



The Planning Institute of Jamaica



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Report
2017

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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 Assistant General Manager, Special Projects, Managing Director's Office, at the National Commercial Bank Jamaica Limited. 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.



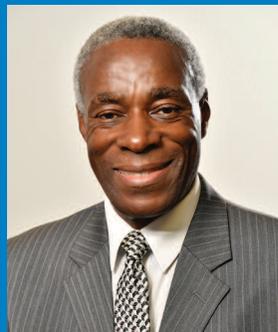
Mr Everton McFarlane

Everton McFarlane is Executive Director, Financial Services Commission appointed August 2, 2017. Mr McFarlane is a former Financial Secretary (Assigned), Ministry of Finance and Planning, and 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 of America 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, the 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 the 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, the 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, and has authored 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

As at December 31, 2017 the Board, of which the Director General is the Chair, consisted of nine members, appointed by the Prime Minister.

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 deliberated on the following:

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

- Disposal of Fixed Assets

The Finance and Audit Committee met twice during the year, supported by the Internal Auditor. The Chairman of the Audit Committee reports on the proceedings of the Committee meetings to the Board.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee did not meet in 2017. The Board reviewed reports and gave advice on socio-economic and other sustainable development issues and projects under management by the Institute, such as, the Foundations for Competiveness and Growth, the Adaptation Fund and the Pilot Programme for Climate Resilience.

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS JANUARY–DECEMBER, 2017		
Directors	Board Meetings (Total Held: 11)	Finance and Audit Committee Meetings (Total Held: 2)
Dr Wayne Henry, Director General, Chairman, Board of Directors	11	N/A
Ambassador Dr Richard Bernal	7	N/A
Professor Alvin Wint	11	N/A
Professor David Tennant	8	N/A
Mr Mark Tracey	8	2
Mr Colin Williams	10	2
Mr Everton McFarlane, Chairman, Finance and Audit Committee	2	1
Ms Erica Anderson	8	2
Ms Merle Donaldson	11	N/A

N/A – Not Applicable

BOARD OF DIRECTORS FEES: JANUARY–DECEMBER 2017

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	–	–	–	90 000
Professor David Tennant	9 000	–	–	–	72 000
Mr Everton McFarlane	9 000	–	–	–	18 000
Professor Alvin Wint	9 000	–	–	–	99 000
Ambassador Dr. Richard Bernal	9 000	–	–	–	63 000
Mr Mark Tracey	9 000	–	–	–	72 000
Ms Merle Donaldson	9 000	–	–	–	99 000
Ms Erica Anderson	9 000	–	–	–	72 000
TOTAL					585 000

FINANCE AND AUDIT COMMITTEE FEES: JANUARY–DECEMBER 2017

Board	Fees per Meeting (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	Honorarium (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Mr Mark Tracey	4 500	–	–	–	9 000
Mr Colin Williams	4 500	–	–	–	9 000
Mr Everton McFarlane	7 500	–	–	–	7 500
Ms Erica Anderson	4 500	–	–	–	9 000
TOTAL					34 500

Director General's Statement

DR WAYNE HENRY, Director General, Planning Institute of Jamaica



While the year 2017 was a challenging one, it was also a year of achievements. Jamaica continued to enjoy relative macroeconomic stability and improvements in economic performance, evidenced by growth of 0.5 per cent for the calendar year; a relatively low and stable inflation rate of 5.2 per cent; relative stability in the exchange rate ending the year at J\$125: US\$1.00, representing a nominal appreciation of 2.7 per cent; and improvement in the labour market with a 1.5 percentage points decline in the average unemployment rate to 11.7 per cent. Economic growth, however, was constrained by the impact of adverse weather conditions, which negatively impacted production within industries such as Agriculture, Forestry & Fishing, and Mining & Quarrying, and the country's road networks. The weather events, which affected the country, and the more severe events which impacted the region, brought renewed focus on the importance of assessing Jamaica's disaster readiness and building response capability as we seek to attain planned development outcomes.

This recognition was evident as the Institute sought to facilitate the strengthening of resilience in the natural and built environments and foster greater incorporation of Sustainable Development (SD) principles through policy, project and capacity enhancing activities. Under the **Improving**

Climate Data and Information Management (ICDIMP) Project, notable achievements included the completion of detailed medium and long-term climate projections to aid climate resilience planning and decision making. This included the completion of the 2015 *State of the Jamaican Climate Report* and the 2015 *State of the Jamaican Climate Summary Report for Policy-makers*; installation of a real time flood early warning system in the Bog Walk Gorge; retrofitting of rain gauges and installation of stream flow monitors operated by the Water Resources Authority; and procurement and installation of a sea level tide gauge and automatic weather stations. The **GOJ/Adaptation Fund Programme** in collaboration with partner agencies focused on promoting climate knowledge and awareness and climate smart actions in a number of schools and farming groups, among others. Other interventions included work to aid the completion of Development Orders for Portmore and St. Ann; the provision of technical input in the review of Development Orders for St. Mary and Kingston & St. Andrew; and the Provisional Development Order for the Pedro Cays.

In the area of External Cooperation Management, the PIOJ was instrumental in the preparation of the Caribbean Development Bank (CDB) Country Strategy for an amount of US\$171.5 million to cover the period 2017 to 2021. These resources

will be augmented by £17.5 million (US\$22.2 million) in grants from the UK/Caribbean Infrastructure Partnership Fund (UKCIF). During the year, several other agreements with Jamaica's International Development Partners were concluded, including: the UN Multi-country Sustainable Development Framework for 2017–2021; preparation and review of the first Country Implementation Plan (CIP) under the UNMSDF 2017–2021; and the PAHO/WHO Country Cooperation Strategy 2017–2021; and review of 2016–2017 Biennial Work Plan.

With respect to project implementation, the Foundations for Competitiveness and Growth Project (FCGP) continued to perform creditably in 2017. Notable highlights include the provision of 33 loans to SMEs totalling \$596.7 million; disbursement of \$48.9 million to three supply chain improvement initiatives, benefiting 154 SMEs, under the Jamaica Business Fund; and the completion of the Logistics Hub Initiative Market Analysis and Master Plan. Stemming from the significant improvement in the pace of implementation and results delivered, the Mid Term Review of the project yielded a rating of Satisfactory.

In recognition of the importance of a coordinated and concentrated effort to produce sustainable and inclusive growth for Jamaica, special attention was placed on expanding the Growth Inducement Programme (GIP). This involved bolstering capacity by hiring the full staff complement and commissioning an assessment of the key growth initiatives proposed by the Growth Inducement Strategy. The assessment which is slated for completion at the end of the first quarter of 2018 will objectively evaluate the country's growth agenda and highlight significant hindrances to growth, to inform future remedial efforts. In fulfilment of our mandate to provide policy advice, several

IN RECOGNITION OF THE IMPORTANCE OF A COORDINATED AND CONCENTRATED EFFORT TO PRODUCE SUSTAINABLE AND INCLUSIVE GROWTH FOR JAMAICA, SPECIAL ATTENTION WAS PLACED ON EXPANDING THE INSTITUTE'S GROWTH INDUCEMENT PROGRAMME (GIP). THIS INVOLVED BOLSTERING CAPACITY BY HIRING THE FULL STAFF COMPLEMENT AND COMMISSIONING AN ASSESSMENT OF THE KEY GROWTH INITIATIVES PROPOSED BY THE GROWTH INDUCEMENT STRATEGY.

economic assessments were also conducted during the year to inform policy decisions taken by the Government of Jamaica.

To improve engagement at the community level, the PIOJ developed and commenced implementation of the Community Renewal Index to measure the state of change among volatile and vulnerable communities. This resulted in the identification and engagement of six communities in St James, five in Clarendon and four in KSA for prioritisation among the 100 CRP communities. Action Plans are currently being developed

for eight of these communities. Regarding the assessment of performance against the long-term development targets, an update on the development results under Vision 2030 Jamaica – National Development Plan, provided in October 2017, highlighted overall progress in 12 thematic areas. The report indicated that of a total of 67 indicators, 67.2 per cent have shown improvement over the baseline year 2007, based on results to 2016/17.

In the area of social policy, the National Policy on International Migration and Development (IMD) and the National Policy on Poverty and National Poverty Reduction Programme were approved in January and September, respectively, following extensive public consultation. The new policy and programmatic framework for poverty reduction replaces the National Poverty Eradication Policy and National Poverty Eradication Programme (1997). The National IMD Policy was bolstered by the development of a Plan of Action in support of the reintegration and rehabilitation of forced returnees (involuntary returned migrants) in April. With respect to the implementation of the Sustainable Development Goals (SDGs), Cabinet approved the implementation of the SDGs within Jamaica, which included the establishment of a National SDGs Oversight Committee. Jamaica will be presenting its Voluntary National Review at the High Level Political Forum on Sustainable Development in 2018. Preparation of the National SDGs Report commenced during 2017, to inform this process.

Although the heavy rains experienced during the year negatively affected agricultural production, Jamaica was spared from the mega hurricanes, which devastated some of our Eastern Caribbean neighbours. While crime continued to be a major deterrent to economic growth and social stability as murder rates trended upward, other crimes

TO IMPROVE ENGAGEMENT AT THE COMMUNITY LEVEL, THE PIOJ DEVELOPED AND COMMENCED IMPLEMENTATION OF THE COMMUNITY RENEWAL INDEX TO MEASURE THE STATE OF CHANGE AMONG VOLATILE AND VULNERABLE COMMUNITIES.

such as rape and robbery, declined. The country continued to enjoy macroeconomic stability evidenced by positive out-turns in the economy, with the forecast for economic growth in the range of 2.0 per cent–3.0 per cent for the medium term.

I would like to express to all members of staff my sincere appreciation for your hard work during the year and a special thanks to members of the PIOJ Board who provided policy advice and oversight of the Institute. As we look forward to 2018, the PIOJ remains committed to leading the process towards sustainable development and prosperity, leaving no one behind.



