



The Planning Institute of Jamaica



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Report
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MISSION

Statement

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

VISION

Statement

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

Functions of the Planning Institute of Jamaica

(1) The functions of the Institute include:

- (a) initiating and co-ordinating planning for the economic, financial, social, cultural and physical development of Jamaica
- (b) monitoring the implementation of plans so initiated or co-ordinated
- (c) undertaking research
- (d) training in planning
- (e) undertaking consultant activities for Government Ministries, agencies and statutory bodies
- (f) maintaining a national socio-economic reference library
- (g) managing technical cooperation agreements and programmes

(2) It shall be the duty of the Institute to:

- (a) advise the Government on major issues relating to economic and social policy
- (b) interpret decisions on economic and social policy and integrate them into the national development programmes
- (c) prepare economic models for the guidance of policymakers, investors and other planners
- (d) assess existing and projected social economic and manpower resources and formulate plans for the most effective use of such resources
- (e) coordinate national, regional and sectoral development planning in order to facilitate the consistent and efficient implementation of projects and programmes
- (f) determine the economic, financial and technical feasibility of new development projects and monitor projects in progress
- (g) be instrumental in stimulating national development and in securing public cooperation and participation in achieving planned objectives
- (h) collect, compile, analyse and monitor special and economic performance data.



Board of Directors



Dr Wayne Henry

Wayne Henry was appointed Director General and Board Chairman in July 2016. He holds a PhD in Developmental Economics, and in addition to being a former lecturer at the University of the West Indies (UWI), has been a Liaison Officer/Economist at the World Bank. Dr Henry was Special Advisor to the Minister of Agriculture & Fisheries and was Chief Technical Advisor to the Minister of Finance. Prior to serving at the PIOJ, he was Vice President, Government Affairs at Scotiabank Group Jamaica



Ms Erica S. Anderson

Erica S. Anderson is Head of Total Rewards and HR Shared Service Centre, Grace Kennedy Ltd. She holds a BSc in Management Information Systems/Finance & Insurance and an MBA, specialising in Finance. She has 17 years working experience in numerous areas, including Financial Institutions Regulatory Oversight, Human Resources, Pension Funds Management, Strategic Planning, Product Development, Project Management, and Finance and Insurance.



Ms Merle Donaldson

Merle Donaldson is Director, Special Projects and Strategic Initiatives, Office of the Prime Minister. Ms. Donaldson has over 20 years of experience in both the public and private sectors – including the Sugar Industry Research Institute, Bureau of Standards Jamaica, Ernst and Young Caribbean and the Ministry of Education – in the areas of research, business development, project management and quality systems. She has also tutored part-time at the University of the West Indies. She currently serves on the boards of the Agro-Investment Corporation; and Culture, Health, Arts, Sports and Education (CHASE) Fund.



Mr Everton McFarlane

Everton McFarlane is Financial Secretary, Ministry of Finance and Planning. Mr McFarlane is a former Director General (Acting) of the PIOJ. He has 20 years of continuous service in the public service and 15 years at a management/senior level in the area of economic analysis, modelling and research, financial regulation and public financial management.



Dr Richard L. Bernal

The Honourable Dr Richard L. Bernal, OJ, is a Jamaican economist and diplomat. Bernal served as the Jamaican Ambassador to the United States from 1991 to 2001, simultaneously holding the post of Permanent Representative of Jamaica to the Organization of American States. As of March 2016, Bernal has held the post of Pro Vice-Chancellor for Global Affairs at the University of the West Indies (UWI). Prior to his diplomatic career, Bernal had taught economics at the University of the West Indies for seven years, served as CEO of a commercial bank, and worked as an economic advisor to the Government of Jamaica.



Professor Alvin Wint

Alvin Wint is Professor of International Business, Emeritus, University of the West Indies. He holds a PhD in International Business from Harvard University. He has 30 years' experience in research and advisory work in the field of international investment policy, including advisory assignments with the World Bank, United Nations; and several national governments, including the Government of Jamaica. Professor Wint also has 35 years of academic teaching, research or administrative experience with University of the West Indies, Northeastern University, Harvard University, St Andrew High School for Girls, and St Elizabeth Technical High School.



Professor David Tennant

David Tennant is Professor of Development Finance and Head of the Department of Economics, University of the West Indies, Mona. He was previously an Economist in the Financial Regulations Division, Ministry of Finance and Planning. He has a strong background in quantitative and qualitative research methodologies. He has numerous publications in international refereed journals, and two refereed books. Professor Tennant has worked on a number of high-level projects on Fiscal Management, Financial Crisis Management, Financial Sector Development and Financing the Growth and Development of the MSME Sector in Jamaica.



Mr Mark Tracey

Mark Tracey is Senior Economic Advisor at the Office of the Prime Minister. Mr Tracey holds an MSc in Economics from the University of the West Indies, Mona and has 15 years' experience in economics, with special emphasis on finance, risk management and developmental economics.



Mr Colin Williams

Colin Williams is a Lecturer at the University of the West Indies, Mona. He holds an MBA in Specialized Training in Data Analysis and Statistics. He has over 20 years of experience in household surveys, design sampling, questionnaire design, fieldwork; poverty analysis, and poverty mapping; data management, processing, and analysis; IT systems, design implementation; and training in data analysis, poverty measurement, and household surveys.

The members of the Board are appointed by the Prime Minister for a minimum of three years. On June 26, 2016 the Board was dissolved and a new Board was appointed: Mr Colin Williams, Mr Mark Tracey, Mr Everton McFarlane, Professor David Tennant and Ambassador Dr Richard Bernal were appointed on June 27, 2016.

Dr Wayne Henry, the Director General, who also serves as Board Chairman, and Professor Alvin Wint were appointed on July 1, 2016.

Ms Erica Anderson and Ms Merle Donaldson were appointed on September 5, 2016. As at December 31, 2016 the Board consisted of nine members.

The Board has two established committees, the Finance and Audit Committee and the Corporate Governance Committee.

FINANCE AND AUDIT

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

- Enterprise Risk Management Policy and Framework Manual
- Audited Financial Statements
- Management Letter
- Internal Audit Plan
- Internal Audit Reports

The Finance and Audit Committee met four times during the year. The Committee is assisted in its work by the Internal Auditor. The Internal Auditor attended every scheduled meeting of the Committee during the period. The Chairman of the Finance and Audit Committee reports on the proceedings of the Committee meetings to the Board.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee did not meet in 2016.

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS JANUARY–JUNE, 2016		
Directors	Board Meetings (Total Held: 9)	Finance and Audit Committee Meetings (Total Held: 3)
Mr. Colin Bullock, Director General, Chairman, Board of Directors ^a	6	N/A
Professor Alvin Wint	5	N/A
Mr Robert Wynter	2	Absent
Dr Pauline Knight	4	3
Mr Everton McFarlane	2	1
Dr Joy Moncrieffe	4	N/A
Dr Ike Johnson, Chairman, Finance and Audit Committee	3	3
Professor Julie Meeks	4	N/A

a – Served until June 2016; N/A – Not Applicable

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS JULY–DECEMBER 31, 2016		
Directors	Board Meetings (Total Held: 4)	Finance and Audit Committee Meetings (Total Held: 1)
Dr Wayne Henry, Director General, Chairman, Board of Directors	4	N/A
Ambassador Dr. Richard Bernal	3	N/A
Professor Alvin Wint	4	N/A
Professor David Tennant	3	N/A
Mr Mark Tracey	4	I
Mr Colin Williams	4	I
Mr Everton McFarlane, Chairman Finance and Audit Committee	3	Absent
Ms Erica Anderson*	3	N/A
Ms Merle Donaldson*	2	N/A

N/A – Not Applicable

* Appointed on September 5, 2016

BOARD OF DIRECTORS FEES – JANUARY–JUNE, 2016

Board	Fees per Meeting January–March 2016 (\$)	Fees per Meeting April–June 2016 (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Mr Colin Bullock	Nil	Nil	–	–	–	Nil
Mr Robert Wynter	7 500	9 000	–	–	–	16 500
Dr Pauline Knight	7 500	9 000	–	–	–	33 000
Professor Alvin Wint	7 500	9 000	–	–	–	42 000
Dr Ike Johnson	7 500	9 000	–	–	–	25 500
Dr Joy Moncrieffe	7 500	9 000	–	–	–	33 000
Mr Everton McFarlane	7 500	9 000	–	–	–	16 500
Professor Julie Meeks	7 500	9 000	–	–	–	34 500
TOTAL						201 000

BOARD OF DIRECTORS FEES – JULY–DECEMBER, 2016

Board	Fees per Meeting (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Dr Wayne Henry	Nil	–	–	–	Nil
Mr Colin Williams	9 000	–	–	–	36 000
Professor David Tennant	9 000	–	–	–	27 000
Mr Everton McFarlane	9 000	–	–	–	27 000
Professor Alvin Wint	9 000	–	–	–	36 000
Ambassador Dr. Richard Bernal	9 000	–	–	–	27 000
Mr Mark Tracey	9 000	–	–	–	36 000
Ms Merle Donaldson	9 000	–	–	–	18 000
Ms Erica Anderson	9 000				27 000
TOTAL					234 000

FINANCE AND AUDIT COMMITTEE JANUARY-JUNE 2016

Board	Fees per Meeting January-March 2016 (\$)	Fees per Meeting April-June 2016 (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Dr Ike Johnson	7 000	7 500	–	–	–	21 500
Dr Pauline Knight	3 500	4 500	–	–	–	11 500
Mr Everton McFarlane	3 500	4 500	–	–	–	3 500
Mr Robert Wynter	3 500	4 500	–	–	–	–
TOTAL						36 500

FINANCE AND AUDIT COMMITTEE JULY-DECEMBER 2016

Board	Fees per Meeting April-June 2016 (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Mr Mark Tracey	4 500	–	–	–	4 500
Mr Colin Williams	4 500	–	–	–	4 500
Mr Everton McFarlane	7 500	–	–	–	–
TOTAL					9 000

Note: The Director General as Chairman of the Board does not earn Board Fees.

Director General's Statement

DR WAYNE HENRY

DIRECTOR GENERAL, PLANNING INSTITUTE OF JAMAICA



The year was a productive one for the Institute as it sought to carry out its mandate as the chief planning advisor to the Government of Jamaica. Prime Minister Andrew Holness charged the PIOJ to be instrumental in advancing the growth agenda for the country, and this was one of the areas on which the organization placed tremendous emphasis. The PIOJ was integrally involved in monitoring the performance targets outlined in the Extended Fund Facility arrangement (EFF) with the International Monetary Fund (IMF) and in the Government's negotiations with the Fund for a new Precautionary Stand-By Arrangement. The country met all macro-economic targets for the 14th and final quarterly tests under the EFF with the IMF. The PIOJ team is represented on various sub-committees of the Economic Growth Council, which was established by the Prime Minister to drive economic growth and was also represented at Heads of Agencies meetings on investment and infrastructure held throughout the year. There were positive results as the July–September quarter grew by 2.0 per cent, while the October–December quarter grew by 1.1 per cent; this performance followed eight consecutive quarters of modest growth. The employment figures have also been encouraging, with the employment figure for July 2016 representing the highest level of employment for a single month in Jamaica's history.

With regard to research, the 2013 and 2014 issues of the *Jamaica Survey of Living Conditions (JSLC)* as well as the *JSLC Parish Report 2012* were completed, and the production process has started for *JSLC 2015*. The findings of the study, the School-to-Work Transition of the Deaf in Jamaica was also presented. A draft Cabinet Submission and Concept Note on the National Policy for Senior Citizens was completed for tabling in Cabinet; selective programmes for medium-term priorities for poverty reduction were identified and detailed, and a Cabinet Submission on the new National Policy on Poverty and National Poverty Reduction Programme was prepared. A draft National Policy on International Migration and Development was completed and will be submitted to Cabinet for tabling as a "White Paper" in Parliament.

The PIOJ, on behalf of the Government of Jamaica, is the national focal point for the Post-2015 Development Agenda, and has been instrumental in ensuring Jamaica's readiness to monitor and implement the Sustainable Development Goals (SDGs). The head of the UNDP mission, Mr Nik Sekhran, who visited the PIOJ in October for the presentation of the Roadmap for the Sustainable Development Goals (SDGs), indicated that Jamaica was ahead of many countries, including some developed ones, in addressing the global agenda of implementing the SDGs.

Other achievements included the PIOJ's implementation, through the EU Unit, of the Economic Partnership Agreement (EPA) Capacity Building projects, EPA I and EPA II. The projects, which are funded by the European Union in the form of grants, support export market development, and the accreditation of food testing laboratories and the role they play in the standardised food safety; and security systems required for driving food exports. Eight food testing laboratories benefited from modern laboratory equipment, training, and upgrading of their physical facilities. In addition, the PIOJ was instrumental in facilitating the finalisation of the Financing Agreement in the amount of £22.0 million for the Justice Reform Implementation Programme, which was signed on November 30, 2016. The Institute spearheaded the dialogue between the Government and the Inter-American Development Bank which led to the finalisation and adoption of the Bank's Country Strategy (2016–2021). Of note also were consultations led by the PIOJ which served as important inputs to the Regional UN Multi-country Sustainable Development Framework which was signed in November, 2016. The Foundations for Competitiveness and Growth Project (FCGP), administered by the PIOJ with World Bank funding, continued to be an important means of realising the aspirations of the Government's Growth Agenda. During 2016, work began on a Master Plan for the Logistics Hub initiative and on the Special Economic Zone initiative.

The PIOJ played a key role in the formation of the Public Investment Management System (PIMS), and provides continuous support for its operation. Housed at the PIOJ, the PIMS Secretariat directly supports the work of the Cabinet-appointed Public Investment Management Committee and is charged with streamlining the preparation, appraisal, approval and management of all Government projects in Jamaica, and in doing so, improve the quality

of the projects which are approved for inclusion in the Public Sector Investment Programme. The Director General is the Chairman of the Technical Review Committee for the PIMS and a voting member of the Public Investment Management Committee, which is chaired by the Minister of Finance and the Public Service.

In the area of sustainable development, the PIOJ was reaccredited as National Implementing Entity for the Adaptation Fund. The reaccreditation is for a period of five years. Under the GOJ/Adaptation Fund Programme, and in collaboration with partner agencies, the PIOJ supported the:

- establishment of a Water Harvesting and Distribution System in Lowe River, Trelawny to increase water access for approximately 350 residents, mainly farmers
- supply, installation and commissioning of the Braco Filtration System in Braco Trelawny to improve the quality of irrigation water by reducing the sediment load. The \$5.5 million system is providing direct benefit to 115 farmers in the area.

