurement of national development and social well-being:

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

The full monitoring and evaluation framework of 46 national indicators and targets used to track progress under *Vision 2030 Jamaica* was updated on the JamStats – the comprehensive national database used to store the Vision 2030 Jamaica framework of indicators and targets – including data time series for available years, baseline values and targets for 2012, 2015 and 2030.

The Vision 2030 Jamaica National Secretariat, in collaboration with JamStats and UNICEF Jamaica, with technical consultancy services from the UN DevInfo Support Group, completed the development of an online interactive graphical e-Dashboard to monitor the progress of implementation of *Vision 2030 Jamaica*. The e-Dashboard was launched in December 2013.

The implementation of *Vision 2030 Jamaica* as approved by Cabinet calls for the preparation of a new MTF every three years. Vision 2030 Jamaica is now in the fifth year of implementation and the PIOJ led the process for the development and completion of the new MTF for FY2012/2013 to FY2014/2015. The new MTF was approved by Cabinet on April 15, 2013.

THE GROWTH SECRETARIAT

The Growth Secretariat was established on April 1, 2013 with the formal engagement of an Executive Director. The structure of the Secretariat is such that the Director General of the Planning Institute of Jamaica (PIOJ) is the de facto Chairman while its operations are governed by an Administrative Board comprised of very highly placed representatives from the public and private sectors, inclusive of academia. The three-year programme seeks to facilitate the development of a collaborative reporting and consultative mechanism on matters related to Growth Initiatives to ensure congruence and avoid duplication of effort.

Programme/Project Development, Coordination and Monitoring

EXTERNAL COOPERATION MANAGEMENT

The alignment of external cooperation funding with the priorities of the government is one of the core functions of the Institute. In fulfilling this mandate, the PIOJ provides advice on the utilization of technical assistance and financing that were mobilized from International Development Partners (IDPs); assesses the viability of proposed development projects; and identifies financing and coordination of external cooperation activities. The organization is charged with the responsibility for supervision of the bilateral and multilateral cooperation programmes, as well as the development and technical review of projects.

During the year, the government signed a four-year Extended Fund Facility with the International Monetary Fund (IMF), and Cabinet approved the government's Public Financial Management Reform Action Plan (PFM RAP). The conclusion of these agreements triggered the resumption of budget support of approximately US\$300.0 million (\$30.2 billion) from IDPs, including the European Union (EU) and the Inter-American Development Bank (IDB).

The continuation of donor harmonization was promoted by creating an environment that facilitates donor collaboration in the provision of funding for projects. This was evident in the joint effort for the design and preparation of the Public Sector Efficiency Programme (PESP) being supported by the

European Union (EU), Inter-American Development Bank (IDB) and China; and the Citizen Security and Justice Programme (CSJP) III being supported by the Department for Foreign Affairs Trade and Development (DFATD)¹, Department for International Department (DFID) of the United Kingdom and IDB.

In 2013, the PIOJ, through its Bilateral, Multilateral Financing, European Union and Multilateral Technical Cooperation and Project Cycle Management units managed a combined portfolio of approximately US\$3.1 billion (\$312.4 billion)², in grants, loans and technical assistance.

BILATERAL COOPERATION

Cooperation with bilateral³ development partners was facilitated by ensuring the alignment of resources with GOJ's development priorities. This involved, inter alia, the coordination and monitoring of cooperation programmes with 18 countries, programme development, resource mobilization, facilitating project analysis, the provision of quan-

1. DFATD is the result of the amalgamation in 2013 between the Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade.

2. The average exchange rate of US\$1.00 = J\$100.77 is used.

3. The bilateral unit manages country to country assistance as well as assistance Jamaica receives under Caribbean Regional Programmes funded by various bilateral entities.



Representatives from the International Atomic Energy Agency (IAEA) part of an eight-man team, listen to the presentation from the Hon. Dr. Fenton Ferguson, Minister of Health during the IAEA Impact Assessment Meeting on Jamaica's cancer control capacity, held at the PIOJ, in March.

titative and qualitative data to inform macroeconomic analysis and the negotiation of loans, grants and technical assistance. The Institute continued its efforts to improve aid effectiveness and to work together with development partners to put international principles for aid effectiveness and development cooperation into practice. The portfolio of projects and programmes managed by the Institute amounted to US\$1.2 billion (\$120.9 billion) for support to projects in infrastructure, justice, security, disaster risk reduction and education.

In keeping with efforts to maximize aid efficiently and effectively, there was ongoing commitment to harmonization and enhanced aid effectiveness, the objective being, among other things, to lower the

transaction costs associated with the delivery of Official Development Assistance (ODA). In this regard, the PIOJ supported opportunities for donor harmonization and alignment. There was engagement with the Governments of the United Kingdom and Canada in the coordination of their development assistance for Phase III of the Citizen Security and Justice Programme – a multifaceted crime and violence prevention intervention focused on building community safety and security in volatile and vulnerable communities. Canada, through the DFATD pledged support of C\$20.0 million (\$2.0 billion) to this five-year initiative and the United Kingdom will channel through the Department for International Devel-

opment (DFID) grant assistance of £10.0 million (\$1.6 billion). The pooled resources for the programme will be managed by the IDB who is providing loan financing. The Institute also participated in national consultations on the proposed collaboration between IDB–CARICOM–Brazil Tourism and the Trade Promotion Programme Initiative aimed at, inter alia, promoting the Caribbean as a tourism destination for Brazil and improving existing frameworks for expanded airlift between CARICOM countries and Brazil.

During the year, the organization sought to maximize opportunities for economic and technical cooperation. There was continued engagement with non-traditional partners in an effort to harness development assistance from emerging economies and foster South–South cooperation. This included participation in stakeholder meetings to finalize arrangements for convening the inaugural meeting of the Jamaica/Brazil Bi-National Commission and to discuss priority areas for collaboration. Support under the Jamaica/Botswana Joint Commission will be linked to three areas: Sports, Youth Development and Educational Cooperation; Agriculture, Trade and Investment and Cultural Cooperation; and Technical and Scientific Cooperation. During the Bi-National Commission with Colombia, proposed areas of cooperation included: Agriculture, Environment, Local Government Reform, Security, Finance and Planning (Public Sector Investment Programme).

As government sought to manage its ODA in the context of the revised macroeconomic framework, the Institute provided strategic support through the preparation of briefing documents and the development and coordination of negotiating positions for the participation of GOJ officials in regional and international fora. The Prime Minis-

ter's visit to the People's Republic of China provided an opportunity to agree on a programme of collaboration with the Government of China within the context of the IMF's Extended Fund Facility. The Prime Minister signed the following four agreements totalling US\$316.5 million (\$31.9 billion): Major Infrastructure Development Programme; the construction of the Confucius Institute at the University of the West Indies, Mona; the construction of Early Childhood Institutions; and a Technical and Economic grant proposal for projects to be mutually agreed upon. Given the decline in the cooperation programme with Japan over the past two years, the Prime Minister's visit to Japan in November was an opportunity to strengthen bilateral relations and explore modalities through which development cooperation could be enhanced. Throughout the year, the PIOJ supported the Minister of Finance and Planning consultations with IDPs and the IMF through the provision of briefing documents highlighting GOJ's strategic priorities. Briefings were also prepared for Jamaica's Ambassadors designate to China, Germany, the United States of America and Mexico.

In response to GOJ's request for assistance, the Government of Canada under its "Friends of Jamaica Initiative" provided C\$5.0 million (\$490.7 million) for a programme of Public Financial Management. The Institute negotiated with DFATD the elements of the programme that would be supported with the grant. The Government of the United Kingdom offered a contribution of £2.0 million (\$316.6 million) for technical assistance to implement the package of reforms agreed with the International Monetary Fund. The PIOJ participated in negotiations with DFID for mobilization of the resources.

There were consultations and negotiations with several IDPs aimed at strengthening cooperation

ties, advancing economic interests, and coordinating and monitoring cooperation initiatives.

- Consultations were held with representatives from the World Bank, implementers of the Entrepreneurship Programme for Innovation in the Caribbean (EPIC) funded by DFATD, to determine programme elements. The regional project will receive funding of C\$20.0 million (\$2.0 billion) over seven years and seeks to support and expand a regional network of business incubators; upgrade incubator managers' skills and establish a Regional Seed Fund for promising Micro, Small and Medium-sized Enterprises (MSMEs).
- The Government of China has begun a process of reconsidering how it organizes and manages its aid. The PIOJ had discussions with representatives of the Chinese government during the preparation of its 2014–2018 Country Programme Strategy which is expected to be aligned to the *Vision 2030 Jamaica*. The strategy will guide the implementation of cooperation projects. A Portfolio review of the cooperation programme with People's Republic of China was also convened with representatives from China and the Ministry of Foreign Affairs and Foreign Trade (MFAFT). Projects proposed for funding consideration by the Chinese government included: construction of Early Childhood Institutions in Hanover and Kingston, the construction of a Medical Waste Treatment Facility in the Western Region and the construction of a children's hospital in western Jamaica
- There were also consultations with representatives of the French Development Agency to assess potential areas of cooperation. These included: doing business with the development banks, providing a line of credit for funding the Small and Medium Enterprises (SME) sector, with particular focus on alternative energy and assistance to the water sector

- The PIOJ concluded negotiations with a mission from Japan for Disaster Management of Flood Prone Areas. The project at a cost of US\$4.6 million will be implemented by the Office of Disaster Preparedness and Emergency Management (ODPEM) over four years. There were also ongoing negotiations with the Japan International Cooperation Agency (JICA) for assistance to the Institute of Jamaica (IOJ) under Japan's Cultural Grant Programme. Proposed grant assistance of US\$302 669.50 will be utilized to enhance IOJ's technological capacity in areas of collection, research, preservation, documentation, training in animation techniques and mobile application development
- Negotiations were concluded with the Government of Korea for a gift of 270 computers valued at US\$162 000.00 (\$16.3 million) for the agriculture sector as well as a grant of \$250 000.00 (\$25.2 million) to support the design for an Integrated Operating Control Centre for city management in Montego Bay
- There was collaboration with the United States Agency for International Development in the formulation of their new Country Development and Cooperation Strategy/Assistance Agreement for FY2014–2018. Support would be targeted at community policing, strengthening Community Based Organizations (CBOs), juvenile justice and at-risk youth.

Non-fiscal assistance for GOJ's development agenda was supported through the negotiation of technical assistance and the management of volunteer programmes supported by Canada, the United States of America and Japan. As focal point for the Japan Overseas Cooperation Volunteers (JOCV) programme, the Institute approved the recruitment and assignment of 13 volunteers to the areas of education, environment, community development and information technology. Additionally, short-term training opportunities were

identified in Japan, China and Korea for public sector workers.

The 16-year Commonwealth Debt Initiative (CDI) programme was successfully concluded as the Government of the United Kingdom approved debt cancellation of the balance of CDI funds totalling £4.0 million (\$633.2 million). The PIOJ had, from programme inception in 1997/98, spearheaded the preparation of annual reports to DFID that highlighted the GOJ's efforts to meet specified targets on which assessment of debt relief is premised.

Project documents/proposals submitted for project funding were reviewed and feasible projects selected for funding consideration. The Institute also participated in site visits, ad hoc and project steering committee meetings to monitor project status and resolve bottlenecks affecting the pace of project implementation.

MULTILATERAL FINANCING

The PIOJ continued its strategic focus of directing financing of Multilateral Financing Institutions' (MFIs) support for the government's socio-economic priorities within the portfolio of the Inter-American Development Bank (IDB), World Bank and Caribbean Development Bank (CDB). Strategies to improve the pace of the 82 projects totalling US\$989.4 million (\$99.7 billion) were also adopted. These included the hiring of a consultant to develop a monitoring and evaluation system that will, inter alia, provide an early alert for underperforming projects. This system will dovetail with the broader Project Management Implementation System being developed with World Bank financing to facilitate improvement of the Public Sector Investment Programme. Greater dialogue with Permanent Secretaries and senior staff

within the MDAs, responsible to provide oversight of project implementation as well as at the ministerial level of the Ministry of Finance and Planning, brought into focus the need to place project monitoring at the centre of MDA activities.

During the year, the PIOJ facilitated, coordinated and participated in most of the 113 missions that were fielded by the MFIs. This atypical year for missions was in part due to the 61 missions fielded by the World Bank to facilitate the preparation of its Country Strategy and country programme for 2014–2017, which will utilize financing envelope of US\$510 million (\$51.4 million) for the stated period. Discussions with the World Bank commenced on the design of seven projects, for total financing of US\$239.9 million (\$24.2 million), two of which represented the provision of additional financing of US\$52.0 million under the Bank's new financing modality.