WAYNE HENRY PhD, JP

Director General,
Planning Institute of Jamaica

Executives of the Planning Institute of Jamaica



Dr Wayne Henry
Director General



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
Senior Director
Social Policy,
Planning and Research



Mr James Stewart
Senior Director,
Economic Planning and
Research



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



Mrs Janelle Cox
Director
Information and
Communications Technology



Mrs Sandra Ward
Director
Human Resource Management
and Administration

■ Review of Operations

A. GOVERNANCE AND MANAGEMENT

CORPORATE GOVERNANCE AND MANAGEMENT

The Institute continued to strengthen and improve its approach to governance consistent with Government of Jamaica policies, legislations and regulations and those of our international development partners as it relates to the projects under management. Strides were made in the area of performance monitoring and reporting, through sensitisation and business planning sessions. The projects and programmes pursued were achieved through:

- Communication and Marketing
- Human Capital Investment
- Information Technology and Security
- Facilities and Environmental Stewardship
- Information and Records Management
- Financial and Assets Management.

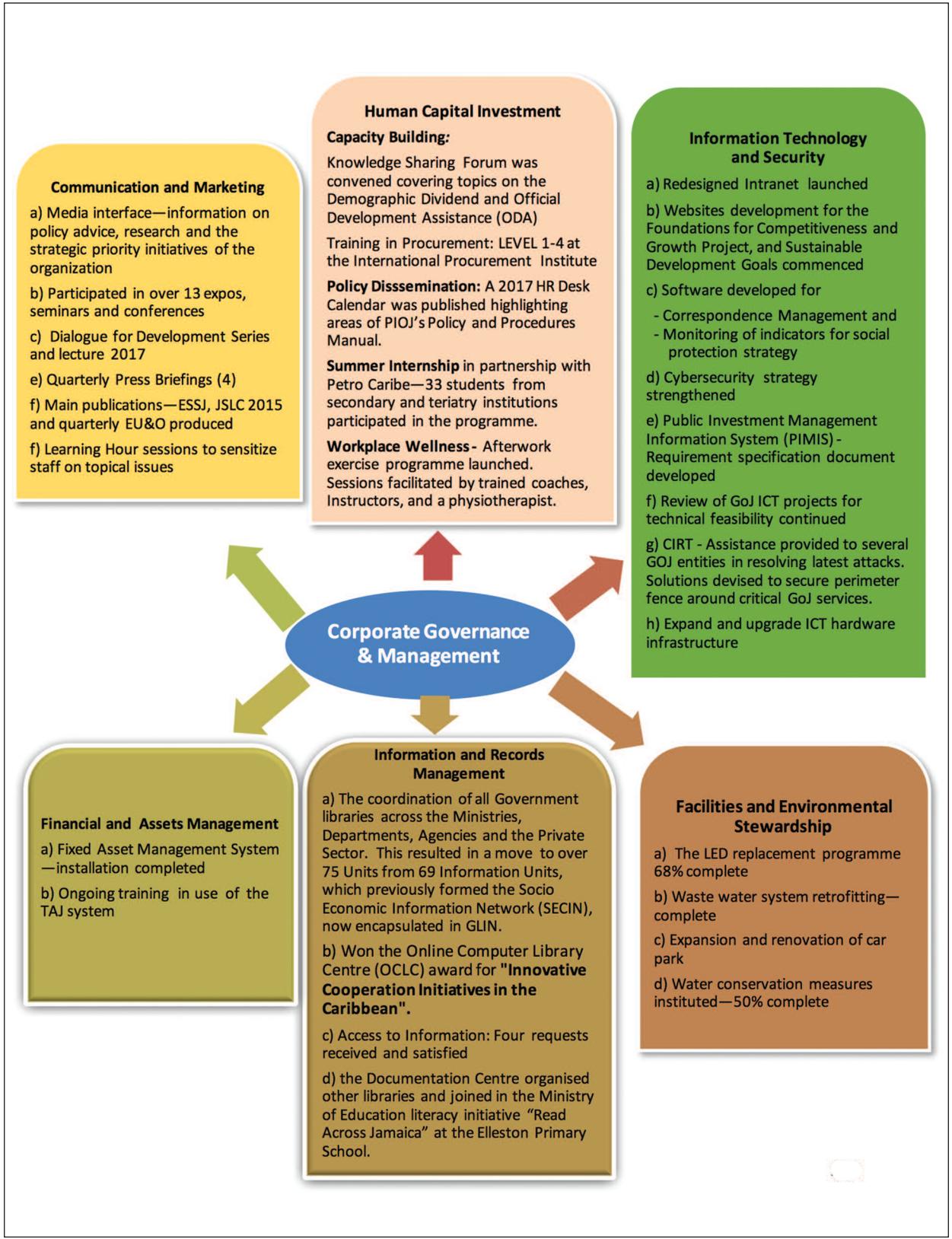
The diagram on page 16 highlights the achievements of the Corporate Governance and Management cluster:

POOLED INVESTMENT FUND (PIF)

The Pension Plan is managed jointly by the PIOJ Pension Plan Board of Trustees and Sagicor Life



On Read Across Jamaica Day, May 9, a donation of reading materials was made to the Elletson Road Primary School. Participating in the handing over were students from the school and (left to right) Technical Information Manager, PIOJ, Mrs Odean Cole-Phoenix; Librarian/Cataloguer, PIOJ, Mrs Erica Shakes; Principal, Elletson Primary School, Ms Uvalyn Williams; PIOJ Librarian, Mrs Sheneico Eastwood; Librarian, Urban Development Corporation (UDC), Joy Willis; Librarian, Ministry of Economic Growth and Job Creation, Ms Simone Sampson; and Librarian/ Documentalist, PIOJ, Dr. Vivienne Kerr.



Jamaica Limited. As at December 2017, the fund stood at \$1 679 355 019.05 with a membership of 125 comprising 100 active members, 13 active pensioners, and 12 deferred pensioners.

B. PUBLICATIONS AND PROMOTIONS

A number of events were held to promote the products and services of the Institute and to enhance the visibility of the organization. These included television and radio interviews; staging of expos; exhibitions and displays; press briefings; seminars; public consultations; and conferences. However, the signature event was the Dialogue for Development Lecture held on December 5, which culminated the year of activities.

The publications produced during 2016 were:

- *Economic Update & Outlook*
 - Volume 21#3, October–December 2016
 - Volume 21#4, January–March 2017
 - Volume 22#1, April–June 2017
 - Volume 22#2, July–September 2017
- Inflation Reports
- *Economic and Social Survey Jamaica 2016*
- *Jamaica Survey of Living Conditions 2015*
- *Labour Market Information Newsletter of Jamaica*, August 2017, Issue No. 68
- Reprint of National Policy on International Migration Development booklet
- The PIOJ's *Annual Report 2016*
- *Beginnings*, Issue 20
- PIOJ Highlights January–December 2016



Marketing Officer, PIOJ, Mrs Yvonne Smith-Tracey (right), shares information on the PIOJ's publications with students in the Education Faculty at the College of Agriculture, Science and Education (CASE) at the 2017 Dialogue for Development Lecture Series on October 31.

CUSTOMER SERVICE

The Institute continued to provide high standards of service to its internal (i.e. staff) and external customers as it recognizes that excellent service delivery is necessary in order to enhance national development.

Quarterly scorecards for the Customer Service Monitoring and Evaluation Framework were com-

pleted and submitted to the Public Sector Modernization Division, Office of the Cabinet. To substantiate this framework, internal and external customer service surveys were conducted on an ongoing basis. Plans are in train to update the PIOJ's Citizen's Charter, which outlines the services of the organization and the standards that are applied to these services.

Main Events	Purpose
Four Quarterly Press Briefings held – February 22, 2017; May 30, 2017; August 30, 2017; & November 15, 2017	Reported on the performance of the economy and provides a summary of Vision 2030 Jamaica social, governance and environmental indicators
Jamaica Population Conference, January 25–27, 2017	Held under the theme “Population Planning for Development in Jamaica: Theory, Practice and Policy for the Post-2015 Development Agenda”
National Policy on Poverty & National Poverty Reduction Programme (Green Paper) Public Consultations, January 25 & 31, 2017	Provided a forum for stakeholders and the general public to give feedback on the content of the draft policy document prior to its finalization
Labour Market Forum 2017, February 14–15, 2017	Held under the theme: “Apprenticeships for the XXI Century: A Model for Latin America and the Caribbean”
UWI Career Expo, February 23 & 24, 2017	Promotion of the PIOJ's products and services. Vision 2030 Jamaica won 1st place for Best Public Sector Booth and 3rd place overall in Best Booth Competition
Launch Plan of Action Reintegration and Resettlement of Involuntary Returned Migrants (Deportees), April 25, 2017	To launch Plan of Action document
Regional Conference on Sustainable Development Goals, June 28–30, 2017	To give an update on the status of the SDGs in the Caribbean. Held under the theme “Transformation in Action: The Living Exhibition on the Sustainable Development Goals”
World Population Day, July 11, 2017	Held under the theme: “Family Planning: Empowering People, Developing Nations”
Caribbean Child Research Conference, November 8–9, 2017	Held under the theme “A World fit for Children: The UN 2030 Agenda”
Launch of the State of the World Population Report 2017, November 15, 2017	Held under the theme “Seeing Tomorrow: Thriving in a Cyber World”
Community Renewal Programme's Best Practices Symposium, November 22, 2017	Held in association with other development partners to highlight best practices in community development
Dialogue for Development Outreach Series & Lecture – October 12, 2017, October 31, 2017, December 5, 2017	Increase public awareness of the 2030 Agenda Sustainable Development Goals and their alignment with Vision 2030 Jamaica. Held under the theme: “The Jamaica We Want: Vision 2030 advancing the SDGs . . . leaving no one behind”

C. POLICY AND PLANNING

The Institute continued to provide evidence-based policy and planning advice through the conduct, analysis, promotion and dissemination of socio-economic research. Through membership on the Human Resources Committee of Cabinet, ongoing policy advice was provided to the Government. The Institute also updated and reviewed the International Monetary Fund performance indicators and participated in negotiations on social programmes via missions and meetings. Significant contribution was also made to the review of papers and reports related to IDB-funded studies as well as UN documents and reports.