Through the Improving Climate Data and Information Management (ICDIMP) Project, the PIOJ facilitated the procurement of the first batch of essential hydro-meteorological equipment for the Water Resources Authority valued at approximately \$14.5 million. The equipment will foster real time data transmission and address the accuracy and reliability of data produced. The project also procured and installed a standby generator valued at \$2.1 million for the Meteorological Service Jamaica (MSJ) to ensure the MSJ's critical operations are not interrupted by power outages, especially during severe hydro-met events such as hurricanes. Additional equipment, including a replacement Doppler radar, are being purchased for both agencies as part of efforts to significantly improve the quality and use of climate related data, for effective planning and action at the local and national levels. The Institute

was also instrumental in the preparation of a draft Science, Technology and Innovation Policy and the review of the Chemical Management Profile for Jamaica; the Chemicals Emergency Risk Management Plan; and e-waste legislation. A proposal was also developed for the governance structure and regulatory framework necessary for the build out of the Nutraceutical industry.

To enhance the operations of the Institute, the PIOJ completed its Enterprise Risk Management Framework (ERMF) to formally document the organisation's strategic and operational risks and identify ways in which they can be controlled, managed or prevented. A validation workshop was held in November and a risk register manual produced which documents mitigation strategies for risks which could potentially impact the attainment of strategic objectives of the organization.

On the subject of corporate social responsibility, the Institute took part in a number of activities, among them were Vision 2030 Jamaica's blood drive, a children's treat for the Elsie Bemand Home for Girls and the PIOJ's Staff Association involvement in a collection drive for Haitians impacted by Hurricane Matthew.

Despite the challenges, 2016 has proved to be a successful year for which we can be thankful. In closing, I would like to express my appreciation to the present and past Board of Directors and staff for the hard work and dedication they demonstrated during 2016. Special thanks also to the former Director General Mr. Colin Bullock who demitted office in June 2016, for his stellar service to the PIOJ.

In 2017, the PIOJ will continue to do its part to further the GoJ's growth agenda in a holistic way, maintaining the focus on social protection mechanisms for the most vulnerable and continued strengthening of the natural environment, as we seek to generate

IN 2017, THE PIOJ WILL CONTINUE TO DO ITS PART TO FURTHER THE GOJ'S GROWTH AGENDA IN A HOLISTIC WAY, MAINTAINING THE FOCUS ON SOCIAL PROTECTION MECHANISMS FOR THE MOST VULNERABLE AND CONTINUED STRENGTHENING OF THE NATURAL ENVIRONMENT . . .

more inclusive, robust and sustained economic growth. Refining the national mechanisms and systems for the coordination, monitoring and implementation of the Sustainable Development Goals is a specific medium through which this focus on inclusive sustainable growth and development will be maintained, as we reiterate our commitment to make "Jamaica, the place of choice to live, work, raise families, and do business."



Wayne Henry, PhD, JP
Director General
Planning Institute of Jamaica

Executives of the Planning Institute of Jamaica



Dr Wayne Henry
Director General
(Appointed July 1, 2016)



Mr Kirk Philips
Deputy Director General,
Corporate Governance and
Management



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



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



Mr Easton Williams
Director, Social Policy,
Planning and Research



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



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



Mrs Janelle Cox
Chief Information Officer



Mrs Sandra Ward
Head, Human Resource
Management

■ Review of Operations

A. GOVERNANCE AND MANAGEMENT

Compliance and accountability continued to be areas of focus as environmental changes impacted by public sector reform, necessitated the bolstering of systems and processes to ensure organizational capability, relevance and agility. The institutional framework for good governance and client relationship management framed the strategic objective of this cluster. Projects and programmes were aimed at:

- staff engagement and retention of key competencies (recruitment and selection peaked as resourcing the various business units kept pace with increasing demands mostly associated with the projects currently managed by the PIOJ)
- alignment of jobs with the focus placed on roles and functions
- monitoring financial resources to meet contractual obligations – software licences, security, janitorial, insurance, external audit, building services, to comply with Occupation Health Safety Administration
- satisfying International Development Partners accreditation requirements (reaccreditation granted to the National Implementing Entity for another 5-year period)
- modernising the information and communication technologies infrastructure.

In the area of ICT, technical advice was provided to GOJ ICT projects, including the Public Investment Management Information System to be deployed. Other interventions included:

- GOJ Open Data – the PIOJ was represented on

the GOJ Open Data Committee to guide the development and maintenance of the portal and the framework for its operations

- Contribution to the design of GOJ Unified Communications and Business Continuity
- GOJ ICT Transformation – participated in the process, resulting in the MSET's Blueprint Report for ICT Transformation
- Financial Management System upgrade – deployment of FAR and Human Resources modules.

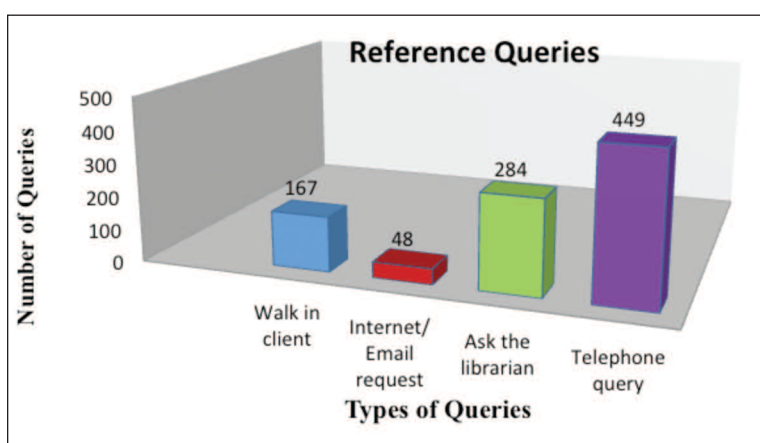
The adoption of technology to modernise and secure the PIOJ's operations, infrastructure and assets was critical, while engaging with the public sector for ICT transformation. Cybersecurity remained a global threat; hence, the PIOJ implemented and upgraded its cyber incidence response strategy to secure a perimeter fence around critical services. The network infrastructure was upgraded, along with the implementation of additional restriction policies and a communication plan, as well as the conduct of sensitisation seminars. The PIOJ continued its participation in Jamaica Cyber Incident Response Team (CIRT) operations to provide cybersecurity support at the national level.

Data management and dissemination are key to national development and the PIOJ continued to participate through the upload of data to GOJ's Open Data Portal and contribution to open data strategies.

The implementation of an Enterprise Risk Management Framework (ERMF) further reinforced the Institute's response to the changing dynamics. Consultants were engaged to assist with the diagnostics which involved gathering information on the Institute's processes and operating parameters. A Risk Management Steering Committee guided by a

Charter, was established and tasked with the responsibility of providing overall leadership for the risk management standards and framework. Focal Points were also appointed to broker interdivisional coordination and report to the Steering Committee.

The Wesley Hughes Documentation Centre continued to provide information to the staff and external users (see below for queries received).



The diagram on page 19 highlights the achievements of the Corporate Governance and Management cluster.

POOLED INVESTMENT FUND (PIF)

The Pension Plan is managed jointly by the PIOJ Pension Plan Board of Trustees and Sagcor Life Jamaica Limited. As at December 2016, the fund stood at \$1,328,865,933 with a membership of 118 comprising 95 active members 12, active pensioners and 11 deferred pensioners.

COMMUNITY INVOLVEMENT

The Institute as a part of its corporate social responsibility raised awareness and strengthened the sense of community by its involvement in various community activities. Health and wellness, in addition

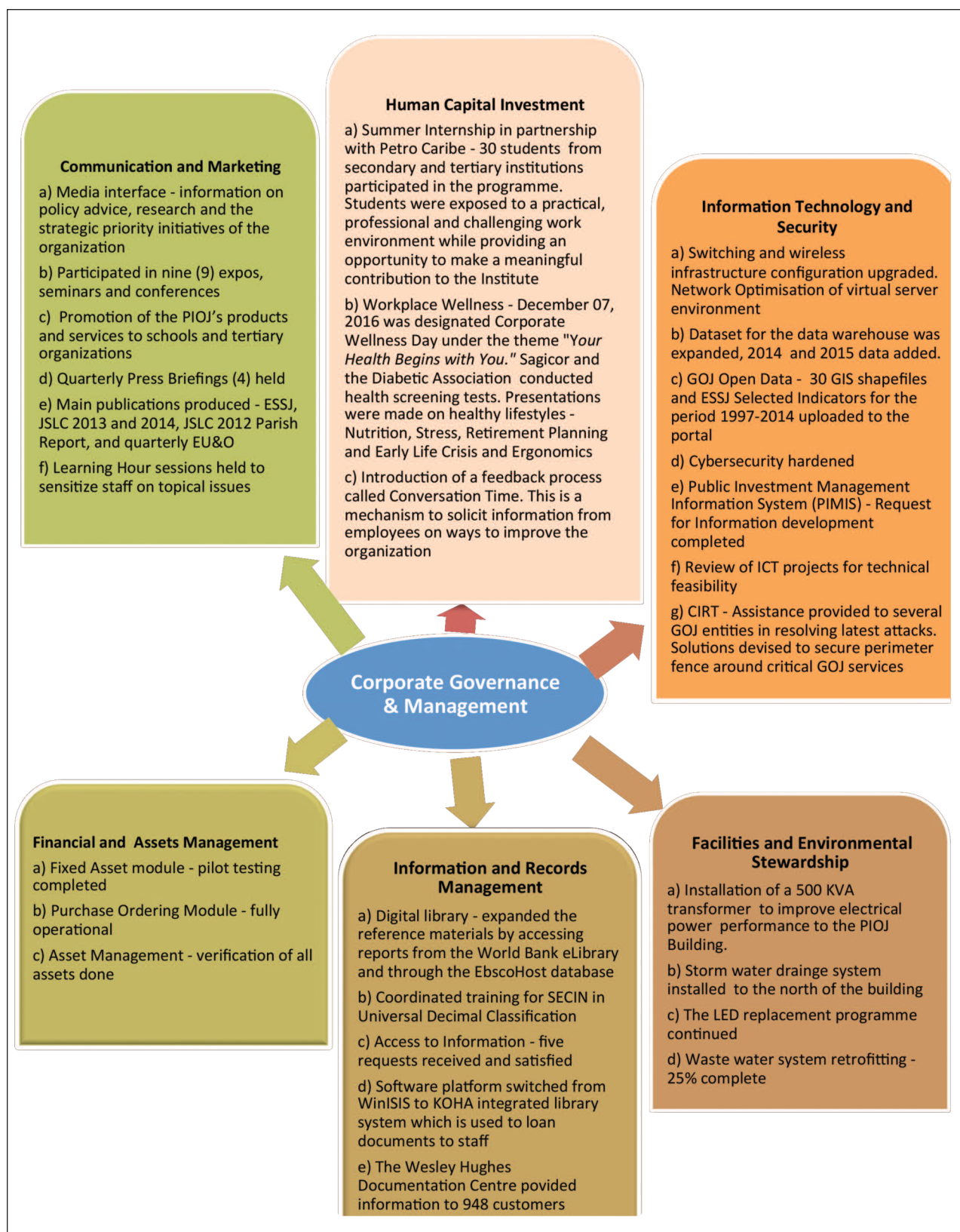
to social outreach was reinforced throughout the year by the Institute's participation in the following:

- Vision 2030 Jamaica Blood drive
- Beach Clean-up 2016, in celebration of International Coastal Clean-up Day 2016
- Sigma Corporate Run
- Christmas treat for girls at the Elsie Bemand Home for Girls
- Collection drive for the people of Haiti
- Emancipence games (Emancipation/Independence activities) involving 11 MDAs
- Summer Internship programme.

The Science & Technology Officer received an appreciation award for Invaluable Contribution to Standards Development and for 3rd Place Technical Committee Member of the Year (The National Building Code) at the Bureau of Standards Jamaica's Technical Committee Appreciation Ceremony held in October. The event honoured committee members involved in the development of national standards for 2016.



Planning Institute of Jamaica (PIOJ) is given a plaque by the Jamaica Constabulary Force's (JCF), Kingston Western Division on December 29, 2016, at the Oxford Road's Office of the PIOJ. The Plaque is presented to the PIOJ in appreciation for valuable contribution to the JCF's Kingston Western Division. Pictured from left are: Corporal C. Bennett, (representing) Kingston Western Division; Mrs Karen Sancko, Manager, Publications; and, Mr Kirk Philips, Deputy Director General, Corporate Governance and Management, both representing the PIOJ.



B. PUBLICATIONS AND PROMOTIONS

Enhancing visibility and creating awareness is an integral component of the work of the Institute and as a result, a number of activities were held to promote the organization's products and services. These included participation in/staging of expos, displays, seminars, fora, press briefings, launches, as well as radio and television interviews. The marketing of the PIOJ's publications, which provide information on social, economic and sustainable development issues, was also undertaken at tertiary institutions, including the Portmore Community College and University College of the Caribbean. The publications produced during 2016 were:

- *Economic & Social Survey Jamaica 2015*
- *Jamaica Survey of Living Conditions 2013 and 2014*
- *Jamaica Survey of Living Conditions Parish Report 2012*
- *Economic Update & Outlook (Oct–Dec 2015, Jan–Mar, 2016, Apr–June 2016, July–Sept 2016)*
- *School-to-Work Transition of the Deaf in Jamaica (online only)*
- *PIOJ's Annual Report 2015*
- *Vision 2030 Jamaica Road to 2030 Volume 1 No. 1*
- *Vision 2030 Jamaica Year in Review 2015/16*
- *Vision 2030 Jamaica Progress Report 2015/16*
- *Transitioning to the Sustainable Development Goals from the Millennium Development Goals*
- *Comprehensive Assessment of Jamaica's Progress towards the Millennium Development Goals*
- Issue 19 of the Beginnings Newsletter
- Green Team Magazine article "Using Technology to Address Climate Change"



Mr. Lehome Johnson, Project Manager, Improving Climate Data and Information Management Project, Sustainable Development and Regional Planning, addressing the staff on the topic, "Extreme Weather Events – Can We Improve Our Forecasting?" at the PIOJ's Learning Hour held on Wednesday, October 12, 2016

CUSTOMER SERVICE

Providing sterling service to both its internal and external customers continued to be a priority for the Institute. Quarterly reports for the Customer Service Monitoring and Evaluation System were submitted to the Public Sector Modernization Division, Office of the Cabinet. Mini customer surveys were conducted, using the customer comment cards which were placed at strategic areas in the Institute. Members of staff also participated in customer service training sessions throughout the year.