The Institute's management of efforts by the government and IDPs to bring about greater aid effectiveness through donor harmonization and coordination was strengthened through its involvement with the design of the Public Sector Management Programme (PSEP) and the Citizen Security and Justice Programme III (CSJP III). The PSEP is being jointly financed by the IDB, China Trust Fund and the EU, while the CSJP III, by IDB, DFTD and DFID.

During the year, the organization facilitated and participated in the negotiations of five loans with financing totalling US\$273.4 million (\$27.6 million), including three policy reform loans with financing of US\$190.0 million (\$19.1 billion). The Institute also coordinated, facilitated and participated in two tripartite portfolio review meetings and several ad hoc meetings where project implementation constraints were discussed and measures for improvement advanced. The PIOJ

continued its participation in site visits and Steering Committee Meetings. Policy advice and implementation updates were also provided through briefing notes to high level government officials to facilitate their participation in Annual Meetings of the MFIs as well as meetings with heads and senior officials of the respective institutions.

The PIOJ coordinated and participated in key strategic events. In January, the Institute participated in the planning and coordination of the Second Annual Meetings of Caribbean Governors of the IDB, and in March coordinated and participated in the World Bank's consultation on its new Country Partnership Programme for the period 2014–2017. The Institute also assisted in arrangements of the visit to Jamaica by the World Bank's new manager for the Caribbean.

While the World Bank's Country Partnership Strategy (CPS) was not approved in December as anticipated, discussions on the document were significantly advanced and will focus on three strategic areas, namely; (1) building conditions for broad-based private sector-led growth; (2) modernizing the public sector; and (3) reducing vulnerabilities and enhancing resilience. The Caribbean Development Bank advised the government of its intention to provide US\$33.8 million (\$3.4 billion) under its new Country Assistance Strategy and discussions were initiated on possible areas of focus of these resources.

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 Minister of Finance and Planning is the NAO for Jamaica.

In 2013, the cooperation programme consisted of 17 programmes and projects totalling €218.3 million (\$28.7 billion) in grant resources. All programmes and projects are funded from the European Development Fund (EDF) with the exception of the Sugar Transformation Programme and Banana Programmes which are funded by the General Budget of the EU.

The PIOJ led the preparation and negotiations for five projects totalling €42.6 million (\$5.6 billion) and collaborated with the Ministry of Agriculture & Fisheries in the negotiation of conditions for the sugar sector budget support programme in the amount of €29.57 million (\$3.9 billion). The Institute also collaborated with the EU Delegation in the preparation of the 4th Technical Cooperation Facility for €2.26 million (\$296.7 million).

The GOJ signed four Financing Agreements for the total amount of €36.7 million (\$4.8 billion) for the following:

- *Programme for the Reduction of Maternal and Child Mortality (PROMAC)* for €22.0 million (\$2.9 billion). The overall objective of PROMAC is to provide support in attaining MDG 4 “Reducing Child Mortality” and 5 “Improving Maternal Health”.
- *Economic Partnership Agreement Capacity Building II project* for €5.0 million (\$656.4 million). The overall objective of the project is to support the Government in addressing the trade deficit, accelerating exports, enhancing competitiveness and integrating the economy into global markets. EPA II will build on, deepen and strengthen initiatives under the existing EPA Capacity Building project (EPA)-I and will expand its focus to include upstream problems from the supply side. The project will be partially implemented by the PIOJ, with the component aimed at the private sector to be

implemented by the International Finance Cooperation (IFC) of the World Bank.

- *Public Financial Support Programme* (PFSP) for €5.0 million (\$656.4 million). The overall objective of the reforms to be supported is to achieve more efficient public finances management in Jamaica, notably by the: (i) strengthening internal budget control and central cash management; (ii) modernisation of the public procurement process; and (iii) improving external budget audit & oversight. The project will be implemented via a contribution agreement with the Inter-American Development Bank.

Banana Accompanying Measures (BAMs) for €4.73 million (\$620.9 million). The overall objective of the project is to combat poverty and improve revenue in the banana dependent areas by achieving the following objectives: (1) improving the productivity and resilience of small farmers; and (2) strengthening the link between small farmers and markets.

Extensive consultations were facilitated with MDAs; non-state actors including the private sector; Parliament; and the EU for the preparation of the 11th European Development Fund (EDF) Multi-Annual Indicative Programme (MIP). The 11th EDF MIP is based on Vision 2030 Jamaica – National Development Plan and will guide Jamaica's relations with the European Union from 2014 to 2020. Jamaica's indicative allocation for the 11th EDF is €45.5 million (\$5.97 billion).

In fulfilment of contractual obligations, a total of 22 payment orders and eight budget support payment files were processed for an overall total disbursement of €47.4 million (\$6.2 billion). Disbursements in 2013 increased by 251.0 per cent compared with 2012, due to the restoration of budget support eligibility, triggered by the conclusion of the arrangement under the Extended Fund

Facility with the IMF and Cabinet's approval of the government's Public Financial Management Reform Action Plan (PFM RAP).

Briefs were prepared for: the Prime Minister, the Minister of Finance and Planning and the Director General (on the cooperation programme for missions to Washington and Brussels, budget support programmes, PROMAC, Caribbean Investment Fund and the regional Caribbean Programme); and the Ministry of Foreign Affairs & Foreign Trade (on the EU Cooperation Programme).

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

MULTILATERAL TECHNICAL COOPERATION

The agencies of the United Nations organization, the OAS and the Commonwealth Fund for Technical Cooperation (CFTC) continued to provide the government with grant resources as well as technical support, the value of which cannot be accurately measured in monetary terms.

It is estimated that the sum of US\$1.5 million (\$151.2 million) was received as ongoing support to the Administrative, Social Infrastructure and Directly Productive sectors.

The second year of the 2012–2016 five-year programming cycle for the UN system was anticipated to be a period of consolidation and accelerated implementation after a very slow start to the cycle in the previous year. The small alloca-

tions made available by the development agencies however, stymied the efforts of the national organizations to secure resources to finance important initiatives.

The Institute continued to support government ministries and agencies in the refinement of project proposals, and to facilitate their submission to the most appropriate donor partners. The reduced resources, however, dictated that many of the initiatives, though having the potential to effect widespread change, could not be implemented.

The CFTC nevertheless, continued to provide support in legal drafting, an area in which there is a national shortage of skills. The organization granted an extension to the contract of the drafter who has been providing services to the office of the Chief Parliamentary Counsel as well as provided an additional expert for a period of six months to expedite legislation required for the government's tax reform programme. In total the organization provided approximately £100 000.00 (\$15.8 million).

The Institute continued in its role of managing the programme of cooperation with the various agencies:

UNICEF disbursed US\$0.9 million (\$91.0 million) to complement government's efforts to secure and preserve the rights and welfare of children and youth.

Food and Agriculture Organization (FAO) provided US\$345 000.00 (\$34.8 million) to buttress the government's efforts at re-establishing the agriculture sector as one of the growth centres of the economy. The organization facilitated the government's efforts to launch a coordinated, targeted response to the devastation caused by the Beet Army Worm in the "bread basket" parishes. It also financed an assessment of the status of the dairy

industry, with a view to determining the actions to be taken to resuscitate the industry with the attendant costs.

The International Atomic Energy Agency (IAEA) disbursed €250 261.00 (\$32.9 million) to support Jamaica's participation in national and regional projects. The University of the West Indies consolidated the undergraduate Nuclear Science and the Master of Science in Medical Physics degrees in the Department of Physics. The Water Resources Authority was also assisted in an assessment of the status of the water sources in the Rio Cobre basin, with a view to developing a management strategy for same.

Of great significance was the assistance provided by the IAEA to the Ministry of Health through the provision of an independent, objective assessment of the status of the national cancer care delivery system. The report provided by the agency will be used as a basis for the development of an action plan for the improvement of the system to ensure high quality care for patients in the public health system.

The United Nations Development Programme (UNDP) disbursed US\$2.9 million (\$202.2 million) in support of 11 projects, the majority being in the area of environment. Of particular importance was the Hurricane Sandy Project which sought to restore the livelihoods of persons impacted by the hurricane in St Thomas, Portland, St Mary and St Catherine. Another initiative was the roll out of Parish Safety and Security Committees in 12 parishes which places greater responsibility for crime reduction at the local level and which are intended to have an impact on crime fighting efforts.

The Global Environment Fund (GEF) Small Grants programme disbursed US\$181 000.00 (\$18.1 million) to build capacities in numerous

communities throughout the island in the areas of natural resource conservation, sustainable use of biodiversity, mitigation and adaptation to climate change and prevention of land degradation.

Pan American Health Organization (PAHO) disbursed US\$739 000.00 (\$74.5 million) to assist the Ministry of Health in disease prevention and control, environmental health and protection, and for the strengthening of health systems.

UNAIDS and United Nations Population Fund (UNFPA) continued to support efforts to reduce the prevalence and incidence of HIV and AIDs and to strengthen the capacity of the government to analyse the real cost of the disease to the economy as well as the costs and benefits of sustaining the prevention programmes.

As required, the Institute has had to divert from its mandate as executing authority, that is, coordinating entity and to perform the role of manager of projects which are cross sectoral and multi-agency by nature. In this regard, the PIOJ continued in its role as manager of two projects: the Millennium Development Goals (MDGs) and the Strategic Flexible Funding Facility.

The MDG project supported an assessment of the progress made by Jamaica in respect of the MDGs and identified the areas which will not be attained by 2015. This report has provided the government with a framework to guide efforts at accelerating development activities over the next few years. The MDG project also supported the Ministry of Finance's efforts at establishing an equitable tax system, financed a proposal for the retooling of the public sector as well as a concept document for the development of a framework for enhancing development cooperation effectiveness in Jamaica.

The Strategic Flexible Funding Facility financed short-term strategic interventions required to sup-

port the government's efforts at financial stability, particularly with regard to achieving the conditionalities articulated in the agreement with the IMF. The project was also applied to interventions which sought to facilitate the operationalization of the national growth agenda.

The following were some of the important accomplishments:

- The preparation of drafting instructions for the development of Omnibus Banking Legislation
- The drafting of the omnibus banking legislation
- The preparation of drafting instructions for the revision of the probate laws
- Drafting of the Bankruptcy and Insolvency Bill and regulations
- Guidance on options for establishing a comprehensive OMNIBUS Tax Incentive Regime for Jamaica.

During the year, the PIOJ undertook to ensure the sustainability of soon to be, or recently concluded initiatives. The Rural Youth Employment project, which came to an end, had several fledgling community income generating initiatives which required continued support. Negotiations were held with the Ministry of Agriculture, Caribbean Agricultural Research and Development Institute (CARDI), 4H Clubs, Rural Agricultural Development Authority (RADA) and Social Development Commission (SDC) in an attempt to establish an institutional framework within which the initiatives would be supported and maintained. The Parish Safety and Security project, which established Parish Safety and Security Committees in pilot parishes, required continued support and the collaboration of several entities for its roll-out into all parishes. Meetings were held with the various stakeholders in this regard.

The continuous reduction in the quantum of resources being made available by the agencies has

not been matched with an equivalent reduction in the level of effort required to manage the projects. In fact, there is an even greater imperative to ensure optimal use of the resources, to guarantee efficient implementation, timely reporting on expenditure, and the development of sustainability plans. This necessitated numerous meetings with implementing agencies and continuous follow-up to secure adherence to commitments. The PIOJ maintained its position on project steering committees and in some cases, chaired these committee meetings with a view to guiding and where possible, accelerating project implementation.

A significant accomplishment during the year was the Institute's role in coordinating Jamaica's participation in the Global Monitoring Survey on Aid Effectiveness. The survey revealed that there has been an improvement in the proportion of aid being recorded in the budget, but that there are still some programmes which are difficult to quantify and are not properly accounted for in the government's budgetary systems. The PIOJ participated and presented a report in a workshop held in Korea to discuss the implementation of strategies for Effective Development Cooperation

at Country Level. The event was a stocktaking exercise for countries and development partners to report on efforts being made to change behaviour in the delivery of aid and in management of the transfer systems. The objective is to work towards a system in which most of the resources available are utilized for development purposes with only a minimum for administration. As an outcome of the workshop, the Institute initiated steps towards the development of an Aid Effectiveness Strategy for Jamaica.

Twelve overseas missions were managed and seven site visits undertaken.

PROJECT CYCLE MANAGEMENT

The PIOJ is primarily responsible for project development and the analysis and prioritization of projects. During the year, the Institute provided technical guidance in the continued development and roll-out of the Community Renewal Programme as well as the preparation of the PSEP, CSJP III and the Integrated Community Development Project and served on the MOFP's Prioritization Committee.

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INTER-SECTORAL PROGRAMME DEVELOPMENT AND COORDINATION

The PIOJ provided 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
- Ministry of Transport, Works & Housing – economic impact of the proposed Southern Coastal Highway
- Statistical Institute of Jamaica – creation of occupational profiles for the construction, transportation and agriculture industries
- Development Bank of Jamaica – impact assessment of the potential expansion of the Kingston Container Terminal and the Norman Manley International Airport
- Ministry of Foreign Affairs and Foreign Trade – CARICOM Canada Negotiations
- Ministry of Industry, Investment & Commerce – development of a logistics hub in Jamaica.