During the year, the Vision 2030 Jamaica Secretariat continued to monitor and evaluate the implementation of the Plan and report on the country's development results. Emphasis was placed on communicating the Plan to a range of stakeholder groups, including the general public. The main highlights for the year included:

- Publication of Jamaica's Development Results 2009/10 to 2016/17
- Monitoring the Implementation of the National Development Plan through the Medium Term Socio-Economic Policy Framework (MTF) 2015–2018
- Sharing the Vision – The Vision 2030 Jamaica Communications and Corporate Social Responsibility Programme
- Implementation of the communications component of GOJ/UNDP “Localization of the Sustainable Development Goals (SDGs) in Jamaica” Project.

The growth agenda of the Government of Jamaica continued to strengthen as the Foundations for Competitiveness and Growth Project (FCGP) accelerated its implementation pace, with the ini-

tiation and completion of a mid-term review (MTR) and Level 2 restructuring (L2R) exercises.

The L2R modified the allocation of funding between the project's components, based on implementation experience and demand from projected beneficiary ministries, departments and agencies (MDAs) of the Government of Jamaica. A significant increase in funding was provided to the business reform agenda – designed to improve Jamaica's competitiveness profile/ease of doing business – as well as to the Line of Credit component for direct loans to SMEs.

The World Bank upgraded its rating of the project to Satisfactory (S) from Moderately Satisfactory (MS). This was based on the project's improved performance, reflected in the combined effect of implementation aligned to L2R modifications; improved disbursements of loans and grants to SMEs; and proactive planning for new initiatives and progress on activities in contract.

The project's performance was highlighted by:

- The granting and disbursement of J\$596.7 million in loans to 33 SMEs, through Authorized Financial Institutions (AFIs), facilitated by the Development Bank of Jamaica. Since inception of the project, 86 loans totalling \$1 326.6 million, have been disbursed to 78 SMEs
- Disbursement of \$48.9 million to three supply chain improvement initiatives, benefiting 154 SMEs, under the Jamaica Business Fund (JBF) sub-component. The top performing supply chain was a coffee consolidation operation, spearheaded by a mid-island anchor firm, which undertook specialized training to improve cultivation and fertilization practices that significantly increased SME farms' production and productivity, despite major loss of berries due to the heavy unseasonal rains. The

- rain also shortened the harvesting period by 3–4 months
 - A very successful second JBF call for proposals generated 39 applications that produced 18 short-listed initiatives, which yielded eight approved supply chain improvement projects to benefit over 100 SMEs with grants approximating \$270.0 million. Those grants are to be disbursed during 2018
 - Completion of the Logistics Hub Initiative (LHI) Market Analysis and Master Plan by Nathan Associates in collaboration with Berger ABAM. The plan projects investments of US\$28.0 billion within 10–15 years, on 3 900 hectares of land, to generate 87 000 direct high value jobs
 - Delivery of an inception report and completion of an assessment exercise for both north and south sides of the Caymanas Estate Development Area (CEDA) by International Development Group (IDG). The consultant was engaged to prepare the feasibility study for the Caymanas Special Economic Zone (CSEZ).
- Other achievements included:
- Provision of sensitization and training sessions for 140 stakeholders, including judges, attorneys-at-law and other professionals who work with insolvency matters. The sessions were designed to strengthen the capacity of judges and practitioners to implement the provisions of the new insolvency act/regime, which will allow companies to recover from unfortunate



The Planning Institute of Jamaica, the United Nations Population Fund (UNFPA), the National Family Planning Board (NFPB), the Women's Centre of Jamaica Foundation, Women's Health Network and other national stakeholders commemorated World Population Day 2017 on July 11 at the St Matthew Church Hall in Santa Cruz, St Elizabeth under the theme "Family Planning: Empowering People, Developing Nations". The day included a march in the town led by members of the PIOJ team Senior Demographer, Mr. Andre Richards and Demographer Ms Stacy-Ann Robinson.

- financial circumstances that lead to bankruptcy and access credit markets without prejudice
- Cabinet approval of a contract to the Statistical Institute of Jamaica (STATIN) to undertake a business establishment survey
 - Contract signed with a firm to provide Communication and Public Relations services for the project. Work has commenced under that contract
 - Contract signed with a firm to conduct a merger regime review under the supervision of the Fair Trading Commission (FTC) and develop proposed amendments to the Fair Competition Act. Work commenced under the contract
 - Engagement of Legal and Financial Consultancies to prepare the Central Wastewater Treatment Company for divestment of GOJ's majority shareholding (held by NWC) to the private sector
 - Engagement of consultant to develop a National Investment Policy and the commencement of work
 - Finalization of negotiations with CSDC Systems, the firm providing the Application Management and Data Automation (AMANDA) System, for implementation of Public Portal II software, which is designed to facilitate online application, payment, processing and tracking of building/ other development-related applications
 - Supply and installation of Local Area Networking hardware and software as well as other computer hardware to support AMANDA implementation.

ECONOMIC

In keeping with the government's priorities of realizing the commitments under the new IMF three-year Standby Arrangement; solidifying and

sustaining the gains of the previous extended Fund Facility (EFF); strengthening of the Growth Agenda to facilitate stronger economic growth; and maintaining a balance between the existing socio-economic environment, the Institute's work in support of these involved the:

- provision of timely economic updates and projections
- preparation of economic assessments to guide policy and the decision making process of government and its agencies
- monitoring of growth projects to ensure timely implementation
- tracking of Doing Business Reforms to ensure the country maintains and improves its competitive edge and assessing the impact on growth.

As the main policy advisor to the government, the Institute recognized the imperative of timeliness in providing policy and planning advice. Against this background, the PIOJ in 2017, continued to facilitate the well-organized delivery of numerous outputs, including the preparation 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
- 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.
- monthly Inflation reports for the PIOJ's Board
- growth project updates
- economic and special reports for Cabinet and its subcommittees.

QUARTERLY PRESS BRIEFING

With regard to policy briefs and notes, the Institute prepared, provided, and contributed to several, for Cabinet and other local and international stakeholders. Chief among these were:

- growth projections for FY2016/2017–FY2020/2021 to inform the Government of Jamaica Fiscal Policy Paper
- Real Sector Briefs – Economic Update and Prospects, as well as, for presentation at Cabinet Retreats and IMF Reviews
- Press brief documents (4) outlining the preliminary performance of the economy for the quarters October–December 2016, January–March 2017, April–June 2017 and July–September 2017
- Draft report on the impact of tax measures on the purchasing power of different consumption groups
- Assessment on the pricing of gasoline in Jamaica, from the refinery to the gas pump
- Note on Jamaica’s GDP composition for the period 1997–2016, which highlighted the shift in the Jamaican economy from Goods Producing industries towards a more Services oriented structure.

The PIOJ also provided comments, updates and technical advice on several documents to various MDAs to support their work. Some of these documents included:

- IMF Working Paper entitled “Revisiting the Potential Impact to the Rest of the Caribbean from Opening US–Cuba Tourism”
- Draft report of the CARICOM/CARIFORUM Review Commission; Fourth WTO Trade Policy Review
- Assessment of Jamaica’s Labour Market, prepared by the FHI 360 Jamaica; Form r8K – US Securities and Exchange Commission (SEC)
- Report of the CARICOM Review Commission
- ECLAC Trade Study for Jamaica
- National Export Strategy II



Members of the press and staff of the PIOJ attend a PIOJ Quarterly Press Briefing. The Institute held four media briefings during the year that provided updates on the economic performance of the country within the context of Vision 2030 Jamaica, and a summary of Vision 2030 Jamaica Social, Governance and Environment Indicators.

- Foreign Trade Policy & Action Plan
- G20 Issue Paper, Ministry of Foreign Affairs and Foreign Trade.

The Institute also contributed to the Public Investment Management Secretariat project, streamlining the process by participating in the several reviews. Among the projects reviewed were:

- Montego Waterfront Development Project Infrastructure (Groynes)
- Support for Sustainable Education
- Strategic Storm Water Drainage Sub-Sector Plans
- Fisheries Ecosystem Adaptation Strategies & Technology (FEAST) to improve Climate Change resilience in Negril Marine Protected Areas
- Agriculture Competitiveness Programme II
- Expansion of Computer Aided Dispatch System.

SOCIAL

The Institute continued to lead and monitor the social sector, through the formulation and monitoring of the implementation and evaluation of national and sectoral policies, plans and programmes. Major undertakings included: the commencement of the Localization of the SDGs Project; drafting of a revised National Policy for Senior Citizens under Component 4 World Bank /GOJ Project; tabling of the National Policy on Poverty and Poverty Reduction Programme and also the tabling of the National Policy on International Migration and Development in Parliament. The year also saw the completion of a comprehensive labour market reform agenda and report as well as a revised Poverty Map for Jamaica.

New Projects and Initiatives

Phase 3 of the Mainstreaming Migration into National Development Strategies will commence in FY 2018/19. Phase 3 is expected to continue the capacity building and institutional strengthening of the government and non-government sectors for the implementation of the National Policy on International Migration and Development at the sectoral and sub-national level.