Main Events	Purpose
Four (4) Quarterly Press Briefings	Reports on the performance of the economy and provides a summary of Vision 2030 Jamaica social, governance and environmental indicators
Labour Market Forum 2016, January 21	Held under the theme “Jobs for Growth: Exploring Avenues for Employment Generation.”
Economic Partnership Agreement (EPA) Export Forum, June 2	To drive exports through enhanced and standardised food safety and security systems
World Population Day, 2016, July 11	Theme centred on: “Investing in Teenage Girls: Engaging Men and Boys.”
Sustainable Development Goals Debriefing and Presentation of Roadmap, October 28	To present a roadmap to stakeholders for the implementation of the Sustainable Development Goals in Jamaica by the GOJ and its partners
Caribbean Child Research Conference, November 2–4	11th annual staging of the Caribbean Child Research Conference which promotes child rights through research. This year’s theme was: “Promoting the Rights of Children in Extremely Difficult Circumstances.”
Presentation on the School-to-Work Transition of the Deaf in Jamaica, November 3	The study explores the challenges and opportunities facing the deaf in Jamaica, in particular those who are transitioning into the world of work
Launch of the 2016 <i>State of the World Population Report</i> , November 11	To focus attention on the 10-year-old girl and how investing in her can increase a nation’s income and lead to a healthier, better educated population
Vision 2030 Jamaica Expos, Conferences, and Communication Activities	Sponsored, partnered or participated in over 38 expos and conferences that were organized by other institutions. Delivered over 51 presentations to international development partners, public and private sector, academia, civil society and other groups. Participated in media events. Distributed copies of the Popular Version, Vision 2030 Jamaica Popular Version Audio book and on Information Video to stakeholders islandwide.

C. POLICY AND PLANNING

The Institute, within the framework of Vision 2030 Jamaica – National Development Plan, the Medium Term Socio-Economic Policy Framework (MTF) 2015/2016–2017/2018, as well as the Medium Term Strategic Priorities of the Government, continued to provide timely policy and planning advice to inform the decision-making process of the GOJ.

In 2016, the implementation of Vision 2030 Jamaica – National Development Plan continued under the Medium Term Socio-Economic Policy Framework (MTF) 2015/2016–2017/2018. The MTF, underpinned by a results-based management approach, is an operational document designed to achieve realistic, specific, high priority national outcomes in the long-term. The MTF also guides the corporate and operational plans of Ministries, Departments and

Agencies (MDAs) and was recently used as a foundation and strategic document in the work undertaken by the Economic Growth Council. As an inclusive process, the Secretariat coordinates 13 Thematic Working Groups (TWGs) that are part of the monitoring and evaluation framework of Vision 2030 Jamaica. The Vision 2030 Jamaica Secretariat plays the main role of monitoring and evaluating the implementation of the Plan and providing input on strategic direction. The progress reports allow for reporting on the overall development progress of Jamaica, that is, social, economic, environment and governance.

The GOJ's growth agenda was further strengthened as the Foundations for Competitiveness and Growth Project (FCGP) accelerated its implementation pace. The project's performance was highlighted by:



Participants from the UNDP; PSOJ; MDAs; PIOJ; and CSOs stand on the steps of the PIOJ building following the debriefing meeting and presentation of roadmap for the Sustainable Development Goals (SDGs) for Jamaica, which was held at the PIOJ on Friday, October 28, 2016. In the front row (at right) are Ambassador Nigel Clarke and Dr Wayne Henry, Director General, PIOJ holding blocks representing the SDGs. In the second row (far left) are Mr Easton Williams, Director, Social Policy Planning and Research Division and Ms Elizabeth Emanuel, Vision 2030 Jamaica's Programme Director.

- The granting and disbursement of \$718 million in loans to 46 SMEs, through six Commercial Banks (AFIs), facilitated by the Development Bank of Jamaica
- Approval of four Supply Chain improvement initiatives expected to benefit 35 MSMEs with grants totalling \$56 million. Those grants are scheduled to be issued in 2017.

Other achievements included:

- Completion of the Business Plan for the Creative Industries and its presentation to the Ministry of Culture, Gender, Entertainment and Sports
- Parliamentary passing and promulgation of the new Special Economic Zone (SEZ) Act, to replace the Free Zone Act—funding for drafting of the SEZ Act was provided by the FCGP in 2015
- Acquisition of equipment and software to facilitate the continued roll-out of Application Management and Data Automation (AMANDA) in Municipal Corporations and other Ministries, Departments and Agencies, to help reduce the time taken for building approvals/permits.

The project also engaged consultants to undertake several critical initiatives, which are currently in progress, including:

- The Logistics Hub Initiative Market Analysis and Master Plan
- Strategic advice on public–private partnership for Milk River Bath and Bath Fountain Hotel and Spa
- Short-term Environmental Specialist to assist SMEs become NEPA compliant
- Global In-Market Broker for Jamaica’s Outsourcing Industry.

Several tenders were launched for a range of consultancies including:

- Feasibility study for the Caymanas Special Economic Zone (CSEZ)

- Legal and financial advisory services for the divestment of Government’s shares in the Soapberry Water Treatment Plant
- Transaction Advisory services for the School Solar PV Pilot Project to install solar panels in 30 schools
- Creating the Framework for a Merger Review – Competition Law Technical Assistance and Regulatory Drafting Consultant
- Training and Awareness Building Seminars on the Insolvency Act for Attorneys and Insolvency Administrators
- Jamaica Survey of Establishments, to be undertaken by STATIN in 2017.

ECONOMIC

As part of its core function, the PIOJ continued to monitor and evaluate macroeconomic, sectoral as well as trade related issues and provide timely and appropriate technical advice to the Government of Jamaica and other stakeholders, both locally and internationally. The Institute’s work was highly influenced by the policies and programmes of the Government as it continued its efforts to stimulate broad-based economic growth while ensuring protection for the most vulnerable, and as a result, undertook the responsibility of (a) maintaining a balance between the existing socio-economic environment; (b) achieving commitments outlined in the Extended Fund Facility (EFF) Agreement with the IMF as well as obligations with other Development Partners; (c) deliberating and finalizing the new IMF 3-year Standby Agreement; and (d) revision and development of the Growth Agenda to facilitate stronger economic growth. Economic policy and planning advice was therefore linked to these areas and included:

- economic assessments to advise on policy and critical decisions by the Government and its various agencies



Mrs. Marcia Blake-Hall, Senior Director, Corporate Affairs Marketing and Communication, introducing Dr Wayne Henry (centre head table) to members of the media at his first quarterly press briefing as Director General of the Planning Institute of Jamaica on Wednesday, August 24, 2016.

- the provision of timely economic updates and projections
- monitoring of the implementation of growth projects and Doing Business Reforms and assessing the impact on growth.

As the foremost policy advisor to the Government of Jamaica, the PIOJ is cognizant of the importance of providing timely policy and planning advice. Against this backdrop, the organization contributed to its effective facilitation through the delivery of several outputs. These included the:

- provision of periodic updates on the performance of the economy and projections for the medium term for presentation to local and international stakeholders, mainly through participation in economic review meetings with International Development Partners
- preparation of weekly updates on developments in the global economy, particularly on international and domestic price movements and any impact on the economy for the weekly Programme Monitoring Committee of Cabinet
- preparation of monthly Inflation reports
- monitoring and provision of updates on projects and the preparation of reports for Cabinet and its Sub-Committees.

SOCIAL

The PIOJ continued to provide overall leadership in the development and monitoring of the implementation and evaluation of national policies, plans and programmes in the area of social development. Major undertakings included the finalization of a comprehensive report on the Millennium Development Goals (MDGs); assumption of focal point responsibility for the national coordination mecha-



Education and Training Thematic Working Group (TWG) quarterly meeting held in June 2016.

nism for the 2030 Agenda Sustainable Development Goals (SDGs); completion of the costing of the Social Protection Floor under the National Social Protection Strategy; steps taken towards the formulation of national policies and programmes of action on poverty and senior citizens; completion of a Mainstreaming Acceleration Policy Support Assessment Study by the United Nations, linking Agenda 2030 with Vision 2030 Jamaica – National Development Plan. The Labour Market Reform Commission and Secretariat was also established with the mandate to formulate a comprehensive labour market reform agenda.

New Projects and Initiatives

The following were undertaken:

- HIV/AIDS Transition Preparedness Assessment Country Report was prepared with support from UNAIDS, USAID and the Global Fund (GF) to examine the country's readiness for transition from external to government budget support funding of the national HIV response programme.
- Commencement of the development of a Plan of Action for the reintegration of involuntary returned migrants into the Jamaican Society.

- development of a five-year Strategic Implementation Plan and M&E Framework for the National Policy on International Migration and Development.
- Initiation of a process for the revision of the National Policy for Senior Citizens.

Existing Projects and Initiatives

- Costing of the Social Protection Floor Study – with the approval of the National Social Protection Strategy and its monitoring and evaluation framework, attention was given to the elaboration and costing of a social protection floor for Jamaica. This initiative, the first of its kind in Jamaica and the Caribbean sub-region, seeks to provide both a basis for coordination of existing basic needs interventions as well as a minimum set of public goods and services for social protection. The finalized Costing Report will be shared with the Cabinet in early 2017, prior to its dissemination to relevant stakeholders.
- National Policy and Programme on Poverty – with the establishment of the Unit for national poverty coordination, Cabinet gave approval for the Unit to spearhead the development of a National Policy on Poverty and a National Poverty Reduction Programme. National and sectoral consultations were conducted during the year which resulted in the drafting of the policy and programme, which was submitted to the new Cabinet. The draft policy was submitted to and approved by Cabinet, in December, as a Green Paper for public consultation and tabling in Parliament (as a Green Paper).
- Labour Market Reform Commission – established by Cabinet with a mandate to develop a comprehensive labour market reform agenda to focus on five key areas: labour policies and legislation; education and training; technology, innovation and productivity; social protection; and industrial relations. Five sub-committees based on the thematic

areas have been established and are operational. Some of the major undertakings of the sub-committees included development of a communication plan for awareness creation and public consultation on the proposed agenda; and a study on pensions by the IDB.

- Poverty Mapping – discussions were initiated with the World Bank and the Statistical Institute of Jamaica (STATIN) for the development of a poverty map for Jamaica based on the 2011 Population Census and the *Jamaica Survey of Living Conditions (JSLC 2012)*. The World Bank has given commitment to provide financial and technical assistance for undertaking the assignment.
- Birth Validation Study – Terms of Reference and preliminary budget prepared for undertaking a comprehensive evaluation study of the Completeness and Quality of Birth Registration in Jamaica. The study is expected to be completed in 2016/17.
- JAMSTATS e-Dashboard of Indicators – development of the Vision 2030 Jamaica e-Dashboard which allows stakeholders to monitor progress toward achieving national development goals.
- GOJ/World Bank Social Protection Project – implementation of Component 4 of the GOJ/World Bank Project on Social Protection continued. The dissemination of the Social Protection Strategy document and the Review of Current and Emergent Vulnerabilities Study were completed. The monitoring and evaluation plan/framework for the Social Protection Strategy was completed.
- Revision of the National Policy on Senior Citizens – the PIOJ provided technical assistance to the National Council for Senior Citizens for the revision of the National Policy on Senior Citizens. Work commenced on the development of the Concept Note, which was submitted to Cabinet. The policy is targeted for completion in 2016/17.
- Modernization of the Civil Registration and Vital

Statistics System – publication of the Study on the Quality and Completeness of Death Registration in Jamaica; preparation and submission of Cabinet Note to Cabinet on the findings of the study; and presentation of the findings to two sub-committees of the Cabinet. The findings of the study were also shared with a wide cross-section of stakeholders, including the Ministry of Health and the Registrar General's Department.

- International Migration and Development Policy – work continued under the National Policy on International Migration and Development. The National Policy on International Migration and Development was submitted to Cabinet for approval for tabling in Parliament as a White Paper. In March 2016, there was the inaugural sitting of the International Migration and Development Monitoring Board, a high-level body to monitor the migration mainstreaming activities in related MDAs and report progress to Cabinet.
- Sustainable Development Goals/Agenda 2030 – national consultations on the 2030 Agenda Sustainable Development Goals (SDGs) indicators were held in March. The consultations provided an opportunity to sensitize stakeholders, as well as consult on the 230 proposed indicators to monitor the implementation of the SDGs at the national and global levels. The PIOJ in collaboration with STATIN led this initiative and compiled feedback on these indicators relating to their feasibility, suitability, relevance and availability of data for their monitoring within our national context. A SDGs Mainstreaming, Acceleration and Policy Support (MAPS) mission was fielded by the United Nations from October 24 to 28 to support Jamaica's efforts towards implementation of the 2030 Agenda. The mission provided the impetus for efforts to strengthen the institutional mechanisms to support the integration of the SDGs in the national development processes.

The scope of the organization continues to widen, particularly in the areas of policy and programme development, namely:

- Jamaica is recognized as the country that is leading the global community in efforts towards the development of a comprehensive National Policy on International Migration and Development. Jamaica is also participating in a global project on mainstreaming migration into national development which is being funded by the Swiss government and coordinated jointly by the United Nations Development Programme (UNDP) and the International Organization for Migration (IOM). In light of this, Jamaica continued to be invited to share its experiences at both global and regional conferences, workshops and study tours on migration and development. The policy is currently at the Green Paper stage and is expected to be approved by Cabinet for tabling in Parliament for adoption in 2017.
- Based on a joint decision between the Ministry of Finance and the Public Service and the Ministry of Labour and Social Security, the PIOJ undertook the preparatory work for the establishment of the Labour Market Reform Commission and Secretariat. The Commission is mandated to develop a comprehensive labour market reform agenda by 2017. To facilitate this achievement, the PIOJ continued to provide technical and managerial oversight of the Secretariat as well as being a member of the Commission.
- In light of the approval granted by Cabinet for the tabling of the international migration and development policy in Parliament and the implementation of the GOJ/IOM/UNDP Mainstreaming International Migration into Development Planning, the continuing need for data in this area has become critical. The organization continued to build capacities through the aforementioned project in the STATIN, Passport Immigra-

tion and Citizenship Agency (PICA), Ministry of Labour and Social Security (Work Permits), and the Ministry of National Security and the National Organization for Deported Migrants – an NGO – in order to build an appropriate migration and development database for planning. Capacity building of migration focal points in relevant MDAs in the area of monitoring and evaluation were undertaken.