The Institute also provided technical advice through its 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
- National Development Foundation of Jamaica – set up to identify areas to expand services to small businesses
- Abattoir Steering Committee – to oversee development of a state-of-the-art abattoir in Jamaica
- Energy Efficiency and Conservation Committee – to track and monitor the implementation of

projects aimed at improving energy efficiency in government

- Project Development Committee – set up to identify and formulate energy projects to be funded under the UNDP GEF 5
- Agriculture–Tourism Technical Working Group – aimed at increasing supplies of agricultural goods to the hotel industry
- Tourism–Manufacturing Technical Working Group – to tackle major obstacles to linkages between the two industries
- Poverty Measurement Project Technical Working Group to review measurement techniques
- Programme of Advancement through Health and Education (PATH) Technical Steering Committee – to review impact of the PATH project
- Distributive Trade Committee – to monitor movement of product prices
- Jamaica Energy Council – formed to facilitate broad-based consultations among key energy sector stakeholders and expedite decision making concerning the implementation of Jamaica's National Energy Policy
- Quarterly Agricultural Project Meetings – to track and monitor the implementation of agricultural related projects
- Jamaica Trade Adjustment Team – to monitor trade related 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 – set up to assess the implications of various international and local economic developments and constantly review the fiscal status of the economy
- National Food and Nutrition committee – to develop a food and nutrition security policy

- International Migration and Development Working Group
- Jamaica Coalition of Service Industries Technical Working Group.

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:

Civil Registration and Vital Statistics Systems Modernization Programme continued and focused on:

- Facilitation of training sessions aimed at improving the proficiency of mortality and morbidity coders in the use of the International Statistical Classification of Diseases and Related Health Problems, Tenth Revision (ICD-10) in collaboration with the Ministry of Health
- Finalization of the publication on Quality and Completeness of Death Registration: Jamaica 2008
- Provision of technical advice to National Identification Project Committee
- Coordination of two technical working group meetings to review actions emanating from Death Registration Studies 1998 and 2008 and recommendations from project deliverables
- Collaboration with the Jamaica Constabulary Force (JCF) in completing the digitization of 60 000 death records
- Completed financial audit of IDB supported project activities
 - Facilitated four quarterly meetings of the Vital Statistics Commission.

MAINSTREAMING MIGRATION INTO NATIONAL DEVELOPMENT STRATEGIES

- Finalization of the Draft National Policy and Plan of Action on International Migration and Development and submission made to Cabinet
- Collaborated with the Ministry of Foreign Affairs and Foreign Trade in the formulation of a Draft Diaspora Policy and hosting of the 5th Biennial Diaspora Conference
- Completion of a Capacity Assessment and Capacity Development Strategy
- Increased national and international visibility through the publication of articles and other communication materials as well as presentations made locally and internationally on the project Integrated and participatory methods used in development of the National Policy and Plan of Action
- Facilitated quarterly meetings of Project Board and the National Working Group on International Migration and Development (NWGIMD)
- Preparation for Phase 2 of the Global Project on “Mainstreaming Migration into National Development Planning”.

IDB/GOJ Project – Impact of Economic Crisis – Health Sector Financial Sustainability – During the year, work progressed on this project. Work on this consultancy has been completed and a report finalized and incorporated into MOH Strategic Plan for 2014–2015.

Investment Plan for Jamaica’s Response to HIV/AIDS – This project addressed gaps which were identified in a previous study on the Financial Sustainability of Jamaica’s HIV/AIDS Programme. The aim of the project was to develop an investment plan for Jamaica’s Response to HIV/AIDS. Applying the investment model should achieve the following results in the short-term (2013–2017):

- Reduce the number of new HIV/AIDS infections by 50 per cent by 2017
- Eliminate mother-to-child HIV/AIDS transmission by 2015
- Achieve 90.0 per cent coverage of Antiretroviral (ARV) treatment for eligible persons by 2017
- Increase to 95 per cent the proportion of people living with HIV/AIDS (PLHIV) on ARV treatment one year after initiating therapy by 2017
- Reduce the number of HIV/AIDS-related deaths by 25 per cent by 2017
- Maintain and expand the current range of HIV/AIDS prevention, treatment, care and support services to meet demands.

Social Protection Project (GOJ/World Bank) Component 4 – continued implementation of the project which resulted in:

- Finalization of the draft comprehensive Social Protection Strategy, which is anticipated to be an example of best practice in the region
- Finalization of a study on Vulnerable Groups in Jamaica
- The Social Protection Project, initially expected to end in September 2013, received an extension from the World Bank which will enable the implementation of outstanding activities.

Public Sector Re-tooling Project (UNDP/GOJ) – provided policy advice to the Ministry of Finance and Planning (MoFP) for the development of the project. The project is funded by the United Nations Development Fund.

Social Research Methods and Policy Analysis training programme – continued support in monitoring the activities of Management Institute for National Development (MIND) in relation to the training programme.

GOJ/ILO School-to-Work Transition Survey – a profile of existing policies and institutions that impact youth in Jamaica was completed for the MLSS.

SUSTAINABLE DEVELOPMENT PROJECTS

To give effect to the national and sectoral strategies of *Vision 2030 Jamaica – National Development Plan* and the objectives of the PIOJ Corporate Plan, the PIOJ focused mainly on the key sustainable development issues of climate change adaptation and awareness raising; disaster risk management; the development planning process; geographic information management; and waste management. In particular, the emphasis on strategic climate change related projects resulted in the completion of the Climate Change Adaptation and Disaster Risk Reduction Project (CCA&DRRP) and Phase II of the Risk and Vulnerability Assessment Methodology Development Project (RiVAMP II); the advancement of the GOJ/ Adaptation Fund Programme; and the completion of designs for two of the three Investment Proposals for Phase II of the Pilot Program for Climate Resilience (PPCR). Two project concepts related to building coastal resilience in Negril and improving energy efficiency and sanitation in public schools were also prepared and submitted to CARICOM for inclusion in the regional project pipeline for climate change adaptation and mitigation.

In 2013, the PIOJ coordinated and monitored four projects related to climate change adaptation and disaster risk management. These were:

- **GOJ/ EU/UNEP Climate Change Adaptation and Disaster Risk Reduction Project (CCA&DRRP).** The management and monitoring of this project was successfully completed in December of 2013. The primary objective of the €4.5 million project was to build the country's resilience to climate change as well as build

capacity at the local level. Under the project, monitoring activities included the hosting of 2 project retreats, 40 site visits, and 15 project steering committee meetings. Support was also provided to public awareness initiatives and outputs under the projects by way of facilitating visibility in the print, electronic and news media; and the erection of signage at over 30 project locations across the island. As at December 28, the project had spent 98.0 per cent of its budget and achieved 94.0 per cent of its scope, as measured by project indicators.

- **Pilot Program for Climate Resilience (PPCR).** Phase I, funded by the Climate Investment Funds through the Inter-American Development Bank, was completed. This included the completion of two investment proposals (IP⁴ and IP⁵). The evaluation of Phase I was completed in December 2013, and auditing and evaluation of Phase II commenced in the same month. Work was advanced on a third investment proposal (Improving Climate Data and Information Management, IP¹) which saw completion of four consultancies towards development and implementation of PPCR Phase II.
- **GOJ/Adaptation Fund Programme “Building the Resilience of the Agriculture Sector and Coastal Areas”**, for which the PIOJ is the National Implementing Entity (NIE), conducted regular project steering committee meetings and monitoring visits to Executing Entities (EE). A Programme Management workshop was conducted for all EEs and stakeholders’ sensitization workshops were facilitated in several

communities, including Yallahs, St Thomas; Thompson Town and Crooked River Communities, Clarendon; and in Runaway Bay, St Ann. An information session was also held at the RADA Morant Bay Parish Office, St Thomas. The PMU also sought to build capacity within the NIE and EEs through the hosting of a number of training sessions on the GOJ procurement process, the development of Risk Plans and Monitoring Plans, and risk management.

- **Risk and Vulnerability Assessment Methodology Development Project Phase II (RiVAMP II)** was successfully implemented with funding from the CCA&DRRP. Under the project, climate data equipment was installed at the Royal Palm Reserve in Negril, Westmoreland and Cave Valley, Hanover. A status report on the South Negril–Orange River Watershed was prepared. Land Use maps of the watershed for the years 1968, 1999 and 2009 were also prepared and subsequent change detection analysis conducted. Technical reports detailing this process were also prepared. The outputs of the project will support evidence-based planning and development for the area as well as assist the relevant MDAs in monitoring rainfall patterns.

Periodic updates on the status of the above projects were prepared and submitted to the quarterly IMF review meetings which facilitate the monitoring of Jamaica’s growth strategy.

In addition, the Institute collaborated with the United Nations Department of Economics and Social Affairs (UNDESA) on the implementation of the “Monitoring and Evaluation System for the Mauritius Strategy for Implementation of the Programme of Action for Small Island Developing States (BPoA/MSI)”.

4. IP² is “Mainstreaming Climate Change into the Planning and Decision Making Processes and Integrating Climate Change into River Basin Planning and Management”.

5. IP³ is “Financing Mechanisms for Sustained Adaptation”.

Research and Information Services

Technical and research information services are provided to the Institute's stakeholders through a number of media including publications, special studies, research papers and library services.

MODEL DEVELOPMENT AND ANALYSIS

The PIOJ during 2013 continued to build and enhance the capabilities of the tools and models used in carrying out its work. These were used to update, develop and create the various models, indicators and indices that supported the Institute's work in a number of areas including:

Threshold 21 (T21)

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

- Policy Scenarios and Economic Impact of Macroeconomic Adjustments
- Structural Reform and Growth initiatives
- Socio-economic Impact of the Kingston Container Terminal
- Socio-economic Analysis of the Impact of the FY2013/14 Budget
- Socio-economic Impact of the Tax Reform Initiative.

Input-Output (I/O) Model

The model was used to carry out analysis in the areas of:

- Structural Reform and Growth Initiatives
- Impact of Increase in Wages in the ICT sector.

Econometrics

The econometric model was used to project GDP for:

- Economic Update & Outlook – real value added for some industries was projected on a quarterly basis
- Real sector update – GDP projections
- Fiscal Policy Paper – produced by Ministry of Finance and Planning.

Excel Templates

This tool was used to analyse the distributional impact of proposed General Consumption Tax measures on consumption.

TRAINING AND WORKSHOPS

Staff members participated in training activities aimed at enhancing and improving the output of the organization. Training activities included courses, workshops, conferences and seminars, which were facilitated by international, regional and local agencies as well as internally.

Some of the training programmes, conferences and workshops that the Institute participated in include:

- World Bank Consumption Aggregate Training
- Conference on Integrated Solutions for the Prevention of Violence
- World Bank Social Safety Net Core Course
- ILO – Assessing the feasibility, fiscal cost and impact of National Social Protection Floor
- DevInfo 2013 Advanced Lab Training
- IDB Workshop on Land Acquisition and Involuntary Resettlement
- World Bank Policies for Jobs Training Programme
- National Productivity Awareness
- HEART TVET Symposium
- Labour Inclusion of Persons with Disabilities Conference
- Training of government professionals in Dev-Info User and Administration
- Customer Service Management
- Design and Management of Social Policy
- Public Policy
- Design and implementation of e-government strategies
- Technical Writing
- Great Plains (New Payroll Package)
- Leave Management system
- Fire Wardens – Jamaica Fire Brigade (JFB)
- Information Dissemination Training Sessions under the Community-Based Landslide Risk Reduction project
- Slope Stability Demonstration Training and Workshop in Melbrook Heights, St Andrew conducted by ODPEM under the Community-Based Landslide Risk Reduction project
- Mainstreaming disaster risk reduction in community plans
- Business Diagnostics and Dynamics Materials which dealt with a data diagnostic system to measure economic performance at the firm level
- IDB Tax Policy to assess the tax reform and the way forward
- International Migration and Development seminar to review the Draft National Policy and Plan of Action on International Migration and Development
- Electronic Data Collection System re STATIN's Electronic Data Collection System
- STATIN – 2008 SNA seminar on Jamaica's issues and challenges re upgrading
- Fiscal Policy – Developments in the USA and Europe
- Pig Census/ Value Chain Analysis Workshop – aimed at strengthening the structure of the industry
- Meat Traceability Workshop – aimed at meeting international guidelines and standards
- IDB workshop on Land Acquisition and Involuntary Resettlement in Jamaica
- Bunkering Study Workshop
- Diaspora Engagement Workshop Roundtable
- Workshop on Non-Tariff Measures
- Forum on Public Sector Debt in the Caribbean – An Agenda for Reduction and Sustainability
- Seminar on Caribbean Growth Forum
- Workshop on New Economic Strategy – Lessons learnt from Singapore
- United Nations Environment Programme (UNEP) workshop on Modelling an Inclusive Green Economy
- Seminar on How to Prepare Cabinet Submission
- Seminar on the feasibility of Liquefied Natural Gas Bunkering in Jamaica
- Workshop to present study on Caribbean

- Regional Strategy of Freight Logistics, Maritime Transport
- Workshop on Caribbean Regional Action Plan on Freight Logistics, Maritime Transport and Trade Facilitation
- Treasury and Cash Management Workshop – Analysed the Treasury in Jamaica as well as challenges for the short, medium and long term
- Symposium on Analysis and Investment in Low Emission Growth
- Validation Workshop on the National Food and Security Action Plan.