Existing Projects and Initiatives

- The National Policy on Poverty and National Poverty Reduction Programme was approved in September, following wide consultation on the Green Paper earlier in the year, including two national public consultation fora. This new policy and programmatic framework for poverty reduction replaces the National Poverty Eradication Policy and National Poverty Eradication Programme (1997), and is in keeping with Vision 2030 Jamaica, the Jamaica Social Protection Strategy, and the Sustainable Development Goals.
- Partnerships between the PIOJ and the Statistical Institute of Jamaica (STATIN) resulted in the development of a revised Poverty Map for Jamaica based on the 2011 Population and Housing Census and the Jamaica Survey of Living Conditions (JSLC 2012). The World Bank provided financial and technical assistance for undertaking the assignment and a report was completed.
- National Policy on Senior Citizens – the Institute has been contributing to the initiative of the National Council for Senior Citizens towards the revision of the National Policy on Senior Citizens. A Cabinet Submission requesting approval for the tabling of the Green Paper in Parliament for public consultations was achieved.

- National Policy on International Migration and Development – work continued under the National Policy on International Migration and Development (IMD), which was approved by Cabinet for tabling in Parliament as a White Paper on January 16, 2017, and was subsequently tabled in Parliament, June 2017. A Five-Year Strategic Implementation Plan (2017–2022) was developed in support of the implementation of the National IMD Policy in August 2017. A Plan of Action was also developed in support of the reintegration and rehabilitation of forced returnees (involuntary returned migrants) in April 2017. The Plan outlines areas to be strengthened in support of forced returnees to ensure effective and sustainable reintegration. It also defines roles and responsibilities of all stakeholders – government agencies and Non-State Actors (NSAs) – in each phase of the reintegration process, and determines the procedures and mechanisms of coordination in order to give more effective assistance to forced returnees.
- Mainstreaming Migration into National Development Strategies Project – Phase 2 of the project was completed, with high recommendations from the donor agencies. This paved the way for commencement of Phase 3 of the Mainstreaming Migration into National Development Strategies Project. Phase 3 will place emphasis on capacity building for the implementation at the sub-national level.
- 2030 Agenda Sustainable Development Goals (SDGs) – work continued with the localization of the 2030 Agenda Sustainable Development Goals. The Cabinet has approved the “Roadmap for SDG Implementation in Jamaica”, which highlights over 91.0 per cent alignment with the Vision 2030 Jamaica – National Development Plan. The establishment of the national

coordination mechanism for the SDGs – the SDGs Core Group (PIOJ, STATIN and MFAFT) and the National 2030 Agenda Oversight Committee comprising representatives from public and private sectors, academia, CSOs and Youth organizations – was also accomplished.

The organization’s role continues to widen, particularly in the areas of policy development and programme monitoring and evaluation. The following were undertaken:

- Jamaica continues to be recognized as one of the countries leading the global community in the development and implementation of a comprehensive National Policy on International Migration and Development. Jamaica is also a participant in a global project on mainstreaming migration into national development, 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 continues to share experiences at global conferences, workshops and study tours on migration and development. The policy was approved as a White Paper and tabled in Parliament. Additionally, an implementation plan 2017–2022 and a monitoring and evaluation system were also completed.
- The establishment of the Labour Market Reform Commission and Secretariat was a joint decision between the Ministries of Finance and Planning, and Labour and Social Security; and the PIOJ provided managerial oversight. The report, “A Comprehensive Labour Market Reform Agenda”, mandated by Cabinet for 2017, was completed and submitted to the Ministry of Labour and Social Security to facilitate the submission to Cabinet.
- The work of the Poverty Reduction Coordinating Unit (PRCU) continued with tabling of the

Poverty Policy and a Poverty Reduction Programme in Parliament as a White Paper and the Monitoring and Evaluation Framework. Implementation is expected to commence in 2018/19 FY. The drafting of the Medium-Term Implementation Plan, (2018–2022) was also completed.

- With the formulation of a comprehensive International Migration and Development Policy and the implementation of the GOJ/IOM/UNDP Mainstreaming International Migration into Development Planning project, the need for data in this area became paramount. In light of this, the PIOJ has taken the initiative to build capacities through the project in the STATIN, Passport Immigration and Citizenship Agency (PICA), Ministry of Labour and Social Security (Work Permits), and the Ministry of National Security (Deportees) in order to build an appropriate migration and development database for planning. During the year, the capacity building of migration focal points as well as the Migration Database was completed.
- With the formulation of national policies and strategies in the areas of social protection, poverty and international migration and development, the need for appropriate structures and mechanisms for ensuring coordination of



Minister of Education, Youth and Information, Senator Ruel Reid, was the keynote speaker at the 2017 Labour Market Forum on February 14, 2017 under the theme "Apprenticeships for the XXI Century: A Model for Latin America and the Caribbean." Also at the head table were (from left), Senior Director, HEART Trust/NTA, Nicole Manning; Director General, PIOJ, Dr Wayne Henry; General Manager, Caribbean Country Department Inter-American Development Bank, Therese Turner Jones.

the implementation at sub-national levels has become critically apparent. In light of this, the PIOJ commenced internal inter-divisional consultations to ascertain possible solutions. Further internal and external consultations with relevant partners were also undertaken. Of note is that the Institute operates at the national level and interface at the sub-national level through relevant ministries, departments and agencies. The need to organize partners at the sub-national level for integrated and holistic action is an inherent weakness.

- As part of the process to build awareness around the Sustainable Development Goals and the engagement of key national stakeholders in SDGs discourse and mainstreaming activities, the Dialogue for Development Lecture Series 2017 was held under the theme, “The Jamaica We Want: Vision 2030 Jamaica Advancing the SDGs, leaving no one behind”. Three fora were held and the national SDGs public education campaign was launched by the Prime Minister on December 5 at the main dialogue lecture in Kingston.

Community Renewal Programme (CRP)

The Community Renewal Programme (CRP) was developed in 2011 as a multi-level, integrated programme of intervention targeting the 100 most volatile and vulnerable communities across the five most crime affected parishes in Jamaica: Kingston, St. Andrew, St. James, Clarendon and St. Catherine. The CRP coheres around six components: (i) Governance’ (ii) Safety and Justice; (iii) Social Transformation; (iv) Physical Transformation; (v) Socio-Economic Development; and (vi) Youth Development. Through these components, the Programme aims to contribute to inclusive growth and equitable national development by fostering the socio-economic well-being and

enhanced quality of life of residents of volatile and vulnerable communities. The CRP is implemented by state and non-state entities, with International Development Partner (IDP) support in a number of areas.

During the year, some of the activities undertaken by the Secretariat were:

- Maintenance of existing partnerships, with six new multi-stakeholder partnerships developed under the strategic framework:
 - Jamaica Youth in Business Trust Project
 - FHI 360
 - 360 Recycle
 - Funding Matrix (Tourism Enhancement Fund)
 - United Nation Development Programme (UNDP) Rejuvenating Communities Project (West Kingston)
 - Community Disaster Risk Reduction Fund (CDRRF), Caribbean Development Bank.
- Support to key initiatives, with approximately \$3 863 053.17 and €33 730.00 in funding mobilized for:
 - Jamaica Youth in Business Trust Project: €300 000.00
 - Development of CRP database funded by the European Union (EU): €33 730.00
 - Community health fairs (St James): €777 800.00
 - Best Practice Symposium: \$2 785 253.17.00.
- Support for the design and implementation of catalytic interventions to address critical needs in communities, such as:
 - Social Enterprises in Tivoli Composting Project and Peckham Bamboo Pre-Processing Project

- Clarendon Youth in Business Initiative
- Light-Emitting Diode (LED) Cottage Industry
- Behaviour Modification intervention.
- Technical oversight and support to the development and/or implementation of the following policies and/or plans that support the community transformation agenda:
 - Action Plan for Squatter Settlement
 - National Bamboo Policy
 - Social Enterprise Policy Action Plan (MSME & Entrepreneurship).

To increase research and analysis capabilities towards evidence-based community development and transformation, the CRP annual Best Practice Symposium was held in November, in partnership with the Social Development Commission (SDC), Jamaica Public Service (JPS), the Jamaica Social Investment Fund (JSIF), Housing Agency of Jamaica (HAJ), National Housing Trust (NHT), and the Citizen Security and Justice Programme (CSJP), to bring to the fore best practices in community development.

ENVIRONMENT RELATED

The PIOJ's input in building national climate resilience, and resilience in the natural and built environments, as well as, fostering greater incorporation of SD principles was demonstrated through a number of policy and project initiatives and capacity enhancement activities. These included strengthening the Institute's capacity to manage environmental and social risks; building capacity in the area of post-disaster impact assessment; and providing support for the institutionalisation of the 2030 Agenda – Sustainable Development Goals (SDGs).

Climate Change Adaptation

The Institute continued the implementation, monitoring and evaluation of key climate change adaptation and disaster risk management projects including the following:

- **GOJ/Adaptation Fund Programme** – in collaboration with partner agencies, activities were targeted at promoting climate knowledge and awareness, and climate smart actions. This, among other things, led to the provision of financial support to five schools to improve their school gardens (practicing climate smart agriculture); the development of audiovisual materials to advance climate literacy among beneficiary communities; partnership with Jamaica 4-H Clubs, JaREEACH II and the Multi-Care Foundation in raising climate change awareness.
- Seven Water User Groups (WUGs) were formalized and registered as legal entities, with the Department of Co-operatives and Friendly Societies allowing them to undertake relevant organizational and administrative tasks.
- The programme supported the College of Agriculture, Science and Education through the provision of \$11.0 million for the construction of a Tunnel Ventilated House to enhance the institution's teaching/learning process and production capacity. In addition, four mist blowers were given to the Ballards River Benevolent Society as part of an integrated pest management initiative.
- Capacity building activities included the training of 130 farmers in the use of Land Husbandry Farmer Field School methodology. As a result, farmers reported experiencing less damage and loss to their crops/fields in the unseasonal heavy rainfall that impacted the island in May. Another capacity building activity

was the training in procurement provided to 35 NIE staff and technical officers from partner agencies.