Community Renewal Programme (CRP)

For the review year, among the main activities, the following were achieved:

- Conducted comprehensive mapping of interventions by MDAs in target communities
- Mobilized resources to support projects
 - UNDP/GEF (US\$50 000) solar project – designed and installed 10kW solar energy system; installed 233 LED lights; trained six residents of Majesty Gardens in Basic Solar PV Design and Installation; Eighteen (18) residents trained in assembling LED lights used in tubes and bulbs; and hosted five workshops that educated residents on Renewable Energy and Energy Efficiency
 - DBJ (J\$7million), Renewable Energy & Skills Training Project – the development of a LED Assembly cottage industry for set up in Parade Gardens; design and installation of a 10kW solar energy system; trained and certified, through the Caribbean Maritime Institute, eleven youths in Basic Solar PV design and installation; 10 residents trained and certified in Food preparation Levels 1 and 2; 10 Residents of Parade Gardens trained and in receipt of general driver's licence
 - Digicel Foundation – CRP supported the scoping exercise that framed the Queen's Trust Programme. Funds will be used for Training and Capacity development of community

social enterprises, programmes addressing Violence Reduction and capacity development of community governance structures

- CDB Baseline Study, J\$50.0 million to conduct baseline study in 17 CRP communities.
- Provided policy support to the development of a Bamboo Policy and the establishment of a working group for Social Enterprise Policy Framework
- Designed and developed a Community Renewal Index and designed a Community Readiness Tool
- Developed a Monitoring and Evaluation Framework inclusive of Strategic Plan & Indicator Framework. The Strategic Plan and Indicator Framework was shared with 41 Partners (MDAs)
- Approved funding by the UNDP for the CRP data mining exercise to be conducted by STATIN for 100 communities

ENVIRONMENT RELATED

Support was given to the Government's Strategic Priority #6 (Environmental and Climate Change Resilience) and national and sectoral strategies of Vision 2030 Jamaica – National Development Plan through focus on climate change adaptation in the areas of access to water and improved climate data for planning. Other areas of emphasis were building capacity in hazard impact assessment; strengthening the regulatory framework for Science, Technology and Innovation; the use of Geographic Information Systems to support key national databases; and support to the development of the national and local sustainable development planning framework.

Climate Change Adaptation

The climate change adaptation efforts were pursued through the implementation of the following projects and programmes:

- GOJ/Adaptation Fund Programme – the largest component of the programme – the Negril Break-

water component – was suspended due to stakeholders opposition. The decision was taken by the Cabinet and communicated to the Adaptation Fund and the Negril Stakeholders. This followed extensive discussions among the PIOJ, Office of the Public Defender, Negril stakeholder groups and several state agencies.

- Consistent with the strategy to ensure adequate and safe water supply under Outcome 9 of the MTF 2015–2018, the programme facilitated the procurement of a Water Harvesting and Distribution System in Lowe River, Trelawny to increase water access for approximately 407 residents, mainly farmers; contributed \$5.5million towards the procurement of a Filtration System in Braco, Trelawny to improve the quality of the irrigation water by reducing the sediment load, providing direct benefit to 115 farmers in the area; and supported the preparation of a Climate Risk Atlas for Negril to facilitate more informed and improved local level planning.
- The programme also contributed to the advancement of the MTF Sector Strategy “Promote knowledge of climate change and facilitate knowledge transfer” through the preparation and dissemination of information; a live radio interview; and a display and distribution of brochures at the Denbigh Agricultural Show in July. Other awareness raising and outreach activities included the provision of fruit trees to supplement the orchard and eventually the school feeding programme of the Port Morant Primary and Junior High School, and presentations on climate change to approximately 90 students and young adults.

The PIOJ was re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund by the Accreditation Panel of the Fund on April 14, 2016. In order to build capacity for the Institute to execute its role as NIE and strengthen its ability to manage environment and social risks, grant funding of



Ms Claire Bernard (centre), Deputy Director General, Sustainable Development and Social Planning; and Mrs Shelia McDonald Miller, Programme Manager, GOJ Adaptation Fund (left) having a discussion on Component 1 (the Negril breakwater project) with Adaptation Fund Secretariat officials Mrs Marcia Levaggi, Mr Mikko Ollikainen and Mr Daouda Ndiaye in Washington, DC, July 2016.

approximately US\$48 400 was secured from the CDB for the development of an Environmental and Social Risk Management Framework for the PIOJ. The EMF will be developed in early 2017.

- Pilot Programme for Climate Resilience – as focal point for the PPCR, the PIOJ coordinates the implementation of two Investment Projects – one Project Preparation Grant under Jamaica’s Strategic Programme for Climate Resilience, and the Investment Plan for the Caribbean Regional Track of the Pilot Program for Climate Resilience – and has direct responsibility for implementation of the Improving Climate Data and Information Management Project (ICDIMP).
- The ICDIMP was officially launched in January and has since facilitated the procurement of a batch of essential hydro-meteorological equipment for the Water Resources Authority (WRA) valued at approximately J\$14.5 million and the approval of the procurement of a second batch valued at US\$89 000. The equipment will foster real time data transmission and address the accuracy and reliability of data produced. From this first batch of equipment, the WRA has since retrofitted two stations in Plantain Garden River and Cedar Valley, St. Thomas.
- Business continuity at the Meteorological Services (MSJ) was boosted through the procurement and installation of a standby generator valued at \$2.1 million. The equipment is to ensure that MSJ’s critical operations are not interrupted by power outages, especially during severe hydro-meteorological events such as hurricanes. The procurement of similar equipment was also approved for the WRA. Preliminary activities were undertaken towards the replacement of the country’s outdated Doppler weather radar as part of efforts to significantly improve the quality and use of climate related data, for effective planning and action at the local and national levels.
- The Climate Studies Group Mona was contracted to prepare high resolution climate scenarios for the country up to 2100. The scenarios will involve downscaling global and regional climate models

and provide projections on various climate parameters (rainfall, temperature, solar radiation et cetera) and assessment of the expected/associated impacts for priority sectors and geographic regions. The output will feed into the development of sector-based strategies for climate resilient planning and decision making and inform the preparation of the 2015 and 2019 State of Jamaican Climate Reports.

- Public awareness and visibility activities included the publication of a five-minute feature on the project, and three articles in the newspapers and on the JIS website.
- Technical and administrative support was provided to the Adaptation Program and Financing Mechanisms for the PPCR in Jamaica. The mechanism, developed through the PIOJ, is being rolled out by the Ministry of Economic Growth and Job Creation. PIOJ's input included being a reference and liaison for the project, and active participation in the project steering committee and the Financing Mechanisms Sub-Committee. The latter is responsible for approving/rejecting applications submitted for funding under the Special Climate Change Adaptation Fund.
- Promoting Community-Based Climate Resilience in the Fisheries Sector Project Preparation Grant – involvement included troubleshooting and assisting the implementing partner in the preparation of terms of references, budgets and procurement plans towards advancing implementation.

The Monitoring and Evaluation (M&E) obligations for PPCR member countries as outlined by the Climate Investment Funds (CIF) were met through the hosting of the annual M&E Scoring workshop and completion of the M&E Report and Scorecard. The workshop was attended by 30 stakeholders including PPCR implementing entities and MDAs from the five PPCR priority sectors.

The PIOJ also coordinated the development of a Concept Note for the implementation of the Environment and Climate Change component of the 11th EDF. The programme will among other things, seek to enhance environmental resilience and sustainability; improve environmental governance through the development of an effective, integrated waste management policy and regulatory framework; upgrade and modernise solid waste management infrastructure to reduce pollution; and enhance climate resilience in the agricultural sector through sustainable land management in selected communities.

Disaster Risk Management (DRM)

- The PIOJ continued to build capacity in post disaster impact assessment by partnering with the Office of Disaster Preparedness and Emergency Management (ODPEM) and the USAID to conduct training in the Damage and Loss Assessment (DaLA) methodology. Over 30 persons including members of the St. Thomas Municipal Corporation, other MDAs and the private sector participated in the training which will assist them in more accurately assessing the cost of damage and losses associated with natural disasters. To further build the capacity of disaster risk management professionals, a US\$70 000 grant from the CDB was secured to conduct training in post disaster needs assessment. The training which is scheduled to be conducted in 2017, will target 120 DRM practitioners across Government MDAs including sector specialists and municipal corporations.

Technical support was provided to projects focused on reducing the country's vulnerability to disasters through the Institute's involvement with the Jamaica Disaster Vulnerability Reduction Project and the development of Jamaica's Vulnerability Resilience Country Profile (VRCP). The PIOJ was responsible for formulating the Core Group and preparing the

Terms of Reference for the preparation of the Baseline Study to inform the VRCP. The VRCP is a tool/methodology to assist small island developing states (SIDS) in assessing progress on achieving sustainable development, the results of which can be used to inform policy and planning at the national level.

Science, Technology and Innovation (STI)

- The PIOJ was instrumental in the preparation of a draft STI Policy and the review of the Chemical Management Profile for Jamaica; the Chemicals Emergency Risk Management Plan; and e-waste legislation. In 2016, the PIOJ contributed to the drafting of a National Nutraceuticals Industry Policy, in support of a Cabinet Submission (piloted by the Ministry of Health) requesting approval for amendments to the Food and Drugs Act to appropriately regulate nutraceuticals and other natural products. A draft implementation plan was also developed.
- The PIOJ also assisted in hosting business opportunity workshops in Kingston and Montego Bay to provide industry practitioners with information on market opportunities, regulatory requirements, as well as available business development support (product development, financial management, financing etc.). Assistance was also provided to develop Research and Development Indicators for the STI sector as well as the implementation of the indicators survey. PIOJ had earlier applied for assistance through UNESCO and facilitated a capacity building workshop for over 20 STI professionals.

Geographic Information Systems

- Information generated by Geographic Information Systems was used to support the development of key databases such as the Government of Jamaica's Open Data Portal and the National Disaster Preparedness Baseline Assessment

developed by the Pacific Disaster Centre (PDC) in collaboration with the OPDEM. The goal of the assessment was to evaluate Jamaica's vulnerability to risk and existing disaster management capacities. Information submitted by the PIOJ was used to demonstrate the use of the Open Data Portal at the launch of the application and two members of staff received PDC Partnerships Awards for fostering the successful completion of the baseline assessment. GIS technology was also used to generate maps to support the Justification Document for the Third City Proposal. In addition, six members of staff received introductory training in ArcGIS Online, which is an online, collaborative web GIS that facilitates the use, creation, and sharing of maps, scenes, apps, analytics, and data.

Urban and Regional Planning

- The local sustainable development planning framework was strengthened through support provided in the form of a technical review of the Clarendon and St. Catherine Local Sustainable Development Plans (LSDP), and draft St. James and Portmore Development Orders. Active support was rendered towards the national development planning process through representation on two Vision 2030 Thematic Working Groups; monitoring of the priority actions under the Emerging and Sustainable Cities Initiative; and the development of a roadmap for the implementation of the 2030 Agenda for Sustainable Development in Jamaica.

Sustainable Development

- Contribution was given to the National Land Policy; Draft Science, Technology and Innovation Policy; Concept Paper for the National Nutraceuticals Industry; the Roadmap for SDGs implementation; Japan Caribbean Climate Partnership Project; National Coastal Management and Beach

Restoration Guidelines for Jamaica and discussion surrounding Jamaica's ratification of the Paris Agreement.

EXTERNAL CO-OPERATION & PROJECT DEVELOPMENT

The PIOJ, as the Government's interface with International Development Partners (IDPs), sought to ensure the alignment of Official Development Assistance (ODA) to the government's goals as outlined in Vision 2030 Jamaica – National Development Plan and its accompanying MTF 2015–18. In fulfilling this role, the organization identified funding sources for proposed development projects; provided guidance in project preparation for externally funded projects; coordinated donor activities; negotiated

loans and grants with bilateral and multilateral development partners; and monitored the implementation of projects and programmes financed by International Development Partners.

The Institute had oversight for a combined portfolio of projects and programmes totalling US\$1.9 billion (\$237.8 billion), which was funded by loans, grants and, technical assistance from multilateral and bilateral agencies, as well as counterpart resources from government.

NEW APPROVALS

Newly approved ODA in 2016 amounted to US\$359.9 million (\$45.0 billion), a reduction of 22.3 per cent compared with 2015, while disbursements



The Honourable Karl Samuda, Minister of Industry, Commerce, Agriculture and Fisheries addressing the Export Forum, Building National Capacity: Driving Exports through Enhanced and Standardised Food Safety and Security Systems on June 2, 2016 at the Spanish Court Hotel. Seated l-r, Ms Barbara Scott, Deputy Director General, PIOJ; Mr Achim Schaffert, Head of Operations, Delegation of the European Union, the Most Honourable Andrew Holness, Prime Minister of Jamaica and Mr Colin Bullock, former Director General, PIOJ.

totalled US\$422.0 million (\$52.8 billion). Approvals registered an overall decline, primarily because of fewer loan approvals, in response to a policy imperative of the Government to reduce the debt burden. It should be noted that grant funding increased, as a direct result of efforts to identify more grant funding for projects of strategic importance.

SECTORAL DISTRIBUTION OF NEW APPROVALS

Of the US\$359.9 million (\$45.0 billion) in new ODA approvals, 49.7 per cent was in the form of budget support and other programmes aimed at furthering the Government's priority of *Fiscal Prudence and Pursuit of a Credible Economic Programme*; 32.5 per cent was geared towards *Economic Growth and Job Creation*; 1.0 per cent was geared towards *Effective*

Social Inclusion and Protection; 2.5 per cent was geared towards *Human Capital Development*; 9.1 per cent was geared towards *Environmental and Climate Change Resilience*; and 5.3 per cent towards *Improved Security and Safety* (Figure 1). The Multilateral Financing Institutions (the World Bank, Inter-American Development Bank and the European Union) provided most of the funding received in 2016 (Table 1).