PUBLICATIONS

The dissemination of socio-economic information/data is an important function of the organization. One primary source of dissemination of such data is through the PIOJ's publications. The publications are made available through the website, the bookstore and by direct marketing. The Institute's two premier publications are the *Economic and Social Survey Jamaica (ESSJ)* and the *Jamaica Survey of Living Conditions (JSLC)*. These publications and others are available for sale online through the PIOJ's website and also from the bookstore located at the Institute.

The following publications were produced in 2013:

- *Economic & Social Survey Jamaica 2012*
- *Framing Development Policy Through Research*
- *Jamaica Survey of Living Conditions 2008 Parish Report*
- *Economic Update & Outlook* Vol. 18 #1
- *Economic Update & Outlook* Vol. 17 #4
- *Economic Update & Outlook* Vol. 17 #3

In collaboration with our partners several publications were produced during the year, including:

- *Labour Market Information Newsletter* Volume 64 (LMIN)

- Final Socio-economic and Environmental Impact Assessment of Hurricane Sandy
- *Beginnings*, an in-house newsletter
- Paper on “Strengthening the Capacity for Climate Change Resilience in Jamaica’s Rural Areas” published in *Small States Digest*, a publication of the Commonwealth Secretariat
- Updating of Jamaica’s page on the CIFNet website with the six publications produced under the Pilot Program for Climate Resilience (PPCR) Phase I and the video of the Impact of Climate Change on Jamaican Farmers (uploaded to YouTube.)
- The Medium-Term Socio-economic Policy Framework 2012–2015
- Audio Version of the Popular Version of the *Vision 2030 Jamaica – National Development Plan* (final audio version)

SPECIAL STUDIES/SPECIAL PAPERS

The analysis of data, information gathering, research and monitoring are important functions of the Institute’s work. This process feeds into the preparation of a number of special papers/studies. A number of papers were produced during the year including:

- Completion of the Review and Appraisal of the Implementation of the International Conference on Population and Development Plan of Action (ICPD PoA) in Jamaica, 1994–2014: National Report.
- Completion of a Comprehensive Report on Jamaica’s Progress Towards Achieving the Millennium Development Goals
- Clean Coal Technologies and Techniques Employed Around the World – the paper analysed the associated pros and cons with employing these technologies, as the GOJ



Ms Le-Anne Roper, Sustainable Development & Regional Planning Officer, PIOJ (right), explains the significance of climate change and the work of the PIOJ to a group of students at the Ministry of Science, Technology, Energy & Mining, National Minerals Week Exhibition & Trade Fair at the Jamaica Conference Centre in June.

- shifted its attention from Liquid National Gas (LNG) to coal as a possible source of energy
- Impact analysis of the 2012/2013 Budget on GDP, Employment, Poverty, Access to Health; and Demand for Energy
- Impact of GOJ Policy on the Socio-economic Environment
- Sustainability of the Public Debt – The Case of Jamaica
- Analysis of Jamaica's performance in the Global Competitive Report 2013–2014.
- Tax Reform in Jamaica: An Assessment of the 2013 Programme
- Tax Expenditure Reform in Jamaica
- Property Taxation Relief Mechanism
- Personal Income Tax Reform

- Property Taxation Relief Mechanism
- Realigning Public Sector Leave Entitlements: A Transformative Approach
- Development Approvals Process in Jamaica
- Towards a Modern Development Approvals Mechanism.

LIBRARY SERVICES/INFORMATION MANAGEMENT

Acquisition & Database Management

Access was provided to the database and e-library facilities via the World Bank e-library and Ebsco-Host. World Bank e-library users at the PIOJ have downloaded 131 publications, papers and journal articles between January and December while

EbscoHost reported a total of 7 722 downloads for the year.

Socio Economic Information Network

The SECIN database is housed at the National Library of Jamaica and has reported 613 page views from January 1, 2013 to December 31, 2013. Two issues of *SECIN News* were published to keep librarians informed about the 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

The PIOJ participated in the Access to Information (ATI) day, “Right to Know day” geared towards raising the public’s awareness of the right to access government information; and promoting active public participation, transparency and accountability in government. Six Access to Information (ATI) requests were received and satisfied.

JamStats

The JamStats database, viewed by MDAs as the preferred model to store and present data, received four requests to develop similar databases using the DevInfo Technology. Modifications and updates were made to the database to ensure continuity of quality information to end users, including:

- the database template, which was modified to synchronize Vision 2030 Jamaica Indicators with MTF 2012/15; 80.0 per cent of all indicators relating to Vision 2030 Jamaica was updated with most recent information
- information updated with the structure of the

» The PIOJ participated in the Access to Information (ATI) day, “Right to Know day” geared towards raising the public’s awareness of the right to access government information; and promoting active public participation, transparency and accountability in government

DI 6.1 to reflect the present information in DI 7.0.

JamStats continued to assist with the development of a stakeholder database:

- Child Development Agency – created and uploaded Ministry of Health regional shape files to Child Protection DI 7.0 Web Application; reviewed and accepted Child Development Database IT Needs Assessment Report; and updated over 80.0 per cent of child protection related indicators to be uploaded to database
- Ministry of Education – online access of meta-data and associated indicators from EduStats database due to enhancement made to DevInfo platform
- Multiple Indicator Cluster Survey (MICS) – 2011 database created and awaiting approval for launch
- Exploratory talks held with the Early Childhood Commission; the Bureau of Women’s Affairs; Migration Policy Project Unit; and Community Renewal Programme regarding development of their databases
- Participated in Technical Working Group meetings for the Child Development Database

External Communication and Marketing

The Institute organized and participated in several events in 2013. Some involved regional partnerships geared towards not only enhancing the PIOJ's visibility, but also highlighting the various components of the Institute's work, especially with regard to *Vision 2030 Jamaica*, and projects including those related to climate change and the Community Renewal Programme. In collaboration with its regional and international development partners, a regional forum was staged – the Caribbean Growth Forum – in May, which examined the challenges and opportunities for economic growth within the region.

The promotion of the organization's work is paramount and the Institute constantly strives towards achieving high standards in this area. This year, the Institute received four awards for special recognition for its performance – two in the area of customer service; and two for its continual support for the Social Development Commission's activities and for participation in the 20/20 cricket games through *Vision 2030 Jamaica*.

In general, the organization continued to interface with the public, stakeholders and the media by staging several events including press briefings; conferences; speakers bureau and hand-over ceremonies. In addition to the various displays and promotions to tertiary institutions across the island, measures were taken to further drive the marketing of the publications, which is a crucial component of the Institute's promotional work through meetings with EBSCO, an international

research database. On the downside, budgetary constraints and tight work deadlines hampered the promotion of the publications to schools and the Institute's participation in some exhibitions.

A range of activities was completed during the period to support the communication programme for *Vision 2030 Jamaica* including the continued collaboration with the Jamaica Cultural Development Commission (JCDC). In particular, the arrangements for the JCDC Festival Queen to serve as the Vision 2030 Jamaica Youth Ambassador were continued for the new 2013 JCDC Festival Queen. Other activities included:

- sponsorship and participation in the SDC Community Twenty/20 Cricket Competition 2013 and the activities of Community Month 2013 to promote *Vision 2030 Jamaica*
- Vision 2030 Jamaica Essay Competition Awards Ceremony
- participation in Jamaica Diaspora Institute's Youth Summit, 5th Biennial Diaspora Conference and launch of the Diaspora Youth Connect (DYC) Project
- 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



Members of the Head table seated (l-r) Ms Therese Turner-Jones, Country Representative, IADB and Compete Caribbean; Dr Carla Barnett, Vice President Operations, Caribbean Development Bank; Ms Francoise Clottes, Director for the Caribbean, World Bank; Dr the Hon. Peter Philips, Minister of Finance & Planning; Mr Colin Bullock, Director General, PIOJ; Mr Gerard Johnson, General Manager, Caribbean Country Department, IADB; and Mr Chris Zacca, President, Private Sector Organization of Jamaica at the Caribbean Growth Forum in May.

- 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 of promotional documents including 40 000 Vision 2030 Jamaica Goals brochures; and ongoing distribution to various target groups across the island
- distribution of 938 copies of the Vision 2030 Jamaica Information Video to stakeholders
- production and electronic distribution to various target groups including the Diaspora, of the quarterly newsletter – Vision 2030 Jamaica Update.

COMMUNICATION AND MARKETING ACTIVITIES

As part of the external communication and marketing plan for the Institute, several communication strategies are employed to apprise

stakeholders, the diaspora and the public of the Institute's work. These include interviews; feature articles; Think Tank and media sensitization sessions; video productions; advertisements; the web-site and media coverage from the Caribbean Entertainment Everyday Network (CEEN TV) to provide news coverage of the PIOJ's major events. Coverage is provided in the New York Tri-State area (New York, New Jersey and Connecticut). In addition, the PIOJ continues to use social media as a means of increasing visibility and bringing awareness of the Institute's work through its Facebook Fan page. It is also used as a platform to market the Institute's publications and provides a medium to receive feedback from the public. Online communication of *Vision 2030 Jamaica* was also extended to social media including Facebook, YouTube and Twitter. The JamStats website continued to be relevant, with an average of over 30 000 hits per month. Focus during the year was on the preparation, dissemination and soliciting of responses from stakeholders through question-

naires on the functionality of the database; the preparation and uploading of graphical presentations and formatted DevInfo articles to the website; and the uploading of a “How to Do Videos” link on the JamStats website.

This year, the CRP in conjunction with the Social Development Commission, staged a national stakeholders’ forum, the first step towards the implementation of Phase I of the CRP’s pilot programme in 18 volatile communities; starting in the downtown area and extending to Seaview Gardens. It sought to bring awareness to the work of the



Director, Community Renewal Programme, PIOJ, Mr Charles Clayton (left), in discussion with the Hon. Noel Arcsott (right), Minister of Local Government and Community Development at the CRP Consultation Forum. Sharing also in the discussion are Dr Dwayne Vernon, Executive Director, Social Development Commission (second right) and Ms Barbara Scott, Deputy Director General, External Cooperation & Management Division, PIOJ.

CRP and its processes; identify and validate the main developmental challenges to be addressed in Phase I of the programme; and facilitate a direct interface between community representatives and donors/implementing agencies.

The PIOJ developed a seven-minute video on the Pilot Program for Climate Resilience (PPCR) as part of the communication strategy to promote the project. The video focused on the plight of

Jamaican farmers in the Rio Minho, Clarendon, as they adapt to the changing climate and the implications that these changes have for food security and livelihoods. It also examined the achievements of the PPCR under Phase I and the planned activities under Phase II of the Programme which seeks to improve climate change resilience at the national level.

The Institute’s press briefings continue to be held on a quarterly basis. The briefings update the media, financial analysts, the diaspora and the public on the performance of the Jamaican economy. It also provides information on the out-turn of the global 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 attaining development status in 2030. Information on the briefings is also disseminated through the quarterly publication, the *Economic Update & Outlook*.

After a two-year hiatus, the Institute staged the Dialogue for Development Lecture series under the theme: “Going for Growth in the Jamaican Economy in a Contractionary Environment” during the month of November with distinguished lecturer Mr Richard Byles, CEO, Sagicor Jamaica Limited. The lecture examined, among other areas, the critical initiatives needed to stimulate growth and engender private sector confidence in the economy within the medium term. The Lecture provides the organization with an opportunity to interface with the public on developmental issues; and to garner feedback on matters of importance to the policy-making process.

In an effort to effectively promote the work of the organization, over 21 events were staged. Among the activities held during the course of the year were: the hand-over ceremony of the 2012 State of



Members of the diplomatic corps listen intently to the discussions during the Dialogue for Development Lecture in November.

the Jamaica Climate: Information for Resilience Building – Summary for Policy Makers; and the Socio-economic Disaster Impact Assessment Handbook for Jamaica. The studies, which were produced by the PIOJ, assess sensitivity, climatology, variability, change, projections, impact and resilience. They were presented to the Ministry of Water, Land, Environment & Climate Change in March.