- Visibility of the programme was boosted through a ‘success story’ feature in the Adaptation Fund’s 10th Anniversary publication, as well as by the production of three videos highlighting the GOJ/AFP’s contribution to the country’s resilience building. Public awareness was enhanced through the setting up of display booths at four conferences, including the Youth Climate Change Conference 2017 and the Dialogue for Development Lecture Series 2017.
- **Pilot Programme for Climate Resilience** – in its role as focal point, the PIOJ continued the overall coordination of the implementation of the four investment projects under the programme, namely: the Adaptation and Financing Mechanisms for Jamaica’s PPCR Project; the Investment Plan for the Caribbean Regional Track of the Pilot Program for Climate Resilience; the Project Preparation Grant for Promoting Community-Based Resilience in the Fisheries Sector; and the Improving Climate Data and Information and Management Project (ICDIMP), which is being implemented by the PIOJ in collaboration with relevant partners.

Achievements under ICDIMP included:

- Completion of, the 2015 *State of the Jamaican Climate Report* and the 2015 *State of the Jamaican Climate Summary Report for Policy-makers* by the Climate Studies Group Mona. The reports contain detailed medium and long-term climate projections for Jamaica (rainfall, temperature, solar radiation, sea level rise etc.) as well as the identification of potential impacts for various sectors and geographic areas to aid climate resilient planning and decision-making.
- Procurement and installation of systems and equipment to enhance the nation’s disaster preparedness capacity. Among the systems installed was a Real-time Flood Early Warning System in the Bog Walk Gorge. This proved instrumental in triggering procedures leading to the timely closure of the gates to the Bog Walk Gorge during the flood rains of May 14–17. The gates were closed to prevent entry of vehicular and pedestrian traffic, potentially saving lives and property.
- Retrofitting of 34 rain gauges and stream flow monitors operated by the Water Resources Authority (WRA), 31 of which have begun reporting in real-time.
- Procurement and installation of a sea level tide gauge and 34 automatic weather stations, 12 of which were fully installed.
- Advancing of activities towards the replacement of the outdated Doppler Weather Radar at Coopers Hill with the development and approval of detailed specifications for the radar. This activity was to facilitate the procurement of a contractor to supply and install the radar and conduct the requisite training for users of the system.
- Completion of a structural assessment of the radar tower, and building conditions assessment of the radar station.
- Facilitating/improving of the business continuity processes of both the WRA and the Meteorological Services Jamaica through the installation of a standby generator and the procurement of 30 UPS devices, respectively.
- Support was provided towards the completion of the US\$125 000.00 Project Preparation Grant (PPG) activities under the **Promoting Community-Based Climate Resilience in the Fisheries Sector Project** being implemented by the Ministry of Industry, Commerce, Agriculture and Fisheries. This included finalisation



Mr Lehome Johnson, Project Manager, Improving Climate Data and Information Management Project (ICDIMP) PIOJ, explains to Kirk Philips, Deputy Director General, Governance and Management, PIOJ, and two interested visitors to the booth how the real time water monitoring system managed by the Water Resources Authority works. The system was developed under funding by the ICDIMP.

of project design and all relevant project documents to facilitate submission of the US\$4.8 million to the World Bank Board.

- Under the Financing Mechanisms Subcommittee of the **Adaptation Programme and Financing Mechanisms for the PPCR in Jamaica**, the Institute reviewed project proposals towards the approval of small grants amounting to \$361.56 million¹ for 51 non-governmental organizations and community based organizations in the agriculture and tourism sector to implement climate change adaptation initiatives. Technical and administrative support was also provided to the project's steering committee and that of the **Caribbean Regional Track**

of the Pilot Program for Climate Resilience and the Financing Water Adaptation in Jamaica's New Urban Housing Sector. The latter is being implemented by the JN Foundation through a PPCR private sector "set-aside" and is focused on enhancing Jamaica's climate resilience through the use of water adaptation technology in the country's housing sector.

PPCR Monitoring and Evaluation: the PIOJ hosted the annual M&E scoring workshop, attended by 27 participants, and finalised and submitted Jamaica's PPCR M&E Report to the Climate Investment Funds. At the regional level, the Institute participated in the PPCR Regional Track Annual Monitoring and Evaluation Workshop aimed at finalizing the scoring mechanism for the regional PPCR. The Institute was also

¹ This amount includes the 29 grants approved in 2016.

selected by the CIF Administrative Unit to pilot its M&E Stocktaking Exercise and to share Jamaica's experience in monitoring and reporting.

An Environmental and Social Risk Management Framework was developed for the organization. The development of the framework, which was facilitated through a US\$48 400.00 Caribbean Development Bank (CDB) grant, will boost the Institute's ability to manage environment and social risks associated with the implementation and coordination of projects and programmes as well as its internal business processes.

The PIOJ was instrumental in advancing the development of Jamaica's budget-support proposal for funding under the 11th European Development Fund (EDF). The programme, titled, "Addressing Environmental and Climate Change Challenges through Improved Forest Management in Jamaica," will support activities that reverse forest degradation, reduce biodiversity loss, and enhance the benefits derived from forests, among others. The project is expected to begin in 2018 and will be implemented over a five-year period.

Disaster Risk Management (DRM)

- In keeping with its role in the disaster management framework, the PIOJ facilitated training for 87 disaster risk management professionals and other personnel in the use of the Post Disaster Needs Assessment (PDNA) methodology. This was done via three 3-day workshops targeting local and national officers directly involved in the post disaster assessment process. The training was funded through a US\$50 600.00 grant from the CDB. A training manual outlining the PDNA process with inputs from UNESCO and the Jamaica Productivity Centre was also prepared. In addition, the

PIOJ assumed the role as Chair of the Disaster Recovery Planning Committee of the Disaster Risk Management Council.

- Data was collected and analysed towards the preparation of a **Macro-Socio-economic and Environmental Impact Assessment of the Damage and Loss caused by the March to June 2017 Flood Rains**. The report was shared with the members of the Cabinet and other key stakeholders.
- Work on the implementation of the **Vulnerability Resilience Country Profile (VRCP) in Jamaica** advanced through the organization's partnership with the United Nations Department of Economic and Social Affairs (UNDESA). The VRCP was designed as a self-assessment tool for countries to evaluate their progress in achieving their sustainable development aspiration, particularly those outlined in the SAMOA Pathway. As focal point, the PIOJ facilitated the hosting of a training workshop in May (25 participants), guided the consultancy examining the mainstreaming of gender in the biodiversity landscape, and participated in the regional stock take of the VRCP tool.

Science, Technology and Innovation (STI)

- The STI ecosystem was strengthened through a number of policy-focused initiatives. This included the preparation of a second draft of a new **STI Policy** for which the Institute provided policy research and technical input. This was done in collaboration with the National Commission on Science and Technology (NCST), the Ministry of Science, Energy and Technology, and the Vision 2030 Jamaica Secretariat. The PIOJ also assisted with efforts aimed at identifying appropriate STI indicators for Jamaica and building local capacity to collect

- STI data, mainly by participation in the multi-stakeholder Research Development and Innovation Committee.
- In collaboration with the NCST, efforts were made to strengthen linkages within the National Innovation System (NIS). This was achieved through the facilitation of dialogue (with entities such as the Development Bank of Jamaica, Technology Innovation Centre, and the Branson Centre) exploring opportunities for support to local innovators and entrepreneurs, including candidates of the National Innovation Awards. Contributions were also made towards the drafting of a related project concept document, “**Strengthening the National Innovation System Infrastructure.**” This was prepared with a view to securing funding towards building the capacity of local innovators and entrepreneurs, and facilitating greater levels of commercialization of inventions and sustainability of start-ups.
 - Through the PIOJ’s membership in the National Nutraceuticals Steering Committee, input was made towards the preparation of a revised Cabinet Submission seeking approval to amend the **Food and Drugs Act, 1975** to appropriately provide for the regulation of nutraceutical products. The Institute also participated in a review of international best practices and national situation analysis which are expected to inform the development of a **Complementary and Alternative Medicine (CAM) Policy.**
 - The nation’s transition to a low-carbon development path was accelerated through the hosting of the **UNEP Climate Technology Center and Network (CTCN) Regional Forum for Small Island Developing States in the Caribbean**, held in August. The forum, hosted in collaboration with the SIDS DOCK Secretariat and the Ministry of Foreign Affairs and Foreign Trade, provided an opportunity for Caribbean SIDS to share their experiences with other SIDS on climate change adaptation measures, including innovative technologies. PIOJ as the National SIDS DOCK focal point provided technical and administrative support during the planning and execution phases of the event.
 - A three-day Technical Assistance Mission and Training Workshop was also organized by the Institute to support the implementation of the Sustainable Development Goals (SDGs) in Jamaica, with particular emphasis on SDG 7 (*Clean Energy*). The workshop, which was led by the Netherlands Organization for Applied Scientific Research (TNO), provided participants with a better understanding of the energy-related SDG indicators and targets, and facilitated and updated assessment of Jamaica’s readiness to report on the indicators.
 - The Institute also played a role in addressing human, and environmental health and safety issues by contributing to: the preparation of drafting instructions for the new **Hazardous Chemicals and Pesticides Management** legislation; strategic planning for the management of hazardous waste associated with public laboratories; the review of a prefeasibility study commissioned by the Ministry of Local Government and Community Development on the reform of the solid waste management programme in Jamaica; the preparation of a **National Chemical Emergency Risk Management Plan**; and the identification of toxic/polluted sites, which may pose a risk to human health in Jamaica.
- ### Geographic Information Systems (GIS)
- Geo-spatial technology was used to develop three storymaps including one on the Blue and John Crow Mountains National Park and World

Heritage Site, Jamaica's first and the Caribbean's only mixed heritage site. With the support of the Jamaica Conservation Development Trust (JCDDT), the storymap was entered in the Environmental Systems and Research Institute's Annual Storymap Competition and shared with the JCDDT to support their knowledge sharing efforts.

The technology was also used to support the Community Renewal Programme (CRP) with the development of several applications including an application to highlight the distribution and availability of various social services in CRP communities.