The PIOJ led discussions with MDAs and IDPs on the design and funding of projects intended to further Cabinet's stated priorities. One such was the Energy Management and Efficiency Programme, where the Institute provided technical advice and guidance, as well as coordinated inputs of three funding partners, which together committed US\$40.0 million in loan and grant funding. The

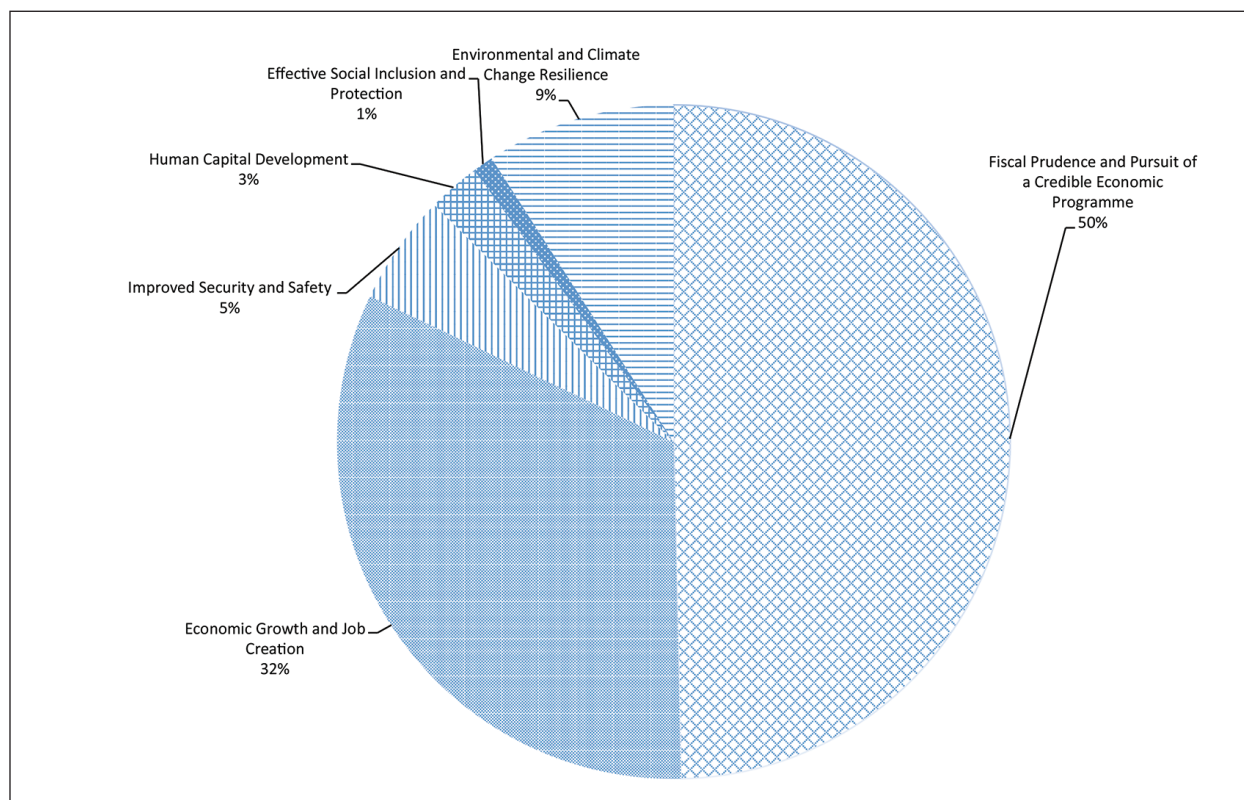


Figure 1. Official Development Assistance – Cabinet Priorities

Table 1: Sources of New Official Development Assistance, US\$million

	Fiscal Prudence and pursuit of a Credible Economic Programme	Economic Growth and Job Creation	Improved Security and Safety	Human Capital Development	Effective Social Inclusion and Protection	Environmental and Climate Change Resilience	Total
Bilateral Cooperation	0.1	100.2	19	6	1.8	0.9	128
Multilateral Financial Institutions	179	16.3	0	0.3	1	30	226.6
Multilateral Technical Cooperation	0.1	0.3	0	2.8	0.6	0.4	4.3
Global Environment Fund	0	0	0	0	0	1.3	1.3
Total	179.1	116.9	19	9	3.4	32.6	360.1

Institute also assisted the Ministry of Finance and the Public Service in negotiating funding for projects on behalf of the government and led negotiations on the Implementation Agreements for two grant projects funded by the Government of the Peoples Republic of China.

PORTFOLIO MANAGEMENT

Increased focus was given to portfolio management in order to ensure that the development objectives of projects and programmes were achieved despite fiscal constraints. These efforts included the convening of 19 portfolio review meetings which sought to identify major bottlenecks within the programme and sought solutions to improve implementation. Ad hoc meetings were also convened with project managers to troubleshoot and bring resolution to problems militating against good project performance. Additionally, 81 missions were approved and coordinated and 20 site visits completed. These activities allowed for a more collaborative monitoring effort by the Institute with responsible MDAs and IDPs. A number of Terms of References for the contracting of project consultants were prepared and submitted for approval and 13 technical briefs

were prepared for Government officials including the Prime Minister, Minister of Finance and the Public Service and the Minister of Foreign Affairs and Foreign Trade.

Highlights

A number of critical initiatives were undertaken, aimed at improving the efficiency and delivery of Development Assistance, as well as strengthening existing partnerships with key IDPs. These included:

- **Public Investment Management System** – technical and operational support was provided to the Public Investment Management System (PIMS) particularly for externally funded projects, through inputs into the review of project concepts and proposals. The Institute also benefited from training in Project Management facilitated by the PIMS Secretariat and funded by the World Bank.
- **Development Effectiveness Strategy** – coordinated consultations took place involving IDPs and MDAs on the draft Development Effectiveness Strategy. The consultations were aimed at soliciting “buy in” for the Strategy, which provides the operating principles governing the interface between the Government and external partners.

- **Country Strategy** – spearheaded the consultation process between GOJ and the IDB, which led to the formulation of the GOJ–IDB Country Strategy (2016–2020). The strategy focuses on improving public sector management, boosting private sector led growth and competitiveness, and enhancing human capital protection and development.
- **United Nations Multi-Country Sustainable Development Framework (UN MCSDF)** – coordinated consultations with government and non-governmental organizations, as well as with the UN Agencies, in finalising the MCSDF and establishing an organizational structure to oversee its implementation in Jamaica. This culminated in the endorsement of the Framework by the Government of Jamaica.

OFFICE OF THE NATIONAL AUTHORIZING OFFICER

The Institute functions as the Office of the National Authorizing Officer (NAO) and the Minister of Finance and the Public Service is the NAO. In functioning as the Office of the NAO, the PIOJ was responsible for preparing, executing and providing oversight to the EU cooperation programme. Activities included:

- Implementation of the Technical Cooperation Facility IV & V which supported inter alia the participation of GOJ officials as in international conferences, training courses, and workshops
- Preparation of 11 contracts in the areas of Justice, Health, Private Sector Development, Agriculture and Poverty Reduction.
- Execution of payment for contractors' invoices totalling 12.0 million
- Preparation of the project contract for the Technical Cooperation Facility VI totalling 1.8 million
- Preparation, in collaboration with the Ministry of Justice, of the programme contract for the Justice Reform Implementation Programme totalling 24.0 million
- Implementation of the Economic Partnership Agreement Capacity Building Programmes EPA I & II which included the execution of the EPA Export Forum. Over 100 stakeholders, including the Prime Minister and Minister of Industry, Commerce, Agriculture, and Fisheries were in attendance. The forum served to increase the knowledge of the EPA projects aimed at strengthening Jamaica's quality infrastructure and food safety systems. The forum also sought to sensitise exporters to the importance of compliance with international quality standards and the ways in which the EPA projects can help exporters to respond to technical barriers to trade.

D. RESEARCH

ECONOMETRIC MODELLING:

Models are critical to the work of the organization. As a result, work geared towards the building and enhancing of the capabilities of these tools was sustained during 2016. This involved updating and developing various models on indicators and indices. The tools employed as well as the analysis facilitated, included:

- *Threshold 21 (T21)* – was adjusted to reflect expenditure for FY2016/17 impact of expenditure decisions. It was also used to inform the Public Sector Investment Programme Policy Paper
- *Input-Output (I/O) Model* – used to carry out analysis in the areas of Economic Impact of the Construction Phase of Harmony Cove
- Econometric model – used to:
 - Inform paper on National Policy on Poverty and National Poverty Reduction Programme (Green Paper) Amendments

- Forecast GDP (EU&O)
- Inform Short to Medium-Term Outlook re preparation of the first draft of Fiscal Policy Paper
- Inform Short- to Medium-Term Outlook re preparation of the first draft of Growth Agenda Policy Paper.
- Other Models – templates were created to calculate:
 - Real Prices for Housing, Health and Education Expenditures (for JSLC)
 - Estimate consumption for a section of rural Jamaica
 - Incremental Capital Output Ratio
 - National Transfer Account Model
 - Estimated poverty line for 2015.

SPECIAL RESEARCH STUDIES/ RESEARCH PAPERS

The following new projects and initiatives were undertaken:

- HIV/AIDS Transition Preparedness Assessment Country Report was prepared with support from UNAIDS, USAID and the Global Fund (GF) to examine the country's readiness for transition from external to government budget support funding of the national HIV response programme
- Commencement of the development of a Plan of Action for the reintegration of involuntary returned migrants into the Jamaican society
- Development of a five-year Strategic Implementation Plan and M&E Framework for the National Policy on International Migration and Development
- Initiation of a process for the revision of the National Policy for Senior Citizens.

SENIOR EXECUTIVE COMPENSATION, 2016

Names and Positions 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 (\$)
Colin Bullock, Director General	2016	7 228 261	8 248 353	640 320	–	–	–	16 116 934
Wayne Henry, Director General	2016	5 004 000	–	670 812	–	–	–	5 674 812
Richard Lumsden, Deputy Director General	2016	3 759 497	–	975 726	–	–	–	4 735 223
Claire Bernard, Deputy Director General	2016	5 093 448	–	1 311 132	–	–	–	6 404 580
R. E. Kirkland Philips, Deputy Director General	2016	4 543 099	1 047 968	1 311 132	–	–	–	6 902 199
Barbara Scott, Deputy Director General	2016	4 728 580	–	1 311 132	–	–	–	6 039 712
James Stewart, Director	2016	4 429 352	–	1 311 132	–	–	–	5 740 484
Sandra Ward, Director	2016	3 959 470	–	691 368	–	–	–	4 650 838
Easton Williams, Director	2016	4 812 539	–	1 311 132	–	–	–	6 123 671
Marcia Blake-Hall, Director	2016	3 955 592	–	1 311 132	–	–	–	5 266 724
Janelle Cox, Director	2016	4 010 550	–	691 368	–	–	–	4 701 918
TOTAL	2016	51 524 388	9 296 321	11 536 386	–	–	–	72 357 095

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.

■ Appendices

CABINET SUBMISSIONS, NOTES, BRIEFS, POSITION PAPERS

CABINET SUBMISSIONS

- Revision of the National Population Policy and Plan of Action
- National Policy on International Migration and Development (White Paper)
- Jamaica's Progress on the 2030 Agenda Sustainable Development Goals
- Draft Cabinet Submission and Concept Note on the National Policy for Senior Citizens, and submission to the Ministry of Labour and Social Security for tabling in Cabinet
- Completion of a Submission of a Cabinet Note on the first Annual Report of the National Social Protection Committee chaired by the PIOJ
- Cabinet Submission on the National Policy on Poverty and National Poverty Reduction Programme routed through the Ministry of Economic Growth and Job Creation for tabling in Cabinet

NOTES

- Concept Paper on the Revision of the National Policy for Senior Citizens
- Analysis of the Poverty Rates, 2014 to 2015
- Population Policy
- National Policy on Poverty and National Poverty Reduction Programme.
- United Nations Institute for Training and Research (UNITAR) Training Recommendations
- 1st Annual Report of the National Social Protection Report

- Social Determinants of Health
- Overseas employment options for Jamaica

BRIEFS

- Labour Market Reform prepared for Minister of Labour and Social Security
- High-level Thematic Debate on Achieving the Sustainable Development Goals
- Efforts to Eradicate Poverty and Reduce Inequality prepared for the MFAFT
- Courtesy call with PAHO mission on the National Health Financing Project
- Needs Assessment for Portmore Hospital, and the Child and Adolescent Hospital in the Western Region
- IMF reviews (11th, 12th, and 13th), which included the performance of the economy, short-term projections as well as the provision of updates on the growth enhancement reforms
- Preliminary performance of the economy by quarters
- Review and update on the performance of the economy as well as growth strategies
- Briefing notes for throne speech and budget presentations
- Creating employment and increasing tax revenue
- Draft concept for the Caribbean Maritime Institute (CMI) for submission to the Climate Technology Centre Network (CTCN). The concept is

- for technical assistance to expand the Solid State Lighting (SSL) programme at the CMI.
- Key issues affecting Jamaica's Nutraceuticals Industry
- Science, Technology and Innovation Sector Developments prepared for Director Generals Secretariat

POSITION PAPERS

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

BOARDS, COUNCILS, COMMITTEES, WORKING GROUPS

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

- Programme Monitoring Committee
- Distributive Trade Committee
- Financial Inclusion Steering Committee

Technical Working Group – Agriculture/Tourism

- Technical Working Group – Manufacture/Tourism
- Jamaica Dairy Development Board
- NIS Reform Committee
- Income Security Sub-Committee
- Logistics Hub Initiative Technical Committee
- Public Sector Management Committee
- Economic Growth Council

- MSME Thematic Working Group
- National Social Protection Committee
- Deployment of Renewable Energy & Improvement of Energy Efficiency in the Public Sector
- International Relations & Trade Sub-committee
- Jamaica Productivity Centre
- Labour Policies and Legislation sub-committee
- Student Loan Bureau (SLB) – Evaluation Committee
- Early Childhood Commission and its Sub-Committees
- National Working Group on International Migration and Development
- National Identification System Committee
- National Council for Senior Citizens
- Inter- Ministry Security Committee
- Migration Project Board
- Jamaica Council for Disabilities Board of Management
- RGD Board Meeting
- Jamaica Council for Disabilities Board of Management
- National Social Protection Committee (NSPC), and four technical Sub-Committees
- Labour Market Reform Commission and its Sub-Committees
- Executive of the Nurses Association of Jamaica
- Jamaica Country Coordinating Mechanism
- Strategic Planning Steering Committee for the 10-Year Development Plan on Health
- Family Planning Association of Jamaica
- Essential National Health Research
- Violence Prevention Alliance
- National Council on Ocean and Coastal Zone Management
- Social Services and Infrastructure Sub-Committee
- Gender Mainstreaming Committee

- National Building Code, Building and Fire Codes sub-committee
 - Third National Communication/Biennial Update Report (TNC/BUR) Board
 - National Nutraceuticals Industry (NNI) Steering Committee
 - Blue and John Crow Mountains National Park and World Heritage Site Advisory Committee PSC – SAICM Project (chemicals management)
 - Downtown Kingston Redevelopment Project Evaluation Committee
 - National Disaster Council
 - Planning Committee for the UNEP Special Programme to support institutional strengthening at the national level for implementation of the BRS conventions, the Minamata Convention and the Strategic Approach to International Chemicals Management
 - Research, Development and Innovation Oversight Committee
 - WG of the “Empowering Knowledge Transfer in the Caribbean through effective Intellectual Property Rights (IPRs) and Knowledge Transfer (KT) Regimes (IPICA)” project
 - National Emergency Response GIS Team
 - CEADIR Low Carbon Climate Resilient Sector Planning Committee
 - ACP-EU Development Minerals Programme Country Working Group
 - National Housing Conference Committee
 - Peace Corps Technical Advisory Committee
 - Four Programme Steering Committee, three Project Management Team Meetings, and one Strategic Planning workshops held under the GOJ/AFP
 - Two Project Steering Committee Meetings held under PPCR/ICDIMP
 - MOE ICT in Education
 - GOJ ICT Transformation Steering Committee
 - GOJ ICT Council - Project Portfolio Management
 - PIMIS Technical Oversight Committee
- Provide evidence-based policy and planning advice through conduct, analysis, promotion and dissemination of socio-economic research. The following were accomplished:
- Ongoing policy advice provided to the Government through membership on the Human Resources Committee of Cabinet
 - Completion of 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 of 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
 - Chaired and provided secretariat services for quarterly meetings of the:
 - Labour Market Information Technical Advisory Committee (LIMITAC)
 - Migration and Development Project Board
 - National Working Group on International Migration and Development
 - Jamaica Survey of Living Conditions (JSLC) Steering Committee
 - JamStats Steering Committee.