Other events included:

- staging of the International Atomic Energy Agency (IAEA) Assessment Meeting on Cancer Control Capacity, the PIOJ is the National Liaison Office for the government and the IAEA cooperation programme
- launch of RiVAMP II Project & Unveiling of the Automatic Weather Station & Rainfall Gauge, in the Negril Protected Area, geared towards filling the data gaps that exist for the Negril/Orange River Watershed and assessing the status of the ecosystems within the area.
- GOJ/Adaptation Fund Programme's National Consultation in October under the theme: Enhancing the Resilience of the Agricultural Sectors and Coastal Areas to Protect Livelihoods and Improve Food Security.
- The Community Renewal Programme (CRP) provided 20 inner-city community members with the opportunity to showcase their products to prospective buyers and clients at the Trench Town Trade & Investment Fair in November.
- The Institute also participated in various events with the Climate Change Adaptation & Disaster Risk Reduction Project (CCADRRP), including the Ecotourism/Edu-tourism project with Montego Bay Marine Park Trust (MBMPT) and Fisheries Co-op.
- Working in tandem with its international partners, the PIOJ staged World Population Day which focused on Adolescent Pregnancy and launched the State of the World Population Report 2013 – Motherhood in Childhood: Facing the Challenge of Adolescent Pregnancy in October.
- In partnership with the Sir Arthur Lewis Institute of Social & Economic Studies (SALISES), UNICEF, Office of the Children's Registry; and other entities; the Institute staged for the eighth year the Caribbean Child Research Conference, under the theme: Beyond 2015: Safeguarding our Children's Future, where issues pertaining to the protection of children from all forms of violence; the drug situation among Jamaican youth; and children in the care of the state; were some of the areas addressed.
- The year's activities culminated with the two-day Labour Market Forum in December which examined the issue: Reshaping the Labour Market to Foster Economic Growth and Development.
- GIS Day 2013 was staged by the organization in an effort to expose staff to the value of GIS technology in enhancing the analytical (spatial) capabilities of the Institute.

PRESENTATIONS AND PROMOTIONS

The Speakers' Bureau is one of the tools used by the PIOJ to directly interface with stakeholders – private/public sector; schools; students; and tertiary institutions on areas of social, economic and sustainable development planning through its cadre of highly trained professionals. During the year, a number of presentations were made:

- PIOJ's socio-economic publications to tertiary institutions – Shortwood; Churches & Bethlehem Teachers' Colleges
- International Development Evaluation Association (IDEAS) General Assembly and Policy Development Meeting, Barbados under the theme: "Evaluation and Equality: Moving beyond the Discussion of Poverty".
- Draft Social Protection Strategy to Cabinet
- Educational institutions – Council of Community College Annual Conference; HEART Trust Placement Office; St George's College, Portmore Community College; Ascot High; University of the West Indies; University of Technology; West Avenue Institute; Wolmer's Girl's School; Queens High School for Girls; Ardenne High School; Immaculate Conception High School
- Private sector and other stakeholders – presentation made on gender and development; gender and regional planning; social protection issues and policy development
- Government of Jamaica proposed Results Framework for the Citizens Security and Justice Programme III (CSJP III) at the GOJ/IDB workshop
- Sustainable planning using the RiVAMP experience to UWI students
- Accessing climate financing for the Caribbean, and Integrating Climate Change in the Planning Process and Public Investment Strategies at the Regional Climate Finance workshop, Barbados
- Financing Low Carbon and Climate Resilient Development in the Caribbean with specific reference to the Adaptation Fund at the 43rd meeting of the Caribbean Development Bank Board in Barbados
- Scaling-Up Climate Finance in Asia-Pacific at a regional workshop in Singapore
- Achievements under Phase I of the Pilot Program for Climate Resilience (PPCR) at a JIS Think Tank session
- The development planning process and Vision 2030 Jamaica at the AILEG conference
- Jamaica Country Status on Mainstreaming Sustainable Development into National Strategies at the Expert Meeting, New York
- Activities and opportunities in environmental management, Council for Voluntary Social Services training of trainers' session and stakeholder consultation meetings.

CUSTOMER SERVICE

This year, the Institute was recognized for its achievements in customer service and was conferred with two awards: (i) implementation of the Public Sector Customer Service Monitoring and Evaluation System; and (ii) best implementer of the Customer Service Monitoring and Evaluation System in Financial Year 2012/13 at the Public Sector Customer Service Competition 2012/13 Awards Ceremony.

The Institute submits on a quarterly basis, a Customer Service Monitoring and Evaluation scorecard to the Public Sector Modernization Division, Office of the Cabinet. This report assists the Institute in monitoring its service delivery to its customers. The PIOJ's Citizen's Charter, which outlines the services provided by the organization to its customers and the standards that are applied to these services, was updated and will be finalized for printing in early 2014.

Governance and Management

The Institute continued to play an integral role in crafting the prescribed environment for the enabling of the articulated mandate for the organization. In response to the increasing demands, the Institute focused specifically on the improvement of its governance mechanisms aimed at corporate compliance and performance. Particular emphasis was placed on the ongoing organizational review, ICT governance, fiduciary and risk management, knowledge management and the strengthening of the customer service focal points.

The PIOJ also played a central role in the provision of technical advice and support to Vision 2030 Jamaica Dashboard, JamStats, the Adaptation Fund (NIE) and other capital projects under management. In addition, as part of the external stakeholder interface, the Institute worked with other GOJ entities on pre-design activities for government-wide systems. This was piloted through six business centres:

- Information Systems
- Wesley Hughes Documentation Centre
- Human Resource Management and Development
- Office Management Services
- Accounting
- Facilities Management.

With the public sector transformation (PST) as a

key imperative, human resource interventions were aimed at facilitating the dialogue between Cabinet Office, and the Ministry of Finance and Planning (MOF&P) in guiding the organizational review process. The implementation of the top structure commenced with the understanding that the other components will roll-out in the financial year 2015/2016.

Keen attention was given to the integration of HR policies and practices in tandem with the new guidelines detailed in the recently concluded Heads of Agreement. A competency based management model was used to inform staff appointments/reassignments, and learning needs assessment to close the gaps.

The fiduciary management responsibilities moved exponentially with the ongoing reporting demands of capital projects. The focus was on streamlining accounting functions and systems as there was the shift from manual to systems reconciliation. This was attributed to the increase in the reporting demands required by the Ministry of Finance and Planning for capital projects and the frequency (weekly) of recurrent cash monitoring reports.

The Institute's drive for cost efficiencies and productivity was enhanced through the implementation of new ICT solutions and upgrading of existing systems. Key enhancements included the upgrade of the Financial Management System and

the implementation of an Electronic Leave Management System. This combination of systems continues to keep the PIOJ on par with international industry standards. There was continued work done on the VOIP Unified Telephony and Messaging system, Access Control and Surveillance System, Wireless Access system and Remote Access system. Several websites were updated to provide enhanced functionalities, including the development and launch of the Vision 2030 Online Dashboard of Indicators. Work on in-house systems such as the Mail Management System, the Projects Database and the Consultant Management System was completed. There was general adherence to Service level agreements through an effective monitoring and compliance programme.

The provision of technical advice to various government ICT projects continued, including the Integrated Project Information System (in collaboration with the Ministry of Finance and World Bank Partners), other capital projects and worked with other GOJ entities on pre-design activities for government-wide systems as well as ICT policy for the public sector.

Information science operates in a new and dynamic environment in which print based information resources are being superseded by electronic resources. There was clear evidence of change in patterns regarding the way information was requested. These were done via electronic mail, online through Ask the Librarian, the Access to Information link, telephone for staff as well as the public and text messaging. Internal and external clients have been requesting information in digital formats such as e-journals, the Institute's publications as well as the development plans. Therefore service delivery has changed. Information has been repackaged and prepared in the requested formats in addition to the traditional methods of delivery.

RECORDS MANAGEMENT

The Records and Information Management (RIM) Working Group produced two newsletters which looked at records management best practices. In addition the RIM Working Group organized quarterly clusters with the Administrative staff. One hundred and twenty boxes of closed files were relocated to the Institute's off-site storage facility in an effort to improve productivity and efficiency.

STAFF RECOGNITION

Pension Seminar

A one-day training seminar was held for members of the Pension Plan to achieve the timely dissemination of best practices in relation to plan disclosures and communication. The event also featured aspects of the Institute's Health and Wellness programme to include presentations and health screenings. The PIOJ's Health and Wellness seminar is an annual initiative, staged in collaboration with the Health Plan Providers. This medium is used specifically to educate employees and by extension their families in an effort to reduce claims through better individual choices.

Administrative Professionals Week

The PIOJ maintained the tradition of honouring its Administrators as each division participated in the week-long recognition programmes which also included an off-site Day Retreat.

Asset Management

The integrated approach to asset management and maintenance planning was the platform for making informed decisions related to procurement, resource allocation, and cost containment in an effort to streamline operations. The division embarked on several projects in 2013 in a drive to

maintain the standard Grade “A” environment of the PIOJ.

As part of the Institute’s commitment to the community, contributions to the advancement of educational institutions and the National Association of Parish Development Committees were achieved through the donation of IT equipment and furniture, resulting from the disposal of assets.

Pooled Investment Fund (PIF)

The management of the Pension Fund is performed jointly by the Board of Trustees Planning Institute of Jamaica and Sagicor Life Jamaica Limited. As at December 2013 the fund stood at \$761 105 390.33.

INTERNAL COMMUNICATIONS

The Institute’s internal communications is fuelled by several strategies which help to update staff on the various activities/work of the Institute and build staff interaction and camaraderie. These include the use of the Intranet; electronic mail; as well as in-house newsletters such as the *PIOJ*

Highlights and the environmental publication, the *Green Team News*. In addition, the organization stages a Learning Hour session every quarter. This year, seven Learning Hour sessions were held on a variety of topics – the Community Renewal Programme; the benefits of the National Insurance Scheme; the Mavis Bank Community Tourism Project; Home Ownership with the Victoria Mutual Building Society; JamStats database; Growth Inducement Strategy; and a film presentation entitled, *Songs of Redemption*, which examined the life of inmates in the General Penitentiary.

The PIOJ’s work and operations is also driven by its participation in several internal committees, which include: Procurement; Gender Mainstreaming; Public Relations and Communications; Standards/Ethics Team; and the Oversight Committee for the Vision 2030 e-Dashboard of Indicators.

The organization also uses creative methods to build staff interaction. To this end, a series of competition – dominoes, tug-o-war, football, netball and cheerleading – was staged in tandem with the Independence celebrations. This year, the competition dubbed the “Emancipendence Games”, expanded, as approximately six other government entities participated.

Board of Directors

The Board of Directors is responsible for providing oversight and ensuring that the strategic direction of the Institute is aligned with the policy direction of the government. The members of the Board are currently appointed by the Minister of Finance and Planning, for a period of three years. The Board consists of eight Directors (see pages 6–7 on Directors’ profile). The Director General also serves as the Chairman of the Board.



Staff members listen intently to a presentation on growth inducement strategies during a Learning Hour session held in September in the Don Mills Training Room.

All members with the exception of the Director General and the representative of the Minister of Finance and Planning are deemed to be independent.

Board Oversight and Strategic Direction

The Board is scheduled to meet once per month, except for the month of August when it goes on recess. The Board met in regular sessions nine times during the year. A Board retreat was also held in July 2013 to discuss strategic issues relevant to the Institute.

During the year, Board advice was given and approval granted in the areas as indicated below:

- PIOJ's 2013–2014 operational plans and budgets
- Major capital expenditure
- Reports on work being carried out by Board Committees
- Various reports and presentations from Management on the financial performance of the Institute
- The Institute's role in the administration of projects, such as Vision 2030, Community Renewal Programme and the Adaptation Fund
- Role of the Institute in facilitating the country's Growth Inducement Strategy
- The Institute's role in the execution of initiatives integral to the success of the agreement with the International Monetary Fund.

Board Committees

The Board has delegated certain functions to two committees as indicated:

- Finance and Audit
- Corporate Governance.

These committees play an integral role in assisting

the Board in its oversight role. Each Board Committee has its own approved Terms of Reference.

Finance and Audit

The Finance and Audit Committee met three times during the year. In keeping with its mandate, the Committee reviewed and recommended for approval the following items:

- Management accounts
- Audited financial statements
- Internal audit plan
- Internal audit charter
- Internal audit reports
- Building maintenance fund policy
- Closure of old projects
- Appointment of the external auditors
- Management letter from the external auditors.

This Committee is assisted in its work by the Internal Audit Unit. The Internal Auditor normally attends and reports at meetings. The Chairman of the Audit Committee reports on the proceedings of the Committee meetings to the Board. The Minutes of the Audit Committee meetings are included in the papers for Board Meetings.

Corporate Governance

The Corporate Governance Committee met once during the year and considered the following matters:

- The Corporate Governance structure of the entity
- Board of Directors' Charter
- Board of Directors' Evaluation.