Urban and Regional Planning

- The PIOJ continued to support the local and national sustainable development planning process through the preparation of briefs towards the completion of the Portmore and St Ann Development Orders, and technical comments on the St Mary, Kingston & St Andrew and Pedro Cays Provisional Development Orders. Technical support was also provided for various components of the National Spatial Plan, National Settlement Strategy and Draft National Resettlement Strategy.
- Two research papers on *Effective Planning in the Face of Climate Change and Climate Change and Natural Disasters and Implications for the Housing Sector* were prepared and delivered at the UNESCO World Heritage and Climate Change Conference and Regional Housing Conference, respectively.

Sustainable Development

- The Institute contributed to the advancement of the MTF 2015–2018 goal, Achieving Inclusive Growth and Sustainable Development, through the provision of technical comments

on 45 policies, plans, strategies and terms of references, and gave professional policy advice to 41 policy level Boards, Councils and Committees and Thematic Working Groups. Technical support was also provided to the Public Investment Management Secretariat Technical Review Committee and Jamaica's delegation to the 23rd Conference of the Parties (COP23) to the United Nations Framework Convention on Climate Change (UNFCCC). Ten briefs on science, technology and innovation, urban and regional planning, SDGs, Disruptive Technologies, climate change and disasters were also prepared.

- The PIOJ built capacity in the area of sustainable development through the hosting and organization of 10 workshops and training sessions covering the GOJ Procurement Process, Monitoring and Reporting for the PPCR, The Vulnerability Resilience Country Profile, Environment and Social Framework, Post Disaster Needs Assessment, Jamaica's Low Carbon Transition, and Clean Energy. Awareness of broad sustainable development issues was raised through the delivery of presentations, opening remarks and panel discussions at 23 seminars, conferences, workshops and symposia locally and overseas.

EXTERNAL CO-OPERATION & PROJECT DEVELOPMENT

In its capacity as interlocutor between the International Development Partners (IDPs) and MDAs, the Institute sought to ensure alignment of Official Development Assistance (ODA) with Vision 2030 Jamaica – National Development Plan. Efforts were made to identify financing from IDPs for public investment projects; coordinate activities of IDPs; provide technical support in project preparation; assist in the negotiation of loans and

grants with bilateral and multilateral development partners; and monitor the implementation of projects and programmes.

The PIOJ had oversight for a combined portfolio of projects and programmes totalling US\$2.2 billion² (\$282.4 billion),³ which was funded by loans, grants, and technical assistance from multilateral and bilateral partners. Disbursements totalled US\$294.2 million (\$37.8 billion). The portfolio was also supported by counterpart resources from the government of US\$144.3 million (\$18.5 billion).

NEW OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

Newly approved ODA in 2017 totalled US\$787.2 million (\$101.0 billion), an increase of 136.6 per cent compared with 2016.⁴ The increase of new ODA is attributed to: (i) the signing of a new loan from the Government of the People's Republic of China totalling US\$326.4 million (\$41.9 billion) for the Southern Coastal Highway Project, and (ii) the approval of four new loans under the Inter-American Development Bank (IDB) cooperation programme totalling US\$268.0 million (\$34.4 billion) in support to, inter alia, National Identification Systems, Security and Public Sector Transformation.

SECTORAL DISTRIBUTION OF NEW APPROVALS

Of the US\$787.2 million (\$101.0 billion) in new ODA approvals, 46.2 per cent targeted Economic Growth and Job Creation; 31.2 per cent took the

form of budget support and other programmes to facilitate Fiscal Prudence and Pursuit of a Credible Economic Programme; 11.8 per cent was assigned to Improved Security and Safety; 4.5 per cent was geared towards Effective Social Inclusion and Protection; 3.9 per cent supported Human Capital Development; and 2.5 per cent was allocated to Environmental and Climate Change Resilience (see Figure 1). The Bilateral Partners approved the majority of the new funding, primarily the Government of the People's Republic of China and the Government of Japan (see Table 1).

PORTFOLIO MANAGEMENT

Increased focus was given to portfolio management in order to ensure that the development objectives of projects and programmes were achieved despite fiscal constraints. These efforts included the convening of 10 portfolio review meetings, which sought to identify major bottlenecks within programmes and offer solutions to improve implementation. Ad hoc meetings were also convened with project managers to resolve problems hindering good project performance. Additionally, 114 missions from multilateral and bilateral agencies were coordinated and 35 site visits conducted. These activities allowed for a more collaborative monitoring effort by the Institute with implementing entities and IDPs. A total of 16 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

The Institute spearheaded and provided technical oversight for a number of critical initiatives aimed at improving the efficiency and delivery of Development Assistance, as well as strengthening existing partnerships with key IDPs. These included:

² Figures are rounded to one decimal point.

³ The average exchange rate of US\$1=1\$128.36

⁴ Newly Approved ODA in 2016 was revised to US\$332.7 million.

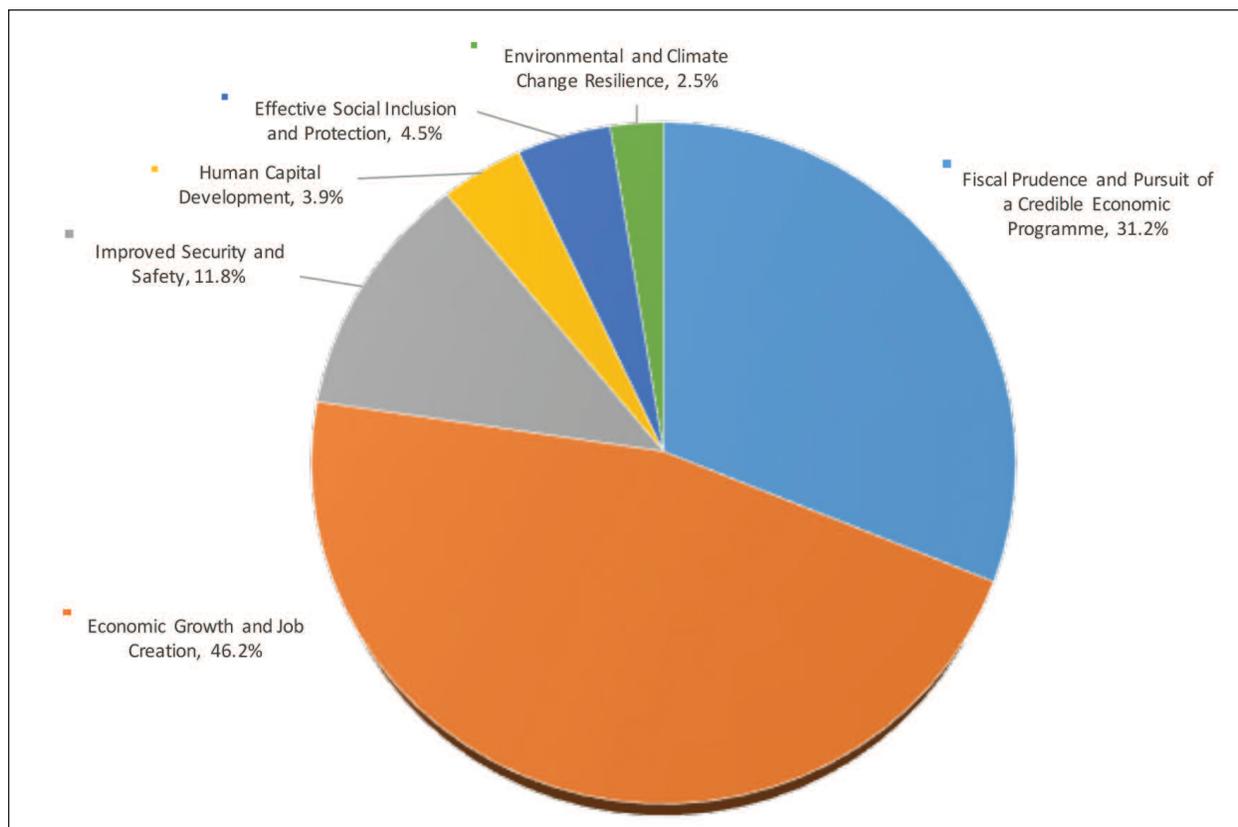


Figure 1. New Official Development Assistance, Cabinet Priorities

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	15.0	341.5	3.6	20.6	34.0	17.2	432.0
Multilateral Financial Institutions	230.4	21.9	88.2	7.8	0.0	1.3	349.4
Multilateral Technical Cooperation	0.0	0.1	0.8	2.5	1.0	1.3	5.7
Global Environment Fund	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Total	245.4	363.5	92.6	30.9	35.0	19.8	787.2

- **Public Investment Management System** – the provision of technical and operational support to the Public Investment Management System (PIMS) continued, particularly for externally funded projects, through providing inputs into the review of project concepts and proposals.
- The Institute also benefited from training in Microsoft Excel, facilitated by the PIMS Secretariat, to strengthen capacity to conduct advanced economic and financial analysis of projects. This training was funded by the United Nations Development Programme (UNDP).
- **Country Strategies** – The PIOJ managed the consultation process between GOJ and the IDPs to ensure the following:
 - Signing of UN Multi-country Sustainable Development Framework (UNMSDF) 2017–2021
 - Preparation and review of the first Country Implementation Plan (CIP) under the United Nations Multi-Country Sustainable Development Framework (UNMSDF) (2017–2021)
 - Preparation of the PAHO/WHO Country Cooperation Strategy (2017–2021) and review of 2016–2017 Biennial Work Plan
 - Approval of the Caribbean Development Bank’s 2017–2021 programme assistance totalling US\$171.5 million (\$22.0 billion). These resources will be augmented by £17.5 million (US\$22.2 million) in grants under the UK/Caribbean Infrastructure Partnership Fund (UKCIF).
- **Establishment of the UN House** – The Institute led the technical committee responsible for the establishment of the UN House on which work is ongoing for completion in the second quarter of fiscal year 2018/2019.
- **Coordination of International Development Partners Support** – meetings with relevant IDPs and MDAs were coordinated to discuss support to the priority sectors and areas, namely, Social Protection, National Security, Climate Change and Sustainable Development Goals.
- **Focal Point for the Japan Overseas Cooperation Volunteer Programme** – the assignment of 19 Japanese volunteers in 2017 to support strategic interventions in education, the environment and community development among others was facilitated.
- **Training Needs of Jamaica for 2018 under the Japan Cooperation Programme** – in collaboration with the Ministry of Finance and the Public Service, strategic priority areas and opportunities for training in Japan for public officials in the upcoming year were identified.