- Fiscal Policy Paper
- Harmony Cove Assessment
- Distributional impact of an increase in the tax base on the purchasing power of consumers
- Post EFF Programme
- Assessment for the Divestment of Caymanas Track
- National Land Policy
- Draft National Asbestos Abatement Strategy and Action Plan
- Agenda 2030 Draft Indicators (Grey indicators)
- National Profile for the Management of Chemicals (2nd Edition)
- Inception Report for the development of drafting instructions for chemicals legislation
- Audit report on laboratories in the Hope Gardens Complex
- Water Sector Policy
- Jamaica/Colombia Cooperation Programme – Draft Project to Strengthen the Disaster Risk Management System
- Proposed Sustainable and Renewable Energy project for Jamaica, Guyana and Suriname
- UNDP Preliminary Draft Caribbean Human Development Report (Responding to Environmental and Climate Change Challenges)
- Technical Proposal Jamaica Logistics Hub Initiative (LHI) Market Analysis and Master Plan project
- PFM Assessment of Section 1 of report on Disaster Risk Financing in Jamaica and Annexes
- Draft proposal prepared by the Caribbean Maritime Institute to the Climate Technology Centre & Network
- Draft Science, Technology and Innovation Policy
- OAS Sustainable Development Agenda
- Jamaica's Intellectual Property Audit Report (WIPO/IIPO)
- Concept Paper for the National Nutraceuticals Industry
- Project concept for the expansion of the NWC's Sewage Treatment facility in Port Antonio.
- National Chemicals Emergency Risk Management Plan
- Drafting Instructions for the proposed Pesticides and Toxic Chemicals Act
- Waste Management Concept Note Enhancing Environmental Resilience and Sustainable Management of Waste Project
- Development of National Guidelines for the Management of Hazardous Waste associated with the implementation of EE/EC Interventions in the Jamaican Public Sector
- Forestry National Action Plan (NAP) via consultations convened with stakeholders
- Jamaica's National Biodiversity Strategy and Action Plan (NBSAP) for Jamaica.
- Disaster Risk Management Act
- Draft Project POD Documents for the IDB Energy Management and Efficiency Programme (EMEP) - JA-L1056
- IDB mini-questionnaire on the availability of national data/indicators for measuring gender gaps in STI in the Latin America & Caribbean (LAC) region
- Preparatory Survey for the workshop "Building Sustainable Development Roadmaps in SIDS"
- Draft Oil Spill Technical Proposal
- Improvement of Emergency Communications Systems in Jamaica" Project proposal
- Concept Note for 11th EDF – National Indicative Programme: Environment and Climate Change
- Integrated Waste Management Policy and Action Plan
- Support to Finalize Caribbean Maritime Institute's – Application for support to the CTCN

- Draft SIDS DOCK Cabinet Submission (revised by MFAFT)
- Draft Roadmap document prepared for ACP-EU /UNDP Development Minerals Programme
- Rapid Integrated Assessment report prepared under the UNDP Mainstreaming, Acceleration and Policy Support (MAPS) project
- UNDP Country Implementation Plan Formulation
- Adaptation Fund Regional Project Technical Proposal
- Inception & multi-stakeholder engagement report for Jamaica Coastal Guidelines
- Legal and institutional reviews related to resettlement in Jamaica – JDVRP
- Drafting Instructions concerning the Management and Disposal Of E-Waste
- United Nations Development Assistance Framework Jamaica 2012–2016 Evaluation Report
- Draft National Housing Policy
- Japan Caribbean Climate Partnership Draft Baseline Assessment Report
- Questionnaire on Jamaica’s Implementation of the SAMOA Pathway and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Development States (SIDS)
- Special report on the impact of global warming of 1.5 °C above pre-historic temperatures.
- Canada’s Proposed New Policy on International Assistance – Clean Economic Growth and Climate Change Initiatives.
- United Nations Country Implementation Plan (CIP) 2017–2021
- Concept note for the PURE EARTH/USAID Project “Reducing the Threats of Toxic Chemical Pollution to Human Health in Low- and Middle-Income Countries
- United Nations Development Assistance Framework (UNDAF) 2012–2016

CONFERENCES, WORKSHOPS, SEMINARS AND MEETINGS

- 9th Global Forum on Migration and Development, December 2016
- 2nd Migration Global Project Board Meeting in Bishkek, Kyrgyzstan, September 2016.
- 28th Meeting of the Council for Human and Social Development Health (COHSOD)
- 55th Directing Council and 68th Session of the Regional Committee of the World Health Organization (WHO)
- 69th World Health Assembly
- 30th Biennial Conference for the Caribbean Nurses Organization
- IV Continuous Reporting System of International Migration (SICREMI) in the Americas, Panama City, June 20–24, 2016
- Caribbean Civil Registration and Identity Management Conference
- Global Meeting on Migration and Development held in Switzerland, May 25–27, 2016
- National Workshop on MARPOL Annex VI and Technology Transfer (International Maritime Organization & Maritime Authority of Jamaica)
- Pacific Disaster Centre’s Knowledge Exchange II
- IICA Agriculture and Climate Change forum
- Second National Stakeholder Forum under the “Empowering Knowledge Transfer in the Caribbean through effective Intellectual Property Rights (IPRs) and Knowledge Transfer (KT) Regimes (IPICA)” Project
- 22nd Annual International Diabetes Conference
- UTech, Jamaica stakeholder Round Table discussion on energy and low carbon development
- Sustainable Development Solutions Network (SDSN) High Level Forum “Leveraging the Sustainable Development Goals for and Energy Secure Caribbean,” University of the West Indies

- Consultation on the Global Fuel Economy Project (GFEI): Jamaica Country report
- IICA Agriculture and Climate Change forum
- Second National Stakeholder Forum under the “Empowering Knowledge Transfer in the Caribbean through effective Intellectual Property Rights (IPRs) and Knowledge Transfer (KT) Regimes (IPICA)” Project
- JaREEACH II Climate Smart Agriculture Symposium
- Consultations on Climate Finance which was hosted by the Min. of Economic Growth and Job Creation (MEGJC) (Climate Change Division) with support from the Green Climate Fund
- Solar Radiation Management: Research, Governance and Uncertainty workshop organized by the UWI in collaboration with the Caribbean Academy of Science, Jamaica and the Royal Radiation Management Governance Initiative
- 2016 United Nations University Biotechnology Programme Symposium/Workshop for Latin American & the Caribbean hosted by the Biotechnology Centre, UWI
- University of Technology’s 4th International Science Conference
- Forum “Rethinking Solid Waste Management: Privatising the NSWMA?” hosted by the Caribbean Policy Research Institute
- Jamaica Green Cluster Economy Workshop organised by JAMPRO and the OAS
- Final Workshop for the National Disaster Baseline Assessment for Jamaica
- World Bank’s Effective Building Regulation Implementation and Compliance in Jamaica workshop
- Forum on “Pests, Pesticides and Climate Change” hosted by the Pesticides Control Authority, Pesticides Research Lab (UWI, Mona) and Caribbean Academy of Sciences, Jamaica
- JaREEACH II Climate Smart Agriculture Symposium
- Proclamation Ceremony for Science & Technology Month. The theme for 2016 was ‘Science, Technology and Innovation: Stimulus for Health, Wealth and Wellness’
- Monitoring and Evaluation Workshop in St. Lucia towards the review of the mid-year M&E Report and the preparation of the annual M&E Report for 2016
- 22nd Conference of Parties (COP22) to the United Nations Framework Convention on Climate Change (UNFCCC) held November 7–18

» 2016 YEAR IN REVIEW «



Ms. Suzette Thompson, Senior Policy Analyst, PIOJ presenting the Vision 2030 Jamaica plaque to the winners of the Primary School poster competition, Corinaldi Avenue Primary School, St. James at the Caribbean Child Research Conference, held on November 2–4th at the GolfView Hotel, Mandeville.



Shown above are the panellists in the PIOJ's Labour Market Forum 2016 "Jobs For Growth: Exploring Avenues for Employment Generation" held on January 21, 2016 at the Jamaica Pegasus Hotel. From left to right are Dr Wayne Wesley, Executive Director, HEART Trust/NTA; Mr Richard Lumsden, Deputy Director General, PIOJ; Ms. Veronica Alaimo, Senior Labour Specialist, IDB; Dr Eric Deans, Chairman, Logistics Hub Task Force; Mrs Andrene Collings, Director of MSME, Ministry of Industry, Investment and Commerce; Dr Marshall Hall, Chairman, Labour Market Reform Commission; and Mr Fritz Pinnock, Executive Director, Caribbean Maritime Institute.

» 2016 YEAR IN REVIEW «

2016

ANNUAL REPORT



Ms. Siti Batoul Ousseini, Deputy Director UNFPA presenting a copy of State of the World Population Report 2016 to Dr Wayne Henry, Director General, PIOJ



Members of the PIOJ and Pilot Program for Climate Resilience (PPCR) Project team were with members of the World Bank as the Water Resources Authority (WRA) demonstrated how the radar streamflow gauges are operated at the Plantain Garden River, St Thomas (November 2016)

» 2016 YEAR IN REVIEW «



Standing (L-R): Mrs. Mareeca Brown Bailey, Gender Specialist; Mrs. Yonique Hamilton, Senior Demographer; Mrs. Toni-Shae Freckleton, Manager, Population & Health Unit; Mrs. Allison Anderson McLean, Permanent Secretary, Ministry of Culture, Gender, Entertainment and Sport; Ms. Siti Ousseini, Deputy Director, UNFPA Sub-Regional Office for the Caribbean; Mrs. Deidra Coy, Labour Market Analyst; and Ms. Stacy-Ann Robinson, Demographer at the launch of the 2016 State of the World Population Report in the Don Mills Training Room, Planning Institute of Jamaica on Friday, November 11, 2016



Dr. Wayne Henry, Director General, PIOJ, making a presentation to Breanna Parker, student of the Mountain Side Primary School, who was the first place winner in the primary school category, for the World Population Day National Essay Competition. The presentation was made at the Launch of the State of the World Population Report 2016 on November 11, 2016.

» 2016 YEAR IN REVIEW «

2016

ANNUAL REPORT



The Planning Institute of Jamaica (PIOJ), in collaboration with the Ministry of Labour and Social Security under the GOJ/World Bank Social Protection Project, presented the findings of the Study, *The School-to-Work Transition of the Deaf in Jamaica* to stakeholders on Thursday, November 3, 2016 at the PIOJ's offices. Shown above are Mrs. Collette Robinson, Manager, Social Protection and Gender Unit, Mrs. Carol Watson Williams, Social Research Consultant, Mrs. Shelly Ann Edwards, Programme Manager, Poverty Reduction Coordinating Unit, and Mr. Easton Williams, Director, Social Policy Planning and Research Division.



As part of the Institute's programme to inform students on social issues, Mrs Toni-Shae Freckleton, Manager, Population and Health Unit makes a presentation on, "Analysis of Jamaica's Demographic Situation and the SDGs" to a group of sixth form students from Kingston College.



PLANNING INSTITUTE OF JAMAICA

AUDITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

THE PLANNING INSTITUTE OF JAMAICA

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollars)

THE PLANNING INSTITUTE OF JAMAICA

YEAR ENDED 31 DECEMBER 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Planning Institute of Jamaica

Report on the Financial Statements

Opinion

We have audited the financial statements of The Planning Institute of Jamaica (the "Institute"), which comprise the statement of financial position as at 31 December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS 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.

In preparing the financial statements, management is responsible for assessing the Institutes' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Institute's financial reporting process.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

To the Members of The Planning Institute of Jamaica, Continued

Report on the Financial Statements, Continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Institute or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
-



INDEPENDENT AUDITOR'S REPORT, CONTINUED

To the Members of The Planning Institute of Jamaica, Continued

Report on the Financial Statements, Continued

Auditor's Responsibilities for the Audit of the Financial Statements, Continued

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, reading 'Ernst & Young', is located below the text of the auditor's responsibilities.