The following table shows the composition of the committees and the Directors' attendance during the year ended December 31, 2013.

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Director	Board Meetings (Total Held: 9)	Finance and Audit Committee Meetings (Total Held: 3)	Corporate Governance Committee Meeting (Total Held: 1)
Mr Colin Bullock, Director General, Chairman of the Board of Directors	6 (appointed in April 2013)	N/A	N/A
Dr Gladstone Hutchinson, Director General, Chairman of the Board of Directors	1 (demitted office in January 2013)	N/A	N/A
Professor Alvin Wint	9	N/A	N/A
Mr Robert Wynter, Chairman of the Corporate Governance Committee	6	3	1
Professor Brian Meeks	6	N/A	N/A
Dr Pauline Knight	9	1 (appointed in October 2013)	1
Mr Everton McFarlane	4 (served as Acting Director General and Board Chairman February 2013–March 2013 and appointed to the Board in July 2013)	3	N/A
Dr Joy Moncrieffe	7	1 (resigned in March 2013)	1
Dr Ike Johnson, Chairman of the Finance and Audit Committee	5	3	N/A
Mr Devon Rowe	Resigned June 2013	N/A	N/A

N/A – Not Applicable

Board Remuneration

The Minister of Finance and Planning determines the form and amount of Directors' Compensation. The Directors' remuneration is detailed on page 56.

BOARD OF DIRECTORS COMPENSATION – JANUARY–DECEMBER, 2013

Board	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensa- tion including Non-Cash Benefits as applicable (\$)	Total (\$)
Mr Colin Bullock	Nil	-	-	-	Nil
Mr Robert Wynter	7 500	-	-	-	37 500
Dr Pauline Knight	7 500	-	-	-	60 000
Professor Brain Meeks	7 500	-	-	-	37 500
Professor Alvin Wint	7 500	-	-	-	60 000
Dr Ike Johnson	7 500	-	-	-	15 000
Dr Joy Moncrieffe	7 500	-	-	-	52 500
Mr Devon Rowe	7 500	-	-	-	22 500
TOTAL					285 000
Finance and Audit Committee	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensa- tion including Non-Cash Benefits as applicable (\$)	Total (\$)
Dr Ike Johnson*	7 000	-	-	-	21 000
Dr Pauline Knight*	3 500	-	-	-	7 000
Everton McFarlane*	3 500	-	-	-	3 500
Mr Robert Wynter*	3 500	-	-	-	17 500
Dr Joy Moncrieffe*	3 500	-	-	-	7 000
TOTAL	21 000				56 000

* Members who serve on two committees of the Board.

SENIOR EXECUTIVE COMPENSATION, 2013

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) (incumbent demitted office January 2013)	2013	185 580	6 943 993	-	-	-	-	7 129 573
Director General (Contract) (incumbent appointed April 2013)	2013	6 800 151	-	693 845	-	-	65 000	7 558 996
Deputy Director General, (incumbent demitted office April 2013)	2013	2 119 652	-	325 249	-	-	-	2 444 892
Deputy Director General, Corporate Governance and Management (Contract)	2013	4 416 824	2 854 340	975 720	-	-	-	8 246 884
Deputy Director General, External Cooperation Management	2013	4 808 988	-	975 720	-	-	-	5 784 708
Deputy Director General, Sustainable Development & Regional Planning	2013	4 516 751	-	975 720	-	-	-	5 492 471
Director, Economic Planning & Research	2013	4 008 513	-	975 720	-	-	-	4 984 233
Director, Corporate Affairs, Marketing & Communications Division	2013	3 856 488	-	975 720	-	-	-	4 832 208
Director, Social Policy, Planning & Research	2013	3 649 320	-	975 720	-	-	-	4 625 040
TOTAL	2013	34 362 267	9 798 333	6 873 405			65 000	51 099 005

- 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.

» 2013 YEAR IN REVIEW «



Mr Kirk Philips (right), Deputy Director General, Corporate Governance & Management, PIOJ, in discussion with Mr Joseph Cox (left), Executive Director, Growth Secretariat, PIOJ and CEO, Sagicor Jamaica Limited, Mr Richard Byles during the Dialogue for Development Lecture in November.



Director General (Actg.), PIOJ, Mr Everton McFarlane (centre) presents the 2012 State of the Jamaica Climate: Information for Resilience Building, to the Hon. Robert Pickersgill (left), Minister of Water, Land, Environment and Climate Change, as the Minister showcases the publication Socio-Economic Disaster Impact Assessment Handbook for Jamaica. Looking on is State Minister, Water, Land, Environment and Climate Change, the Hon. Ian Hayles (right).



Ms Khalia Nembhard, Documentation Centre, PIOJ, assists Mr Ricardo Durrant, JAMPRO during the 5th Biennial Diaspora Conference held at the Montego Bay Conference Centre in June.



(L-r) Dr. the Hon. Fenton Ferguson Minister of Health thumbs through the State of World Population Report 2013 along with Mrs Siti Oussein, Deputy Director, UNFPA, Sub-regional Office for the Caribbean; Mrs Antonette Brooks, Ministry of Education and Mrs Toni-Shae Freckleton, Manager, Population & Health Unit, PIOJ.



Ms Herma Maxwell (right) makes a presentation during the GOJ/Adaptation Fund Procurement Training session in July at the PIOJ. Listening intently are Mrs Sheila McDonald-Miller, Project Manager, Adaptation Fund, PIOJ and Ms Tanya Wright, Procurement Specialist



Mr Kirk Philips (left), Deputy Director General, Corporate Governance & Management, PIOJ, smiles proudly as he showcases the two customer service awards received by the PIOJ. Sharing in the moment are Mrs Marcia Blake-Hall (second left), Senior Director, Corporate Affairs, Marketing & Communication Division (CAMCD), PIOJ; Ms Carole James (second right), Manager, Communications, CAMCD; and Mrs Claudette M. Myers, Communication Specialist, CAMCD,



Hon. Noel Arcsot, Minister of Local Government & Community Development presents the Minister's Award to Marcia Blake Hall, Senior Director, CAMCD, PIOJ, at the Ministry of Local Government Community & Community Month Awards Ceremony.



Communication Specialist, Ms Carmen Miller (left), Plan Development Unit, PIOJ, accepts the Social Development Commission (SDC) award from SDC Public Relations Manager, Mrs. Afrika Moodie for participation in the 20/20 cricket games through Vision 2030 Jamaica, at the Ministry of Local Government Community & Community Month Awards Ceremony.



L-r) Mr Keith Porter, Operations Field Manager, Forestry Department; Mrs Mary Gooden, Project Manager, CCA & DRRP; Ms Marlene Headley, CEO and Conservator of Forests, Forestry Department; Mrs Marcia Blake Hall, Senior Director, CAMC, PIOJ; Mrs Alison Miller Green, Senior Project Economist, PIOJ; Mr Kirk Philips, Deputy Director General, Corporate Governance and Management, PIOJ; Ms Claire Bernard, Deputy Director General, Sustainable Development and Social Planning, PIOJ; Mrs Kadene McKenzie, Administrative Assistant, CCA & DRRP, Mr Omar Rainford, Administrative Assistant, CAMC, PIOJ, on a field visit to the Demonstration Plot at Constitution. This is one of the GOJ/EU UNEP Climate Change Adaptation & Disaster Risk Reduction Projects..



PLANNING INSTITUTE OF JAMAICA

AUDITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

THE PLANNING INSTITUTE OF JAMAICA

YEAR ENDED DECEMBER 31, 2013

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Building a better
working world

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INDEPENDENT AUDITORS' REPORT

To the Members of The Planning Institute of Jamaica

We have audited the accompanying financial statements of The Planning Institute of Jamaica ("the Institute"), which comprise the statement of financial position as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT, CONTINUED

To the members of The Planning Institute of Jamaica, Continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The financial statements of the Institute for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 18, 2013



Chartered Accountants
Kingston, Jamaica

June 9, 2014


THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	Notes	2013 \$'000	Restated 2012 \$'000 (Note 23)	Restated 2011 \$'000 (Note 23)
ASSETS				
Non-current assets				
Property and equipment	6	388,422	386,246	399,697
Retirement benefit asset	7	184,512	148,837	110,384
Long-term receivables	8	8,948	1,267	1,874
		<u>581,882</u>	<u>536,350</u>	<u>511,955</u>
Current assets				
Inventories	9	2,476	5,389	5,413
Receivables and prepayments	10	33,286	24,976	29,538
Cash and bank balances	11	136,900	174,755	185,868
		<u>172,662</u>	<u>205,120</u>	<u>220,819</u>
Total assets		<u><u>754,544</u></u>	<u><u>741,470</u></u>	<u><u>732,774</u></u>
EQUITY AND LIABILITIES				
Government's contribution to equity	12	353	353	353
Accumulated surplus		<u>281,669</u>	<u>233,327</u>	<u>179,973</u>
		<u>282,022</u>	<u>233,680</u>	<u>180,326</u>
Non-current liabilities				
Deferred income	13	<u>363,860</u>	<u>366,746</u>	<u>381,007</u>
Current liabilities				
Owed to projects	14	38,147	58,501	92,082
Payables and accruals	15	<u>70,515</u>	<u>82,543</u>	<u>79,359</u>
		<u>108,662</u>	<u>141,044</u>	<u>171,441</u>
Total equity and liabilities		<u><u>754,544</u></u>	<u><u>741,470</u></u>	<u><u>732,774</u></u>

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

The financial statements were approved and authorised for issue by the Board of Directors on June 9, 2014, and are signed on its behalf by:


..... Director
Colin Bullock


..... Director
Ike Johnson

THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2013

	Notes	2013 \$'000	Restated 2012 \$'000 (Note 23)
INCOME			
Government subventions	16	421,227	402,027
Interest income		2,681	4,822
Other income	17	34,496	33,288
		<u>458,404</u>	<u>440,137</u>
EXPENSES			
Staff costs	18	337,163	320,158
Property expenses	18	51,276	44,524
Consultancy and professional fees	18	3,565	2,183
Depreciation	6, 18	14,590	30,371
Other operating expenses		29,509	17,132
		<u>436,103</u>	<u>414,368</u>
NET SURPLUS		<u>22,301</u>	<u>25,769</u>
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive surplus not to be reclassified to income in subsequent periods:</i>			
Re-measurement income on defined benefit plan	7.4	26,041	27,585
TOTAL COMPREHENSIVE INCOME		<u>48,342</u>	<u>53,354</u>

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

THE PLANNING INSTITUTE OF JAMAICA

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2013

	Government Contributions to Equity \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at December 31, 2011, as previously reported	353	168,475	168,828
Prior year adjustment (Note 6.2)	-	11,498	11,498
Balance at December 31, 2011, as restated	<u>353</u>	<u>179,973</u>	<u>180,326</u>
Net surplus for the year, as restated (Note 23)	-	25,769	25,769
Other comprehensive income for the year, as restated (Note 23)	<u>-</u>	<u>27,585</u>	<u>27,585</u>
Balance at December 31, 2012, as restated	<u>353</u>	<u>233,327</u>	<u>233,680</u>
Net surplus for the year		22,301	22,301
Other comprehensive income	<u>-</u>	<u>26,041</u>	<u>26,041</u>
Balance at December 31, 2013	<u>353</u>	<u>281,669</u>	<u>282,022</u>

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

THE PLANNING INSTITUTE OF JAMAICA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	Notes	2013 \$'000	Restated 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus		22,301	25,769
Adjustments for:			
Loss on disposal of property and equipment		-	24
Foreign exchange adjustment		(54)	(228)
Deferred income		(14,060)	(14,261)
Depreciation of property and equipment	6	14,590	30,371
Interest income		(2,681)	(4,822)
Retirement benefit plan charge	7	6,458	4,810
Operating cash flows before movement in working capital		26,554	41,663
Decrease in inventories		2,913	24
(Increase) decrease in receivables and prepayments		(6,988)	4,013
Decrease in owed to projects		(20,354)	(33,581)
(Decrease) increase in payables and accruals		(12,028)	3,184
Cash (used in) provided by operating activities		(9,903)	15,303
Contributions to retirement benefit plan		(16,092)	(15,678)
Net cash used in operating activities		(25,995)	(375)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,768	4,771
Acquisition of property and equipment	6	(16,766)	(16,944)
Long-term receivables (net)		(9,003)	1,156
Cash used in investing activities		(23,001)	(11,017)
CASH FLOWS FROM FINANCING ACTIVITY			
Capital grant received	13	11,174	-
Cash provided by financing activity		11,174	-
DECREASE IN CASH AND CASH EQUIVALENTS		(37,822)	(11,392)
OPENING CASH AND CASH EQUIVALENTS		174,611	185,775
Effect of foreign exchange rate changes		54	228
CLOSING CASH AND CASH EQUIVALENTS	11	136,843	174,611

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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 also the functional currency of the Institute.