OFFICE OF THE NATIONAL AUTHORIZING OFFICER

Under the EU cooperation programme, the PIOJ functions as the Office of the National Authorizing Officer (NAO).⁵ In functioning as the Office of the NAO, the Institute is responsible for preparing, executing and providing oversight to the programme. Activities included:

- Preparation and transmission of Payment Justification dossiers for (i) the first tranche of the Jamaica Justice Reform Implementation Budget Support Programme totalling €12.5 million, and (ii) the final tranche of the Sugar Transformation Budget Support Programme totalling €15.0 million.
- Submission of two new Budget Support programmes for the European Union including:

⁵ The National Authorizing Officer is the Minister of Finance and the Public Service.

- (i) Improved Forest Management in Jamaica of €16.15 million, and (ii) Public Financial Management for €4.05 million. Both programmes were approved and are expected to be signed in 2018.
- Signing of 10 contracts under the Programme for the Reduction of Maternal and Child Mortality (PROMAC) totalling €10.53 million for the supply of medical equipment and construction of facilities at five hospitals across the island, including Bustamante Hospital for Children and Victoria Jubilee Hospital.
- Implementation of:
 - Economic Partnership Agreement (EPA) I Project – achievements included: (i) Global Food Safety Initiative (GFSI) certification of three Sauces & Spices firms, and Hazard Analysis and Critical Control Points (HACCP) certification of one firm; (ii) execution of the Marketing & Distribution Plan for the Sauces and Spices Industry targeting the United States of America’s Speciality Foods Market; and (iii) development of Common Brand & Product (Sauces & Spices) for sale to target market by consortiums
 - EPA II Project – which achieved the following: (i) ISO/IEC 17025 Accreditation⁶ of the Residue Testing Laboratory of the Veterinary Services Division of Ministry of Industry Commerce Agriculture and Fisheries; and (ii) Benchmark Agreement with the Swedish Board for Accreditation & Conformity Assessment (SWEDAC) and Jamaica National Agency for Accred-

itation (JANAAC) with the objective of strengthening the capacity of JANAAC

- Technical Cooperation Facility V – with the award of a contract to German Firm, ICON-INSTITUT, for the revision of the National Population Policy.

New Approvals

The Institute spearheaded discussions with the IDPs on several new initiatives, including the following projects, which were approved by the IDB during the year:

- **Credit Enhancement Programme for MSMEs:** A loan of US\$20.0 million (\$2.6 billion) to support the Credit Enhancement Programme for MSMEs and the Loan Contract were signed on September 6, 2017. The programme, to be executed by the Development Bank of Jamaica (DBJ), will provide partial credit guarantees for approved financial institutions to on-lend.
- **National Identification System for Economic Growth (NIDS):** Loan financing of US\$68.0 million (\$8.7 billion) to support the financing of the design and development of a National Identification System (NIDS), that will provide a comprehensive and secure structure to enable the capture and storage of personal identity information for citizens and persons ordinarily resident in Jamaica. The NIDS will become the primary source for identity assurance and verification, and will result in improved governance and management of social, economic and security programmes.
- **National Security Strengthening Programme:** Loan resources of US\$20.0 million (\$2.6 billion) to, inter alia, strengthen the Jamaica Constabulary Force’s capacity for crime investigation through the provision of surveillance equipment as well as provide training on the

⁶ The International Organization for Standardization/ International Electrotechnical Commission specifies the general requirements for the competence, impartiality and consistent operation of laboratories.



On April 25, the PIOJ launched the Plan of Action in support of the Reintegration and Resettlement of Involuntary Returned Migrants. Participating in the launch were (from left) Regional Programme Officer Caribbean ACP-EU Migration Action, IOM, Mr Jermaine Grant; Manager, Migration Policy Secretariat, PIOJ, Mrs Stacey Clarke Callum; Manager, Population and Health Unit, PIOJ, Mrs Toni-Shae Freckleton; Director (Acting), Border Security and Control Unit, Ministry of National Security, Mrs Norma Brown Martin

use of IT technology in crime fighting. The project will also finance the institutional strengthening of the National Policy Training Academy.

D. RESEARCH

ECONOMETRIC MODELLING

Models are an important aspect of the Institute’s output. As a result, work geared towards the building and enhancing the capabilities of these tools were sustained during 2017. Work done involved the updating and developing of various models on indicators and indices, which enhanced the work of the Division and by extension, the output of the Institute. The tools employed as well as the analysis facilitated are:

- **Threshold 21 (T21)** – was adjusted to reflect revenue and expenditure programme by GOJ for FY2017/18 and its potential socioeconomic implication for Jamaica.
- **Econometrics** – used to:
 - Forecast GDP on a quarterly basis for all economic industries (I2)
 - Inform Short to Medium-Term Growth Outlook for Fiscal Policy Paper.

Other Models

Templates were created to:

- Calculate Real Prices for Education and Housing Expenditures
- Calculate Poverty Line for 2016
- Estimate Gross Income from Disposable Income

- Estimate the Impact of Time at Port on Cruise Passenger Expenditure and Value Added.

SPECIAL RESEARCH STUDIES/RESEARCH PAPERS

- Macro-Socio-economic and Environmental Impact Assessment of the Damage and Loss caused by the March to June 2017 Flood Rains
- Effective Planning in the Face of Climate Change
- Climate Change and Natural Disasters and Implications for the Housing Sector

SENIOR EXECUTIVE COMPENSATION, 2017

Names and Positions of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Dr Wayne Henry (2) Director General	2017	1 038 324	–	1 341 624	–	85 000	–	11 764 948
Richard Lumsden (3) Deputy Director General	2017	1 179 997	–	–	–	–	–	1 179 997
R. E. Kirkland Philips Deputy Director General	2017	4 409 957	996 152	1 341 624	–	–	–	6 747 733
Barbara Scott Deputy Director General	2017	4 662 899	–	1 341 624	211 880	–	–	6 216 403
Claire Bernard Deputy Director General	2017	4 760 539	–	1 341 624	433 248	–	–	6 535 411
James Stewart Director	2017	4 402 232	–	1 341 624	211 880	–	–	5 955 736
Janelle Cox Director	2017	4 262 322	–	816 554	313 821	–	–	5 392 697
Sandra Ward Director	2017	4 236 184	–	816 554	318 837	–	–	5 371 574
Marcia Blake-Hall Director	2017	4 358 801	–	1 341 624	209 772	–	–	5 910 197
Easton Williams Director	2017	4 673 659	–	1 341 624	192 905	–	–	6 208 188
TOTAL	2017	47 284 915	996 152	11 024 476	1 892 343	–	–	61 282 885

Notes: 1. All contracts are in Jamaican currency.

2. Other Allowance – Director General's security as part of contract agreement.

3. On secondment to the Ministry of Finance and the Public Service as of October 3, 2016. Outstanding payments for 2015/2016.

■ Appendices

CABINET SUBMISSIONS, NOTES, BRIEFS, POSITION PAPERS

CABINET SUBMISSIONS

- Draft Cabinet Submission on the implementation of SDGs roadmap
- Draft Cabinet Submission on the Implementation Road Map for the 2030 Agenda Sustainable Development Goals (SDGs)
- Cabinet Submission for Senior Citizens Policy drafted and submitted for review by the Ministry of Labour and Social Security
- Cabinet Submission completed on Revised Draft National Policy on Poverty and National Poverty Reduction Programme (White Paper)
- Cabinet Submission on the Programme of Advancement through Health and Education (PATH)
- Divisional achievements for inclusion in JIS Year in Review
- Urban and regional planning issues affecting Portmore with emphasis on housing
- Establishment of Science Parks in Jamaica
- Goals 9 and 14 as input for a report to be presented at the Forum of the Countries of Latin America and the Caribbean on Sustainable Development held April 26–28, 2017 in Mexico
- World Oceans Day at the UN Conference on Oceans and Seas speech for Min. Daryl Vaz
- “Trade Facilitation and the Emergence of New Disruptive Technologies” to facilitate the Minister’s participation in a Regional Policy Dialogue on Integration and Trade

NOTES

- Concept Note for the Review of the National Senior Citizens Policy
- Cabinet Note for the Annual Report of the National Social Protection Committee
- Ministerial Note on the ‘Certification of the Labour Force’
- Jamaica’s GDP Composition for the period 1997–2016
- The impact of climate change and disasters on the Jamaican economy to support the DG’s participation in a documentary being produced by the Inter-American Development Bank to showcase the work of the Bank in various development areas
- GOJ/Adaptation Fund Video – brief prepared for the Director General
- IDB Video – Brief prepared for the Director General

BRIEFS

- Science, Technology and Innovation Sector Developments
- Brief for Director General for SDGs
- Brief on JSLC 2015 for the Prime Minister
- Brief prepared on the National Policy on Poverty

- and National Poverty Reduction Programme to facilitate presentation by the Prime Minister
- Growth Projections for FY2016/2017–FY2020/2021 to inform Government of Jamaica Fiscal Policy Paper
- Real Sector Briefs – Economic Update and Prospects
- Preliminary performance of the economy for the quarters October–December 2016, January–March 2017, April–June 2017 and July–September 2017
- National Social Protection Committee (NSPC), and four technical Subcommittees
- Programme Monitoring Committee
- Distributive Trade Committee
- Financial Inclusion Steering Committee
- Technical Working Group – Agriculture/ Tourism
- Technical Working Group – Manufacture/ Tourism
- Jamaica Dairy Development Board
- Income Security Subcommittee
- 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 Subcommittee
- Jamaica Productivity Centre
- Labour Policies and Legislation subcommittee
- National Working Group on National Migration & Development
- New Employment Opportunities
- MSME Thematic Working Group
- Social Enterprise Policy Committee Group
- Jamaican Application Document for the International Mechanical Code
- Draft Poverty Policy
- SDGs Implementation Roadmap
- Draft Science, Technology and Innovation Policy