Chartered Accountants
Kingston, Jamaica
27 April 2017

**THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2016


(Expressed in Jamaican dollars)

	Notes	2016 \$'000	2015 \$'000
ASSETS			
Non-current assets			
Property and equipment	6	409,444	421,725
Intangible assets	7	1,668	2,016
Retirement benefit asset	8	233,638	217,328
Long-term receivables	9	2,995	4,766
		<u>647,745</u>	<u>645,835</u>
Current assets			
Inventories	10	-	490
Receivables and prepayments	11	29,837	30,257
International Development Partners funded projects	12	105,601	64,777
Cash and bank balances	12	38,574	16,638
		<u>174,012</u>	<u>112,162</u>
Total Assets		<u>821,757</u>	<u>757,997</u>
EQUITY AND LIABILITIES			
Government's contribution to equity	13	353	353
Accumulated surplus		<u>314,957</u>	<u>249,071</u>
		<u>315,310</u>	<u>249,424</u>
Non-current liability			
Long-term portion - deferred income	14	<u>365,386</u>	<u>378,146</u>
Current liabilities			
Owed to projects	15	49,662	28,631
Payables and accruals	16	77,612	86,982
Current portion – deferred income	14	<u>13,787</u>	<u>14,814</u>
		<u>141,061</u>	<u>130,427</u>
Total Equity and Liabilities		<u>821,757</u>	<u>757,997</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 April 27, 2017 and are signed on its behalf by:

 Director
Dr Wayne Henry

 Director
Mark Tracey

**THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF COMPREHENSIVE INCOME**

YEAR ENDED 31 DECEMBER 2016
(Expressed in Jamaican dollars)

	Notes	2016 \$'000	2015 \$'000
INCOME			
Government subventions	17	519,481	455,581
Interest income		1,217	1,282
Other income	18	44,779	33,579
		<u>565,477</u>	<u>490,442</u>
EXPENSES			
Staff costs	19	388,068	386,769
Property expenses	19	55,442	50,298
Consultancy and professional fees	19	3,341	3,350
Depreciation and amortisation	6,7,19	26,539	20,960
Other operating expenses	19	30,782	29,869
Loss on disposal of property and equipment	19	243	-
		<u>504,415</u>	<u>491,246</u>
NET SURPLUS (DEFICIT)		<u>61,062</u>	<u>(804)</u>
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive surplus not to be reclassified to income in subsequent periods:</i>			
Re-measurement experience on defined benefit plan	8.4	<u>4,824</u>	<u>48,368</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS		<u>65,886</u>	<u>47,564</u>

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

**THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF CHANGES IN EQUITY**

YEAR ENDED 31 DECEMBER 2016
(Expressed in Jamaican dollars)

	Government Contributions to Equity \$'000 (Note 13)	Accumulated Surplus \$'000	Total \$'000
Balance at 31 December 2014	353	201,507	201,860
Net deficit for the year	-	(804)	(804)
Other comprehensive income	-	48,368	48,368
Total comprehensive income attributable to members	-	47,564	47,564
Balance at 31 December 2015	353	249,071	249,424
Net surplus for the year	-	61,062	61,062
Other comprehensive income	-	4,824	4,824
Total comprehensive income attributable to members	-	65,886	65,886
Balance at 31 December 2016	353	314,957	315,310

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

**THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 DECEMBER 2016
(Expressed in Jamaican dollars)**

	Notes	2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus/(loss)		61,062	(804)
Adjustments for:			
Loss on disposal of property and equipment		243	-
Foreign exchange adjustment		(542)	(669)
Deferred income		(13,787)	(14,814)
Depreciation and amortisation	6,7,19	26,539	20,960
Interest income		(1,217)	(1,282)
Retirement benefit plan charge	8.3	7,138	6,856
Operating cash flows before movement in working capital		79,436	10,247
Increase International Development Partners funded projects		(40,824)	(3,968)
Decrease in inventories		490	20
Decrease/(increase) in receivables and prepayments		420	(1,609)
Increase/(decrease) in owed to projects		21,031	(32,729)
(Decrease)/increase in payables and accruals		(9,370)	8,739
Cash provided/(used) in operating activities		51,183	(19,300)
Contributions to retirement benefit plan	8.7	(18,624)	(17,736)
Net cash provided/(used) in operating activities		32,559	(37,036)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,278	1,262
Acquisition of property and equipment	6	(12,045)	(22,858)
Acquisition of intangible assets	7	(2,108)	(3,348)
Long-term receivables (net)		1,771	3,885
Project funds received		-	7,936
Cash used in investing activities		(11,104)	(13,123)
CASH FLOWS FROM FINANCING ACTIVITY			
Capital grant received	14	-	9,051
Cash provided by financing activity		-	9,051
INCREASE/(DECREASE) IN CASH AND BANK BALANCES		21,455	(41,108)
OPENING CASH AND BANK BALANCES		16,543	56,982
Effect of foreign exchange rate changes		542	669
CLOSING CASH AND BANK BALANCES	12	38,540	16,543

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016
(Expressed in Jamaican dollars)

1 IDENTIFICATION

1.1 General information

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

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

1.2 Principal activities

The objectives of the Institute include:

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

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The Institute applied for the first time certain Standards and amendments, which are effective for annual periods beginning on or after 1 January 2016. The Institute has not early adopted any other Standard, Interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2016, they did not have a material impact on the annual financial statements of the Institute.

Details of new and revised Standards and Interpretations applied in these financial statements but which had no effect on the amounts reported are set out in Note 2.2. The nature and the impact of each new Standard or amendment are described below:

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016
(Expressed in Jamaican dollars)

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

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

- ***Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception***

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and do not have any impact on the financial statements of the Institute.

- ***Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests***

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 Business Combinations principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained.

In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are applied prospectively. These amendments do not have any impact on the financial statements of the Institute as there has been no interest acquired in a joint operation during the period.

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

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

- ***IFRS 14 Regulatory Deferral Accounts***

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

Since the Institute is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

- ***Amendments to IAS 1 Disclosure Initiative***

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

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

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments do not have any impact on the financial statements of the Institute.

- ***Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and do not have any impact on the financial statements of the Institute, given that the Institute has not used a revenue-based method to depreciate its non-current assets.

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

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

- ***Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants***

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 Agriculture. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are applied retrospectively and do not have any impact on the financial statements of the Institute as it does not have any bearer plants.

- ***Amendments to IAS 27: Equity Method in Separate Financial Statements***

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively.

These amendments do not have any impact on the Institute's financial statements.

- ***Annual Improvements 2012-2014 Cycle***

These improvements include:

- ***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations***
Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.
- ***IFRS 7 Financial Instruments: Disclosures***
 - (i) ***Servicing contracts***
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be made retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

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

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

- ***Annual Improvements 2012-2014 Cycle, continued***

- *IFRS 7 Financial Instruments: Disclosures, continued*

- (ii) *Applicability of the amendments to IFRS 7 to condensed interim financial statements*

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

- *IAS 19 Employee Benefits*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

- *IAS 34 Interim Financial Reporting*

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

These amendments do not have any impact on the financial statements of the Institute.

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

- ***IFRS 2 Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2***

The IASB issued amendments to IFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

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

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

- ***IFRS 2 Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2, continued***

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Institute does not have share-based transactions therefore the amendments are not expected to have an impact on its financial statements.

- ***IFRS 9 Financial Instruments***

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL.

Classification and measurement of financial liabilities

However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss). For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

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

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

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

- **IFRS 9 Financial Instruments, continued**

Impairment

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

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

These amendments are effective for annual periods beginning on or after January 1, 2018. These amendments are not expected to have any impact on the financial statements of the Institute.

- **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. In December 2015, the IASB decided to defer the effective date of these amendments until such time as it has finalised any amendments that result from its research project on the equity method. These amendments are not expected to have any impact on the financial statements of the Institute.

- **IFRS 15 Revenue from Contracts with Customers**

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

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

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

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

- **IFRS 15 Revenue from Contracts with Customers, continued**

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

- **IFRS 16 Leases**

IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019. IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2017, the Institute plans to assess the potential effect of IFRS 16 on its financial statements.

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

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

- **IAS 7 Disclosure Initiative: Amendments to IAS 7**

The amendments to IAS 7 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). These amendments are effective for annual periods beginning on or after January 1, 2017, with early application permitted. Application of the amendments will result in additional disclosures provided by the Institute.

- **IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses: Amendments to IAS 12**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in the opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after January 1, 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the financial statements of the Institute.

- **IAS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date.

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

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

- **IAS 40 Transfers of Investment Property, continued**

Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight. Early application of the amendments is permitted and must be disclosed. This amendment is effective for annual periods beginning on or after 1 January 2018.

The amendments will eliminate diversity in practice. The Institute is assessing the impact that these new, revised and amended standards and interpretations may have on its financial statements when they are adopted.

These amendments are not expected to have any impact on the Institute.

- **IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration**

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation

Or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Early application of interpretation is permitted and must be disclosed. This interpretation is effective for annual periods beginning on or after 1 January 2018.

The Institute is assessing the potential effect of the amendments on its financial statements.

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

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

- ***Annual Improvements 2014-2016 Cycle***

The amendments from the 2014-2016 annual improvements cycle are as follows:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendments) - Deletion of short-term exemptions for first-time adopters (effective 1 January 2018).
- IAS 28 Investments in Associates and Joint Ventures (Amendment) - Clarification that measuring investees at fair value through profit or loss is an investment-by investment choice (effective 1 January 2018).
- IFRS 12 Disclosure of Interests in Other Entities (Amendment) - Clarification of the scope of the disclosure requirements in IFRS 12 (effective 1 January 2017).

3 SCOPE OF FINANCIAL STATEMENTS

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

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 *Statement of compliance*

The Institute's financial statements have been prepared in accordance, and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB").

4.2 *Basis of preparation*

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

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

The Institute presents its statement of financial position in a current versus non-current classifications. The presentation in the notes is broadly in the order of the items in the statement of financial position and the statement of comprehensive income.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.2 *Basis of preparation, continued*

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

4.3 *Judgements*

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

4.4 *Current versus non-current classification*

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Institute classifies all other liabilities as non-current.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.5 *Fair value measurement*

Fair values of financial instruments measured at amortised cost are disclosed in Note 23.

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

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

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

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

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

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

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

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

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.6 *Property and equipment*

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

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

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

4.7 *Intangible assets*

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

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

4.8 *Impairment of long-lived assets*

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in surplus or deficit.

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.9 *Employee benefit costs*

Pension obligations

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

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. Assets are only recognized to the extent that the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan exceeds the fair value of the plan assets less the present value of the defined benefit obligations.

Defined benefits obligations for the scheme are calculated annually by independent actuaries. The cost of providing benefits is determined using the Projected Unit Credit Method.

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

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

4.10 *Inventories*

Inventory of publications are treated as an expense.

4.11 *Financial instruments*

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

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets*

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

4.12.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including receivables and prepayments, cash and bank balances which are short-term in nature and long-term receivables) are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.12.2 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.

4.12.3 Cash and cash equivalents

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

4.12.4 Impairment of financial assets

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets, continued*

4.12.4 Impairment of financial assets, continued

Objective evidence of impairment could include:

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

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

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

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

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

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets, continued*

4.12.5 Derecognition of financial assets

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

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

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

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised in surplus or deficit.

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

4.13.1 Classification as debt or equity

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

4.13.2 Equity instruments

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

4.13.3 Financial liabilities

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

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

4.13.3 Financial liabilities, continued

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

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

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

4.13.3.2 Derecognition of financial liabilities

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

4.14 *Related party transactions and balances*

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

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (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.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.14 *Related party transactions and balances, continued*

- (b) An entity is related to a reporting entity if any of the following conditions applies, continued:
 - (v) The entity is a post-employment benefit plan established for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled, or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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

4.15 *Government grants*

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

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

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.16 *Revenue recognition*

4.16.1 Government grants

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

4.16.2 Rental income

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

4.16.3 Interest income

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

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

4.16.4 Building management fees

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

4.17 *Leases*

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

The Institute as lessor

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

4.18 *Comparative balances*

Certain balances have been reclassified to conform with the current year's presentation. These relate to the reclassification of the interest on staff loans from owed to project to payables and accruals. These reclassifications had no material impact in the financial statements.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.19 Foreign currencies

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

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

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5.1 Critical judgments in applying accounting policies

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

5.1.1 Property and equipment

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

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

5.1.2 Inventory obsolescence

The Institute assesses on an annual basis its inventory of publications to determine those that will not be the saleable in the foreseeable future as a

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result of edition change, slow movement etc. Write-down is also made for items that have become outdated.

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

5.2 Key sources of estimation uncertainty

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

5.2.1 Retirement benefits

As disclosed in Note 8, the Institute operates a defined benefit pension plan. The retirement benefit asset disclosed in the statement of financial position \$233.6 million (2015: \$217.3 million) in respect of the defined benefits plan is subject to estimates in respect of periodic costs which costs are dependent on returns on assets, future discount rates, rates of salary increases and inflation rate in respect of the pension plan.

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

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

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6 PROPERTY AND EQUIPMENT

	Freehold Building \$'000	Leasehold Improvements \$'000	Furniture, Fixtures and Equipment \$'000	Motor Vehicles \$'000	Work in Progress \$'000	Total \$'000
Cost						
31 December 2014	416,520	10,425	189,095	10,419	40,643	667,102
Additions	-	-	7,287	-	15,571	22,858
Reclassification or transfer	25,058	-	31,156	-	(56,214)	-
31 December 2015	441,578	10,425	227,538	10,419	-	689,960
Additions	-	-	8,998	-	3,047	12,045
Disposal	-	-	(331)	-	-	(331)
31 December 2016	441,578	10,425	236,205	10,419	3,047	701,674
Depreciation						
31 December 2014	83,239	10,425	147,708	7,235	-	248,607
Charge for year	11,039	-	8,167	422	-	19,628
31 December 2015	94,278	10,425	155,875	7,657	-	268,235
Disposal	-	-	(88)	-	-	(88)
Charge for year	11,039	-	10,685	2,359	-	24,083
31 December 2016	105,317	10,425	166,472	10,016	-	292,230
Net Carrying Amount						
31 December 2016	336,261	-	69,733	403	3,047	409,444
31 December 2015	347,300	-	71,663	2,762	-	421,725

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6 PROPERTY AND EQUIPMENT, CONTINUED

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

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

7 INTANGIBLE ASSETS

	Computer Software \$'000
At Cost -	
At 1 January 2015 31 December 2015	3,348
Additions	<u>2,108</u>
31 December 2016	<u>5,456</u>
Amortisation –	
At 1 January 2015 31 December 2015	1,332
Charge for the year	<u>2,456</u>
31 December 2016	<u>3,788</u>
Net Book Value -	
31 December 2016	<u><u>1,668</u></u>
31 December 2015	<u><u>2,016</u></u>

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

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8 RETIREMENT BENEFIT ASSET

The Institute operates a defined benefit plan for its permanent staff. The assets of the scheme are held separately from those of the Institute in funds under the control of trustees and administered by an insurance company. The plan is funded by contributions made by the employees and the Institute. The Institute contributes the balance of the cost determined periodically by actuaries subject to a minimum of 5% of pensionable salaries. Employees contribute 5% of the pensionable salaries as a basic contribution with an option to contribute an additional 5% of pensionable earnings. The pension benefits are determined on a prescribed benefit basis and are payable at a rate of 2% of annualised salary at exit, times the pensionable years of service.

The most recent actuarial valuation was carried out at December 31, 2016 by Rambarran & Associates Limited, consulting actuaries. The present value of the defined benefit obligation and the related current service costs and past service costs have been measured using the projected unit credit method.

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

	2016	2015
Gross discount rate	9.0%	8.5%
Expected rate of salary increases	6.0%	5.0%
Future pension increases	4.5%	4.5%
Inflation	6.0%	5.0%
Minimum funding rate	5.0%	5.0%

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

The weighted average duration of the defined benefit obligation as at December 31, 2016 is 31 years (2015:32 years) for active members totalling 95 (2015: 93) and 17 years (2015:17 years) for deferred pensioners totalling 3 (2015: 2).

The Institute expects to make a contribution of \$19.8 million (2015: \$18.4 million) to the defined benefit plan during the next financial year. Total contribution inclusive of employee contributions is expected to be \$32.45 million (2015: \$29.8 million).