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

2.1 *Standards and Disclosures affecting amounts reported and/or disclosures in the current period (and/or prior periods)*

In the current year, the Institute has applied certain new and revised IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the accounting period and considered relevant to its operations. The effect on presentation or disclosure or reported financial performance or position is as follows.

IFRS 13 Fair Value Management

IFRS 13 establishes a single source of guidance of fair value measurements and disclosures about fair value measurements. The scope of IFRS is broad; the fair value measurement requirements of IFRS 13 apply to both financial instruments and non-financial instruments for which other IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

2.1 *Standards and Disclosures affecting amounts reported and/or disclosures in the current period (and/or prior periods), continued*

IFRS 13 Fair Value Management, continued

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price. IFRS 13 also includes extensive disclosure requirements.

IFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Institute has not made any new disclosures required by IFRS 13 for the 2012 comparative period (Note 23). Other than the additional disclosures, the application of IFRS 13 has not had any impact on the amounts recognised in the financial statements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 introduce new terminology, whose use is not mandatory, for the statements of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The Institute has not adopted the change in name. 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 items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (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. The amendments have been applied retrospectively. The amendments affect presentation only and have no impact on the Institute's financial position or performance. (Effective date July 1, 2012)

IAS 19 (Amendment), Employee Benefits

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, 2013

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

2.1 *Standards and Disclosures affecting amounts reported and/or disclosures in the current period (and/or prior periods), continued*

IAS 19 (Amendment), Employee Benefits, continued

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 and service costs, 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. Refer to Note 23 for the impact of implementing the amendment. (Effective date January 1, 2013)

Annual Improvements to IFRS 2009 – 2011 Cycle issued in May 2012

The Annual Improvements to IFRS 2009 – 2011 have made a certain limited amendments to IFRS which primarily consist of clarifications to existing guidance. (Effective date January 1, 2013)

Amendments to IAS 1 Presentation of Financial Statements

The amendments to IAS 1 gives guidance on when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position. The Institute has made retrospective restatements in the current period and has applied the guidance. (Effective date January 1, 2013)

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

2.1 Standards and Disclosures affecting amounts reported and/or disclosures in the current period (and/or prior periods), continued

Annual Improvements to IFRS 2009 – 2011 Cycle issued in May 2012 (Continued)

Amendments to IAS 16 Property, Plant and Equipment

The amendments to IAS 16 clarify that spare parts, standby 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 amendments did not have any impact on the Institute's financial statements. (Effective date January 1, 2013)

Details of other new and revised Standards that became effective during the year but which had no effect on the financial statements or amounts reported are set out in Note 2.2

2.2 New and revised IFRS effective but not applied to these financial statements

Effective for annual periods beginning on or after

Amendments to Standards

IAS 27	Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements	January 1, 2013
IAS 28	Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures	January 1, 2013
IFRS 1	First-time Adoption of IFRS - Amendments for Government loan with a below-market rate of interest when transitioning to IFRS	February 1, 2013
IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about offsetting financial assets and financial liabilities	January 1, 2013
IFRS 10, 11, and 12	Consolidated Financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities - Transition guidance	January 1, 2013
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
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

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

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

<u>New and Revised Standards</u>	<u>Effective for annual periods beginning on or after</u>
IAS 16, 24, 38 and IFRS 2, 3, 8 and 13	Amendments arising from 2010 – 2012 Annual Improvements to IFRS July 1, 2014
IAS 40 and IFRS 1, 3 and 13	Amendments arising from 2011 – 2013 Annual Improvements to IFRS July 1, 2014
IAS 19	Employee Benefits - Amendment to clarify the requirements that relate to how contributions from employees or third parties linked to service should be attributed to periods of service July 1, 2014
IAS 32	Financial Instruments: Presentation - Amendments to application guidance on the offsetting of financial assets and financial liabilities January 1, 2014
IAS 39	Financial Instruments: Recognition and Measurement - Amendments to permit an entity to continue to apply hedge accounting requirements January 1, 2015 (or otherwise when IFRS 9 is first applied)
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment for Government loan with a below-market rate of interest when transitioning to IFRS July 1, 2013
IFRS 7	Financial Instruments: Disclosures - Amendments requiring disclosures about the initial application of IFRS 9 January 1, 2015 (or otherwise when IFRS 9 is first applied) - Additional hedge accounting disclosures (and consequential amendments) When IFRS 9 is applied
IFRS 9	Financial Instruments: Classification and Measurement of financial assets January 1, 2018
IFRS 10, 12 and IAS 27	Consolidated Financial Statements, Disclosure of Interests In Other Entities, and Separate Financial Statements - Amendments for investment entities January 1, 2014
IFRIC 21	Levies January 1, 2014

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

2.4 *Standards and Interpretations in issue not yet effective that are relevant*

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

- Annual Improvements to IFRS 2010 – 2012 Cycle issued in December 2013
- Annual Improvements to IFRS 2011 – 2013 Cycle issued in December 2013

The Annual Improvements to IFRS Cycles include a number of amendments to various IFRS. The amendments are effective for annual periods beginning on or after July 1, 2014. Amendments to IFRS include:

2010 – 2012 Cycle

- Amendments to IFRS 13: Fair Value Measurement; and
- Amendments to IAS 24 : Related Party Disclosures

Amendment to IFRS 13

The amendment clarifies that an entity is not required to discount short-term payables and receivables if the effect of the discounting is not material.

Amendment to IAS 24

The amendment widens the definition of key management personnel to include entities, or entities that are part of the same group, that provide key management personnel services to the reporting entity.

- ***Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities***

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 IAS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required. The directors do not anticipate that the amendments will have a significant effect on the Institute’s financial statements.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

2.4 *Standards and Interpretations in issue not yet effective that are relevant, continued*

- **IFRS 9 Financial Instruments**

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- 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 value 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.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that 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 change 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 fair value through profit or loss was presented in profit or loss.

The directors and management anticipate that IFRS 9 will be adopted in the Institute's financial statements when final determination is made by the IASB as to its effective date. The application of IFRS 9 may impact the amounts reported in respect of the Institute's financial assets and liabilities. However, the directors have not yet fully assessed the impact of the application of the Standard.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

3 SCOPE OF FINANCIAL STATEMENTS

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

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 *Statement of compliance*

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

4.2 *Basis of preparation*

These financial statements have been prepared 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*

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

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

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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).

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

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

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

4.5 *Employee benefit costs*

Pension obligations

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

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

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.5 *Employee benefit costs, continued*

Pension obligations, continued

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

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 releasable 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.

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.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.8 *Financial assets, continued*

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 Cash and cash equivalents

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

4.8.4 Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.8 *Financial assets, continued*

4.8.4 Impairment of financial assets, continued

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

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

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

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

4.8.5 Derecognition of financial assets

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

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.8 *Financial assets, continued*

4.8.5 Derecognition of financial assets, continued

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.

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.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

4.9.3 Financial liabilities, continued

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

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.10 *Related party transactions and balances, continued*

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

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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

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.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Revenue recognition, continued*

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 *Leases*

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

The Institute as lessor

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

4.14 *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.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5.1 *Critical judgments in applying accounting policies*

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

5.1.1 Property and equipment

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

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

5.1.2 Inventory obsolescence

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

5.2 *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 \$184.5 million (2012: \$148.8 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 PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

5.2 *Key sources of estimation uncertainty, continued*

5.2.1 Retirement benefits, continued

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

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

6 PROPERTY AND EQUIPMENT

	Freehold Building \$'000	Leasehold Improvements \$'000	Furniture, Fixtures and Equipment \$'000	M Vehi \$
Cost				
January 1, 2012	410,846	10,425	157,072	6
Additions	2,081	-	10,585	4
Disposal	-	-	(5,748)	
December 31, 2012	<u>412,927</u>	<u>10,425</u>	<u>161,909</u>	<u>10</u>
Additions	12,767	-	3,999	
December 31, 2013	<u>425,694</u>	<u>10,425</u>	<u>165,908</u>	<u>10</u>
Depreciation				
January 1, 2012	52,192	10,222	127,781	6
Restatement	-	-	(11,498)	
January 1, 2012, as restated	52,192	10,222	116,283	6
Charge for year	10,279	203	19,588	
Disposal	-	-	(5,724)	
December 31, 2012, as restated	<u>62,471</u>	<u>10,425</u>	<u>130,147</u>	<u>6</u>
Charge for year	10,355	-	3,813	
December 31, 2013	<u>72,826</u>	<u>10,425</u>	<u>133,960</u>	<u>6</u>
Net Book Value				
December 31, 2013	<u>353,868</u>	<u>-</u>	<u>31,948</u>	<u>3</u>
December 31, 2012	<u>350,456</u>	<u>-</u>	<u>31,762</u>	<u>4</u>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

6 PROPERTY AND EQUIPMENT, CONTINUED

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

Building	-	40 years
Leasehold improvements	-	3 years
Furniture, fixtures and equipment (including computer equipment)	-	8 – 15 years
Motor vehicles	-	5 years

6.1 *Reassessment of useful life*

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

On 1 January 2013, the Institute agreed to extend the useful life for Furniture and Fixtures to 15 years and Equipment to 8 years.

As a result of the reassessment, depreciation for the current year has reduced from \$13.1 million to \$3.8 million. The impact on the financial statements over the next five years (2014-2018) is a reduction in depreciation charge of \$8 million.

6.2 *Prior period adjustment*

The basis of calculating depreciation for furniture, fixtures and equipment was found to be inaccurately computed in 2010 resulting in the over-depreciation of assets comprising that classification.

The comparative figures have been restated appropriately. The impact on the financial statements is as follows:

Impact on equity (increase/(decrease) in net equity):

	Effect on Accumulated Surplus \$'000	Effect on Property and Equipment \$'000
Balance at January 1, 2012, as previously reported	168,475	388,199
Effect of prior year adjustment	11,498	11,498
Balance at January 1, 2012, as restated	<u>179,973</u>	<u>399,697</u>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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, 2013 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:

	2013	2012
Gross discount rate	9.5%	10.5%
Expected rate of salary increases	5.0%	7%
Future pension increases	4.0%	5%
Inflation	5.0%	6%

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

The weighted average duration of the defined benefit obligation as at December 31, 2013 is 11 years for active members (86) and 17 years for deferred pensioners(5).

The Institute expects to make a contribution of \$16.6 million (2012: \$16.6 million) to the defined benefit plan during the next financial year. Total contribution inclusive of employee contributions is expected to be \$26.5 million (2012: \$27.1 million).

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

7 RETIREMENT BENEFIT ASSET, CONTINUED

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:

	2013 \$'000	2012 \$'000
Present value of funded obligations	(579,056)	(468,753)
Fair value of plan assets	<u>830,154</u>	<u>753,612</u>
Surplus	251,098	284,859
Unrecognised asset due to asset ceiling	<u>(66,586)</u>	<u>(136,022)</u>
Net asset recognized in the statement of financial position	<u><u>184,512</u></u>	<u><u>148,837</u></u>

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

	2013 \$'000	2012 \$'000
Current service cost	20,521	15,831
Net interest cost:		
Interest cost on defined benefit obligation	41,870	37,252
Interest income on plan assets	(68,175)	(63,206)
Interest effect of the asset ceiling	12,242	14,933
Net expense recognized in income statement	<u><u>6,458</u></u>	<u><u>4,810</u></u>

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

	2013 \$'000	2012 \$'000
Remeasurement gains (loss):		
Actuarial changes arising from changes in demographic assumptions	(61,253)	-
Actuarial changes arising from changes in financial assumptions	(50,581)	22,097
Experience adjustments	56,197	(39,347)
Change in effect of the asset ceiling	<u>81,678</u>	<u>44,835</u>
Net income recognized in other comprehensive income	<u><u>26,041</u></u>	<u><u>27,585</u></u>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

7 RETIREMENT BENEFIT ASSET, CONTINUED

7.5 The remeasurement gain (loss) in other comprehensive income is further analyzed as follows:

2013	Demographic Assumptions \$'000	Financial Assumptions \$'000	Experience Adjustments \$'000	Net \$'000
Defined benefit obligation	(64,827)	(52,074)	71,188	(45,713)
Fair value plan assets	<u>3,574</u>	<u>1,493</u>	<u>(14,991)</u>	<u>(9,924)</u>
Recognised in OCI (Note 7.4)	<u>(61,253)</u>	<u>(50,581)</u>	<u>56,197</u>	<u>(55,637)</u>
2012	Demographic Assumptions \$'000	Financial Assumptions \$'000	Experience Adjustments \$'000	Net \$'000
Defined benefit obligation	-	23,299	(21,227)	2,072
Fair value plan assets	<u>-</u>	<u>(1,202)</u>	<u>(18,120)</u>	<u>(19,322)</u>
Recognised in OCI (Note 7.4)	<u>-</u>	<u>22,097</u>	<u>(39,347)</u>	<u>(17,250)</u>