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8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2016 \$'000	2015 \$'000
Present value of funded obligations	(770,832)	(713,017)
Fair value of plan assets	<u>1,379,426</u>	<u>1,174,316</u>
Surplus	608,594	461,299
Unrecognised asset due to asset ceiling	<u>(374,956)</u>	<u>(243,971)</u>
Net asset recognized in the statement of financial position	<u>233,638</u>	<u>217,328</u>

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

	2016 \$'000	2015 \$'000
Current service cost	26,880	23,213
Net interest cost:		
Interest cost on defined benefit obligation	60,222	54,251
Interest income on plan assets	(100,702)	(89,720)
Interest effect of the asset ceiling	<u>20,738</u>	<u>19,112</u>
Net expense recognized in statement of income	<u>7,138</u>	<u>6,856</u>

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

	2016 \$'000	2015 \$'000
Remeasurement gains (losses):		
Actuarial changes arising from changes in financial assumptions	61,700	(116,262)
Experience adjustments (Note 8.5)	53,371	188,306
Change in effect of the asset ceiling (Note 8.6)	<u>(110,247)</u>	<u>(23,676)</u>
Net income/(expense) recognized in other comprehensive income	<u>4,824</u>	<u>48,368</u>

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8 RETIREMENT BENEFIT ASSET, CONTINUED

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

2016	Demographic Assumptions \$'000	Financial Assumptions \$'000	Experience Adjustments \$'000	Net \$'000
Defined benefit obligation	-	64,003	(32,085)	31,918
Fair value plan assets	-	(2,303)	85,456	83,153
Recognised in OCI (Note 8.4)	-	61,700	53,371	115,071
2015	Demographic Assumptions \$'000	Financial Assumptions \$'000	Experience Adjustments \$'000	Net \$'000
Defined benefit obligation	-	(119,740)	60,381	(59,359)
Fair value plan assets	-	3,478	127,925	131,403
Recognised in OCI (Note 8.4)	-	(116,262)	188,306	72,044

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

8.6 Movement effect of asset ceiling

	2016 \$'000	2015 \$'000
Opening effect of asset ceiling	(243,971)	(201,183)
Interest effect of asset ceiling	(20,738)	(19,112)
Remeasurement recognized in OCI (Note 8.4)	(110,247)	(23,676)
Closing effect of asset ceiling	(374,956)	(243,971)

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8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2016 \$'000	2015 \$'000
Opening balance	217,328	158,080
Amounts charged to income	(7,138)	(6,856)
Employer contributions	18,624	17,736
Remeasurements recognized in OCI	4,824	48,368
	<u>233,638</u>	<u>217,328</u>
Closing balance		

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

	2016 \$'000	2015 \$'000
Opening defined benefit obligation	713,017	576,779
Service cost	26,880	23,213
Interest cost on defined benefit obligation	60,222	54,251
Members' contributions	11,862	11,103
Value of annuities purchased	4,518	17,968
Benefits paid	(13,749)	(29,656)
Remeasurement – changes in financial assumptions	(64,003)	119,740
Remeasurement (gain)/loss on obligation for OCI (Note 8.5)	32,085	(60,381)
	<u>770,832</u>	<u>713,017</u>
Closing defined benefit obligation		

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

	2016 \$'000	2015 \$'000
Opening fair value of plan assets	1,174,316	936,042
Members' contributions	11,862	11,103
Employer's contributions	18,624	17,736
Value of annuities purchased	4,518	17,968
Interest income on plan assets	100,702	89,720
Benefits paid	(13,749)	(29,656)
Remeasurement – changes in financial assumptions	(2,303)	3,478
Remeasurement (loss)/gain on assets for OCI (Note 8.5)	85,456	127,925
	<u>1,379,426</u>	<u>1,174,316</u>
Closing fair value of plan assets		

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8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2016 \$'000	2015 \$'000
Equity fund	479,643	381,273
Fixed income fund	214,932	198,621
Foreign exchange fund	203,395	172,590
Mortgage and real estate fund	263,674	218,526
Money market fund	32,927	28,984
Other	184,855	174,322
Fair value of plan assets	<u>1,379,426</u>	<u>1,174,316</u>

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

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

8.11 Sensitivity analysis

The present value of the defined benefit obligation was analysed based on a 1% increase or decrease (2015: 1%) in the discount rate applied and the impact on the fund determined. The impact of a 1% increase or decrease (2015: 1%) in the future salary rate on the net present value of the fund was also determined. The table below summarises the results of the analysis:

	2016			
	Discount rate		Future salary	
	1%	1%	1%	1%
	Increase	Decrease	Increase	Decrease
	\$'000	\$'000	\$'000	\$'000
Impact on the present value of defined benefit obligation	112,443	(146,514)	(63,253)	54,094

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

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9 LONG-TERM RECEIVABLES

(a) These include:

	2016 \$'000	2015 \$'000
Staff loans receivable (Note 9(b))	6,121	8,313
Less: Current portion of staff loans included in other receivables (Note 11.2)	<u>(3,126)</u>	<u>(3,547)</u>
	<u>2,995</u>	<u>4,766</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 instalments. Interest on these loans range from 2% to 3% per annum and have tenure of five years.

10 INVENTORIES

These include:

	2016 \$'000	2015 \$'000
Publications held for sale	<u>-</u>	<u>490</u>

During the year the prior year inventory balance was written off as an expense. The total cost of inventories recognized as an expense during the year was \$0.660 (2015: \$0.847 million).

11 RECEIVABLES AND PREPAYMENTS

11.1 These include:

	2016 \$'000	2015 \$'000
Maintenance fees	9,797	7,858
Trade receivables (sale of publications)	90	70
Prepayments and deposits	12,017	9,484
Net maintenance fee billable to OCG	-	1,074
Other receivables (Note 11.2)	<u>7,933</u>	<u>11,771</u>
	<u>29,837</u>	<u>30,257</u>

The average credit period granted on sale of publications is 30 days (2015: 30 days). No interest is charged on outstanding balances.

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11 RECEIVABLES AND PREPAYMENTS, CONTINUED

11.1 continued

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

Trade receivables are past due at the reporting date. However, the Institute considers these amounts to be recoverable based on the credit quality of the amounts outstanding. The Institute does not hold any collateral over these balances. The average age of these receivables is 30 days (2015: 30 days).

11.2 Other receivables include:

	2016 \$'000	2015 \$'000
Advances to staff	2,446	2,488
Current portion of long-term receivables (Note 9)	3,126	3,547
Other	2,361	5,736
	<u>7,933</u>	<u>11,771</u>

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

12 CASH AND BANK BALANCES

12.1 Cash and bank balances comprise the following:

	2016 \$'000	2015 \$'000
Funds held for recurrent and resource management	37,782	16,146
Building maintenance fund	758	397
Cash and bank balances	<u>38,540</u>	<u>16,543</u>
Interest accrued	34	95
	<u>38,574</u>	<u>16,638</u>
International Development Partners funded projects	105,601	64,777
	<u>144,175</u>	<u>81,415</u>

12.2 Bank balances include interest bearing accounts totalling \$143.8 million (2015: \$57.5 million), including a foreign currency deposit amounting to \$5.3million (US\$41,467) (2015: \$8.7 million US\$72,177). Interest on local currency deposits are at rates ranging between 0.05% and 5.5% (2015: 0.05% to 4.50%) per annum and on foreign currency deposits at an average rate of .05% (2015: 0.07%) per annum. Interest on current accounts per annum is 24.75% (2015: 24.75%)

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12 CASH AND BANK BALANCES, CONTINUED

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

12.4 Funds being held in bank accounts in the name of the Institute but which are not accounted for in these financial statements (Note 3) amounted to approximately \$21 million at 31 December 2016 (2015: \$38 million). The funds held in these bank accounts are funds received from IDPs for projects implemented by the Institute.

13 GOVERNMENT'S CONTRIBUTION TO EQUITY

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

14 DEFERRED INCOME

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

	2016 \$'000	2015 \$'000
Balance at beginning of year	392,960	398,723
Grants received	-	9,051
Transferred to income (see Note 18)	(13,787)	(14,814)
Balance at end of year	<u>379,173</u>	<u>392,960</u>

	2016 \$'000	2015 \$'000
Current portion	13,787	14,814
Long-term portion	365,386	378,146
	<u>379,173</u>	<u>392,960</u>

15 OWED TO PROJECTS

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

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16 PAYABLES AND ACCRUALS

	2016 \$'000	2015 \$'000
Short-term employee benefits	40,880	49,853
Other payables and accruals	<u>36,732</u>	<u>37,129</u>
	<u>77,612</u>	<u>86,982</u>

The credit period on purchases of goods/services from the Institute's major suppliers ranges from 30 – 60 days (2015: 30 - 60 days). The Institute has financial risk management procedures in place to ensure that all payables are paid within the credit time frame.

17 GOVERNMENT SUBVENTIONS

Government subventions include recurrent amounts received from the Ministry of Economic Growth and Job Creation.

18 OTHER INCOME

	2016 \$'000	2015 \$'000
Rental income	18,414	12,220
Building management fees	4,692	2,893
Gain/(loss) on sale of publications	889	(847)
Deferred income (see Note 14)	13,787	14,814
Write back of accruals	-	1,558
Other	<u>6,997</u>	<u>2,941</u>
	<u>44,779</u>	<u>33,579</u>

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19 EXPENSES

	2016 \$'000	2015 \$'000
Staff costs		
Salaries and allowances	265,610	279,452
Retirement benefits plan charge	7,138	6,856
Travelling and motor vehicle upkeep	70,632	60,157
Statutory contributions	12,985	12,587
Staff welfare and subsistence	28,289	26,416
Accrued vacation	3,414	1,301
	<u>388,068</u>	<u>386,769</u>
Property expenses		
Parking	2,139	1,559
Security	9,746	8,904
Utilities	24,459	24,818
Landscaping	684	690
Cleaning and maintenance	6,245	5,920
Insurance	3,114	3,036
Repairs and maintenance	8,552	4,409
Property tax	291	269
Subsistence	212	693
	<u>55,442</u>	<u>50,298</u>
Consultancy and professional fees	<u>3,341</u>	<u>3,350</u>
Depreciation and amortisation	<u>26,539</u>	<u>20,960</u>
Other operating expenses		
Foreign travel	290	2,800
Entertainment	721	2,024
Motor vehicle expenses	1,708	1,244
Computer and supplies	6,231	10,987
Postage	160	108
Stationery and office supplies	5,176	4,114
Advertising, special events and publications	4,757	4,707
Other general expenses	11,739	3,885
	<u>30,782</u>	<u>29,869</u>
Loss on disposal of property and equipment	<u>243</u>	<u>-</u>
	<u>504,415</u>	<u>491,246</u>

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20 RELATED PARTY TRANSACTIONS AND BALANCES

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

	2016 \$'000	2015 \$'000
Salaries and allowances including statutory contributions	78,396	47,862
Pension contributions	<u>1,811</u>	<u>2,018</u>
Directors' fees	<u>331</u>	<u>223</u>

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

21 COMMITMENTS

Capital commitments

	2016 \$'000	2015 \$'000
For acquisition of equipment	<u>2,400</u>	<u>5,000</u>

At 31 December 2016, the Institute entered into a contractual agreement for the acquisition of a transformer unit.

22 LEASING ARRANGEMENTS

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

Non-cancellable operating lease receivables are as follows:

	2016 \$'000	2015 \$'000
No later than 1 year	12,341	12,341
Later than 1 year and no longer than 5 years	<u>-</u>	<u>12,341</u>
	<u>12,341</u>	<u>24,682</u>

Lease payments in respect of a car park leased, is recognised by the Institute as an expense during the year totalling \$2,707,000 (2015: \$2,408,000).

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23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

23.1 *Capital risk management*

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

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

23.2 *Significant accounting policies*

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

23.3 *Categories of financial instruments*

	2016 \$'000	2015 \$'000
Financial assets (at amortised cost)		
Loans and receivables (including cash and bank balances)	<u>177,007</u>	<u>116,928</u>
Financial liabilities (at amortised cost)		
Other financial liabilities	<u>77,612</u>	<u>86,982</u>

23.4 *Financial risk management objectives*

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

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

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

23.5 Credit risk

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

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

23.6 Liquidity risk management

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

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

	Carrying amount \$'000	Contractual cash flow \$'000	1 to 12 months \$'000
31 December 2016			
Financial liabilities			
Payables	19,013	19,013	19,013
Owed to projects	49,662	49,662	49,662
	<u>68,675</u>	<u>68,675</u>	<u>68,675</u>
31 December 2015			
Financial liabilities			
Payables	22,063	22,063	22,063
Owed to projects	28,631	28,631	28,631
	<u>50,694</u>	<u>50,694</u>	<u>50,694</u>

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

23.7 Market risk

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

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

23.8 Foreign currency risk management

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

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

	2016 \$'000	2015 \$'000
Cash and bank deposits - United States dollars	<u>5,286</u>	<u>8,692</u>

23.8.1 Foreign currency sensitivity analysis

The Institute's deposits are exposed to the United States dollar. The Institute's sensitivity to 1% revaluation or 6% devaluation (2015: 1% revaluation or 8% 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 6% devaluation (2015: 1% revaluation or 8% devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J\$0.053 million or an increase of J\$0.317 million in net income (2015: decrease of J\$0.087 million or an increase of J\$0.695 million in net income).

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

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

23.9 Interest rate risk management

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

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates for the Institute's bank deposits at the end of the reporting year as these are substantially the interest sensitive instrument impacting financial results. For floating rate deposits, the analysis assumes the amount of asset outstanding at year end was outstanding for the whole year. An increase/decrease of 1%/1% on Jamaican dollar (J\$) deposits and an increase/decrease of 1.0%/0.5% for United States dollar (US\$) deposits represents management's assessment of the reasonable possible change in interest rates in the short-term. In 2015 the assumptions were an increase/decrease of 1.0%/1.5% for J\$ deposits and an increase/decrease of 1%/0.5% for US\$ deposits.

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

	2016	2015
	\$'000	\$'000
Effect on net surplus increase 1% (2015: 1%) (J\$ deposits)	1,385	575
Effect on net surplus decrease 1% (2015: 1.5%) (J\$ deposits)	(1,385)	(862)
Effect on net surplus increase 1% (2015: 1%) (US\$ deposits)	53	87
Effect on net surplus decrease 0.5% (2015: 0.5%) (US\$ deposits)	(26)	(43)

23.10 Fair value of financial instruments

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

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

23.10 *Fair value of financial instruments, continued*

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

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

Fair value measurements recognised in the Statement of Financial Position

There were no financial instruments that were measured or disclosed subsequent to initial recognition at fair value.