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

7.6 Movement effect of asset ceiling

	2013 \$'000	2012 \$'000
Opening effect of asset ceiling	136,022	165,924
Interest effect of asset ceiling	12,242	14,933
Remeasurement recognized in OCI (Note 7.4)	<u>(81,678)</u>	<u>(44,835)</u>
Closing effect of asset ceiling	<u>66,586</u>	<u>136,022</u>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

7 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2013 \$'000	2012 \$'000
Opening balance	148,837	110,384
Amounts charged to income	(6,458)	(4,810)
Employer contributions	16,092	15,678
Remeasurements recognized in OCI	26,041	27,585
	<hr/>	<hr/>
Closing balance	184,512	148,837
	<hr/>	<hr/>

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

	2013 \$'000	2012 \$'000
Opening defined benefit obligation	468,753	418,856
Service cost	20,521	15,831
Interest cost on defined benefit obligation	41,870	37,252
Members' contributions	9,405	8,985
Value of annuities purchased	10,350	9,423
Benefits paid	(17,556)	(19,522)
Remeasurement loss/(gain) on obligation for OCI (Note 7.5)	45,713	(2,072)
	<hr/>	<hr/>
Closing defined benefit obligation	579,056	468,753
	<hr/>	<hr/>

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

	2013 \$'000	2012 \$'000
Opening fair value of plan assets	753,611	695,164
Members' contributions	9,405	8,985
Employer's contributions	16,093	15,677
Value of annuities purchased	10,350	9,423
Interest income on plan assets	68,175	63,207
Benefits paid	(17,556)	(19,522)
Remeasurement loss on assets for OCI (Note 7.5)	(9,924)	(19,322)
	<hr/>	<hr/>
Closing fair value of plan assets	830,154	753,612
	<hr/>	<hr/>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

7 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2013	2012
	\$'000	\$'000
Equity fund	221,003	226,963
Fixed income fund	188,459	183,716
Foreign exchange fund	127,786	105,295
Mortgage and real estate fund	131,690	112,040
Money market fund	24,930	24,940
Other	136,286	100,658
Fair value of plan assets	<u>830,154</u>	<u>753,612</u>

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

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

7.11 Sensitivity Analysis

	Discount rate		Future salary	
	1% Increase \$'000	1% Decrease \$'000	1% Increase \$'000	1% Decrease \$'000
Impact on the present value of defined benefit obligation	<u>483,793</u>	<u>703,194</u>	<u>633,666</u>	<u>532,086</u>

8 LONG-TERM RECEIVABLES

(a) These include:

	2013	2012
	\$'000	\$'000
Staff loans receivable (Note 8(b))	12,059	3,056
Less: Current portion of staff loans in receivable (Note 10.2)	<u>(3,111)</u>	<u>(1,789)</u>
	<u>8,948</u>	<u>1,267</u>

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

9 INVENTORIES

These include:

	2013	2012
	\$'000	\$'000
Publications held for sale	<u>2,476</u>	<u>5,389</u>

The cost of inventories recognized as an expense during the year was \$1.129 million (2012: \$1.229 million). Obsolete stock value of \$3.0 million (2012: Nil) was written off at the year end.

10 RECEIVABLES AND PREPAYMENTS

10.1 These include:

	2013	2012
	\$'000	\$'000
Maintenance fees	8,822	9,211
Trade receivable (sale of publications)	195	225
Prepayments and deposits	14,722	1,270
Other receivables (Note 10.2)	<u>9,547</u>	<u>14,270</u>
	<u>33,286</u>	<u>24,976</u>

The average credit period granted on sale of publications is 30 days (2012: 30 days). No interest is charged on outstanding balances.

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

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 (2012: 90 days).

10.2 Other receivables include:

	2013	2012
	\$'000	\$'000
Receivable from Government Ministries	390	4,751
Advances to staff	3,419	5,090
Withholding tax recoverable	1,241	1,241
Current portion of long-term receivables (Note 8)	3,111	1,789
Other	<u>1,386</u>	<u>1,399</u>
	<u>9,547</u>	<u>14,270</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, 2013

11 CASH AND BANK BALANCES

11.1 Cash and bank balances comprise the following:

	2013	2012
	\$'000	\$'000
Funds held for recurrent and resource management	15,712	87,819
Funds held for special projects	111,090	69,576
Building maintenance fund	10,041	17,216
Cash and cash equivalents	<u>136,843</u>	<u>174,611</u>
Interest accrued	57	144
	<u>136,900</u>	<u>174,755</u>

11.2 Bank deposits include interest bearing accounts totaling \$126.6 million (2012: \$148.6 million), including a foreign currency deposit amounting to \$2.27 million (US\$17,590) (2012: \$3.4 million (US\$37,931)). Interest on local currency deposits are at rates ranging between 0.25% and 5.5% (2012: 1.5% to 5.5%) per annum and foreign currency deposit at a rate of 0.05% (2012: 0.05%) 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 (Note 3) amounted to approximately \$155.8 million at December 31, 2013 (2012: \$289.6 million). The funds held in these bank accounts include funds received from overseas agencies for projects.

12 GOVERNMENT'S 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 (Note 4.11).

	2013	2012
	\$'000	\$'000
Balance at beginning of year	366,746	381,007
Grants received	11,174	-
Transferred to income (see Note 17)	(14,060)	(14,261)
Balance at end of year	<u>363,860</u>	<u>366,746</u>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

14 OWED TO PROJECTS

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

15 PAYABLES AND ACCRUALS

	2013	2012
	\$'000	\$'000
Rent payable	1,558	1,558
Short-term employee benefits	43,812	43,556
Government of Jamaica/European Union Credit Scheme	-	6,462
Other payables and accruals	25,145	30,967
	<u>70,515</u>	<u>82,543</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 Ministry of Finance and Planning.

17 OTHER INCOME

	2013	2012
	\$'000	\$'000
Rental income	11,636	14,399
Building management fees	2,336	2,622
(Loss) profit sale of publications	(3,009)	597
Contributions - Special projects	14	-
Deferred income (see Note 13)	14,060	14,261
Write back of accruals	6,784	-
Other	2,675	1,409
	<u>34,496</u>	<u>33,288</u>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

18 EXPENSES

18.1 Staff costs

	2013	2012
	\$'000	\$'000
Staff costs		
Salaries and allowances	254,205	244,808
Retirement benefits plan charge	6,458	4,808
Travelling and motor vehicle upkeep	47,953	44,461
Statutory contributions	11,668	10,424
Staff welfare and subsistence	15,489	13,742
Accrued vacation	1,390	1,915
	<u>337,163</u>	<u>320,158</u>
Property expenses		
Parking	2,077	1,615
Security	7,843	6,937
Utilities	23,629	20,571
Landscaping	543	452
Cleaning and maintenance	6,174	5,028
Insurance	4,937	4,138
Repairs and maintenance	5,523	5,681
Property tax	291	102
Subsistence	259	-
	<u>51,276</u>	<u>44,524</u>
Consultancy and professional fees	<u>3,565</u>	<u>2,183</u>
Depreciation	<u>14,590</u>	<u>30,371</u>
Other operating expenses		
Foreign travel	5,585	1,067
Entertainment	619	608
Motor vehicle expenses	1,502	1,580
Computer and supplies	4,464	5,850
Postage	173	58
Stationery and office supplies	3,306	3,198
Advertising, special events and publications	4,708	3,296
Irrecoverable receivables	7,301	-
Other general expenses	1,851	1,475
	<u>29,509</u>	<u>17,132</u>
	<u><u>436,103</u></u>	<u><u>414,368</u></u>

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

18 EXPENSES, CONTINUED

18.2 Other operating expenses

Other operating expenses include write-off of irrecoverable receivables of \$7.3 million (2012: Nil).

19 RELATED PARTY TRANSACTIONS AND BALANCES

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

	2013	2012
	\$'000	\$'000
Salaries and allowances including statutory contributions	51,099	48,491

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

20 COMMITMENTS

Capital commitments

	2013	2012
	\$'000	\$'000
For acquisition of equipment	3,390	4,300

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:

	2013	2012
	\$'000	\$'000
No later than 1 year	12,341	13,823
Later than 1 year and no longer than 5 years	37,087	59,159
	49,428	72,982

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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 2012.

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 4 to the financial statements.

22.3 *Categories of financial instruments*

	2013 \$'000	2012 \$'000
Financial assets (at amortised cost)		
Loans and receivables (including cash and bank balances)	<u>169,979</u>	<u>199,612</u>
Financial liabilities (at amortised cost)		
Other financial liabilities	<u>59,543</u>	<u>88,546</u>

22.4 *Financial risk management objectives*

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

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

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

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

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.

		2013			
	Weighted Average	Less than 1 Month \$'000	1 to 12 Months \$'000	Over 12 Months \$'000	Total \$'000
	Effective Rate %				
Financial assets					
Long-term receivables	3	-	3,111	8,948	12,059
Receivables	-	-	21,020	-	21,020
Cash and bank deposits	2	136,900	-	-	136,900
		<u>136,900</u>	<u>24,131</u>	<u>8,948</u>	<u>169,979</u>
Financial liabilities					
Payables	-	21,396	-	-	21,396
Owed to projects	-	-	38,147	-	38,147
		<u>21,396</u>	<u>38,147</u>	<u>-</u>	<u>59,543</u>

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

22.6 Liquidity risk management, continued

	Weighted Average Effective Rate %	2012			Total \$'000
		Less than 1 Month \$'000	1 to 12 Months \$'000	Over 12 Months \$'000	
Financial assets					
Long-term receivables	8.5	-	1,789	1,267	3,056
Receivables	-	21,801	-	-	21,801
Cash and bank deposits	4	174,755	-	-	174,755
		<u>196,556</u>	<u>1,789</u>	<u>1,267</u>	<u>199,612</u>
Financial liabilities					
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>

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:

	2013 \$'000	2012 \$'000
Cash and bank deposits - United States dollars	<u>2,274</u>	<u>3,425</u>

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

22.8 *Foreign currency risk management, continued*

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 15% devaluation (2012: 1% revaluation or 10% devaluation) in the Jamaican dollar against the United States dollar is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rate in the short-term.

The sensitivity to a 1% revaluation or 15% devaluation (2012: 1% revaluation or 10% devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J\$0.023 million or an increase of J\$0.034 million in net income (2012: decrease or increase in net income J\$0.343 million).

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

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 2.5%/1% on Jamaican dollar (J\$) deposits and 2.0%/0.5% for United States dollar (US\$) deposits represents management's assessment of the reasonable possible change in interest rates in the short-term. In 2012 the assumption was an increase/decrease of 4%/1% for J\$ deposits and 2.5%/0.5% for US\$ deposits.

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

22.9 Interest rate risk management, continued

If market interest rates had been 2.5% higher or 1% lower on J\$ deposits and 2.0% higher or 0.5% lower on US\$ deposits and all other variables were held constant:

	2013	2012
	\$'000	\$'000
Effect on net surplus increase 2.5% (2012:4%) (J\$ deposits)	3,113	5,808
Effect on net surplus decrease 1% (J\$ deposits)	(1,245)	(1,452)
Effect on net surplus increase 2% (2012:2.5%) (US\$ deposits)	45	(86)
Effect on net surplus decrease 0.5% (US\$ deposits)	(11)	(17)

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.

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23. PRIOR PERIOD ADJUSTMENTS

23.1 IAS 19 Employee Benefits

The Institute applied IAS 19 (Revised 2011) retrospectively in the current year in accordance with the transitional provision set out in the revised standard. The opening statement of financial position at the earliest comparative period presented (1 January 2012) and the comparative figures have been accordingly restated. Key changes that impacted the Institute were as follows:

- (i) Interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net interest amount calculated by reference to the discount rate applied to the net defined benefit liability or asset at the start of each annual reporting period. In view of this \$27.59 million was charged to surplus for 2012 with a consequentially gain in OCI. There is no impact on the overall equity of the Institute.
- (ii) More extensive disclosures are required under the revised IAS19 which have been provided in Note 7.
- (iii) Retrospective restatement has been applied with the permitted exception that sensitivity disclosure for the defined benefit obligation for comparative period (year ended 31 December 2012) have not been provided.

23.2 Impact on surplus and OCI: (increase) decrease in surplus/OCI

	2012
	\$'000
Statement of comprehensive income	
Net surplus as previously reported	53,354
Staff costs	<u>(27,585)</u>
Net surplus as restated	<u><u>25,769</u></u>
Other comprehensive income as previously reported	-
Prior year adjustment	<u>27,585</u>
As restated	<u><u>27,585</u></u>

23.3 Property and Equipment

Depreciation on property and equipment has been restated as detailed in Note 6.2.