REPORTS

- Draft Impact of tax measures on purchasing power of different consumption groups
- Assessment on the pricing of gasoline in Jamaica – from the refinery to the gas pump

BOARDS, COUNCILS, COMMITTEES, WORKING GROUPS

The PIOJ participated and provided technical advice on several sectoral committees and working groups located across various MDA's. These included:

- Council for Voluntary Social Services
- Early Childhood Commission and its Subcommittees
- Human Resources Committee of Cabinet
- National Working Group on International Migration and Development (NWGIMD)
- National Council for Senior Citizens
- Inter-Ministry Human Rights Committee
- Labour Market Reform Commission
- Migration Project Board
- Jamaica Council for Disabilities Board of Management

- The Dangerous Drugs (Cannabis Licensing) (Interim) Regulations, 2016
- JCCP – Baseline Assessment of Climate Change Programmes and related institutions in Jamaica
- Urban Thinkers Campus
- Draft Policy for Net Zero Energy Building (NZE)
- Building Code
- National Spatial Plan
- Draft National Biodiversity Strategy and Action Plan (NBSAP)
- Draft CARICOM Regional Climate Change Framework
- Caribbean Study on Loss and Damage in Artisanal Fisheries
- Post Disaster Targeting Assessment and Disaster Responsive Social Protection Curriculum
- National Forestry Management & Conservation Plan
- Draft National Integrated Waste Management Policy and Strategy
- EU-ACP programme document: “Strengthening Research, Innovation and Related Skills Development in ACP Countries”
- Group of Friends of SDGs Financing initiative proposal
- “Role of Creativity and Innovation in Shaping the Future We Want” discussion paper
- WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP) on SDG Baseline Estimates
- Accession to SIDS DOCK
- 11th EDF Identification Fiche – Environment and Climate Change
- Complementary and Alternative Medicine Policy
- Draft Cabinet Submission – Regulation of Nutraceutical Products EU-CIF Energy Management and Efficiency Programme Project Profile
- Draft document on Jamaica’s Housing Sector Jamaica’s Energy context (Alexander Ochs, with Dean Gioutsos)
- National Resettlement Strategy
- Draft Caribbean Community Environmental and Natural Resources Policy Framework and Action Plan
- Montevideo Consensus on Population and Development – national report
- Drafting Instructions for the Pesticides and Hazardous Chemicals Management Act
- Netherlands Research Organization (TNO) TA proposal
- National Chemical Emergency Risk Management Plan
- FAO Country Outcome Assessment survey
- Updated National Guidelines for the Disposal of Hazardous Waste from Energy Efficiency and Conservation Interventions in the Public Sector
- Concept Paper developed by the National Commission on Science and technology regarding the “Strengthening National Innovation System (NIS) Infrastructure”
- Prefeasibility study for reforming the Solid Waste Management Programme in Jamaica
- Summary report and recommendations from the Netherlands Organization for Applied Scientific Research (TNO) TA Mission to support the implementation of SDG 7 (Energy)

- First National Sustainable Development Goals (SDGs) Report being prepared by SALISES
- Communications and Advocacy Road Map (Draft)
- Jamaica Application Document for the International Private Sewage Code

In addition, broad-based support was provided in the form of technical advice in various policy areas such as:

- Fiscal Policy Paper
- National Policy on Poverty
- Public Sector Investment Programme Policy Paper

The Institute provided technical support to:

- Geography Awareness Week 2017 Planning Committee
- National Housing Conference Committee
- Blue and John Crow Mountain Advisory Committee
- National Council on Ocean and Coastal Zone Management (NCOCZM)
- National Conservation Trust Fund
- PPCR Financing Mechanisms Sub-Committee
- Climate Change Focal Point Network
- Open Data Committee
- Country Working Group – ACP-EU Development Minerals Programme
- Ad Hoc Committee to review integrated waste management
- Third City Planning Committee
- National Housing Conference Committee
- National Nutraceuticals Industry Steering Committee

- Hazardous Waste Lab Ad-Hoc Committee (HALWAC)
- Science Advisory Committee of the Jamaica National Commission for UNESCO
- Research and Development Indicators (RDI) Committee
- Social Services and Infrastructure Committee
- SDGs Core Group
- PIMSEC Grant Technical Review Committee
- Economic Growth Council
- Jamaica Rural Economy and Ecosystems Adapting to Climate Change Phase II (JaREEACH II) Project Advisory Committee (PAC)
- Integrated Community Development Project Steering Committee
- Environment and Planning Thematic Working Group (Vision 2030 Jamaica)
- Land Information Council of Jamaica
- Hazard Risk Reduction and Adaptation to Climate Change Thematic Working Group
- 2030 Agenda Core Group
- The National Disaster Risk Management Volunteers Project (NDRMVP) Steering Committee
- Country Working Group – ACP-EU Development Minerals Programme
- National Mirror Committee for the Regional Energy Efficiency Building Code
- Steering Committee for Preparation of the National Spatial Plan Technical Papers
- Economic Growth Council Land Titling Steering Committee
- The Community Renewal Project Steering Committee on Informal Settlements
- QSPTF-PSC (Strategic Approach to International Chemicals Management)

- Energy Management and Efficiency Programme (EMEP) Steering Committee
- Global Fuel Economy Initiative (GFEI) Project Working Group
- Geospatial Data Access Council
- Recovery Planning Committee of the National Disaster Risk Management Council
- Foundations for Competitiveness and Growth Evaluation
- Steering Committee for the project titled “Reducing the Threats of Toxic Chemical Pollution to Human Health in Low and Middle-Income Countries”
- UNESCO Science Advisory Committee
- Master of Science in Sustainable Energy and Climate Change (MSECC) Advisory Committee
- Energy Policy Workshop
- Attended the Regional Starch Conference, Kingston Jamaica hosted by the Bureau of Standards on 23 March 2017
- Coral reef symposium on stewardship for sustainability
- Ceremony launching the South Africa/Jamaica Joint Scientific and Technological Cooperation Call for Applications, and the Reactivation of the Technological Investment Fund (TIF)
- 23rd Annual Conference of the University Diabetes Outreach Programme
- Attended the regional workshop “Sustainable Development Agendas: How Energy and Emission Accounting can Contribute to Policy Design and Decision Making” hosted by UNECLAC, World Bank and the UN Statistics Division in Antigua, Guatemala from May 16–18, 2017

CONFERENCES, WORKSHOPS, SEMINARS AND MEETINGS

- United Nations Convention to Combat Desertification (UNCCD) Workshop on Land Degradation and Desertification
- Social Development Commission’s Community GIS day event in Clarendon.
- Jamaica Water Fund Feasibility Consultation
- ECLAC Caribbean Symposium on Mainstreaming the Sustainable Development Goals in National Development Planning
- 24th anniversary of the Blue and John Crow Mountains National Park (BJCMNP)
- Trash Free Waters National Stakeholder Workshop hosted by USEPA and NEPA from 14-16 February 2016
- Participated in OLADE/MSET/UNEP consultations regarding the Renewable Energy NAMA (Electricity Generation) for Jamaica
- “Climate change impacts on coastal transport infrastructure in the Caribbean: Enhancing the adaptive capacity of Small Island Developing States (SIDS)” workshop hosted by UNCTAD in collaboration with UNEP, UNECLAC and the UNDP
- Presentation of the Draft Monitoring, Reporting and Verification Plan for the Renewable Energy (Electricity) NAMA for Jamaica
- Workshop to review and compare the Strategic Targeting methodology (developed by CDEMA) with the Vulnerability Ranking Index (developed by ODPEM)
- GCF Structured Dialogue with the Caribbean, which took place between the 19th and 22nd June 2017 in Placencia, Belize
- Represented Jamaica’s PPCR Focal Point at CIF PPCR Committee Meetings in Washington

- Capacity Building workshop on Coastal Transport Infrastructure in the Caribbean. The initiative was hosted by the United Nations Conference on Trade and Development (UNCTAD) – May
- 23rd Session of the International Seabed Authority as a member of Jamaica’s delegation
- stakeholder consultation for the Lidar (Topographic and Bathymetric) Scoping and Monitoring Project
- National Consultation and working group sessions on Sustainable Food Systems for Healthy Eating, facilitated by the FAO/PAHO
- Launch of the Climate Smart Agriculture Project titled “Transforming Lives through Adaptive Agriculture and Aquaponics”. The project is being led by INMED Partnerships for Children with the support of the IDB
- Caribbean Coastal Resilience Forum held in New Providence, Bahamas. The IDB sponsored forum was a platform for knowledge exchange and facilitating partnerships
- 23rd Conference of the Parties (COP 23) of the United Nations Framework Convention on Climate Change (UNFCCC) as a member of Jamaica’s delegation
- CARISCIENCE Regional Conference & Exposition held November 9–10 2017, including judging of the poster competition (highlighting scientific research with potential to impact the region)
- GOJ/Adaptation Fund Procurement Training Workshop
- Best Practices for Community Development Symposium
- 4th Climate Finance Readiness Seminar for the National Implementing Entities held in Costa Rica (July 26–28, 2017)
- Facilitated information sharing on sustainable development in Jamaica with a representative from the International Institute for Environment and Development (IIED)
- Provided information on climate resilience initiatives coordinated/being implemented by the PIOJ at meeting with consultant from Acclimatise
- Technical comments provided at a meeting with the All Party Parliamentary Group for Jamaica Cross Party Parliamentary Group to discuss Jamaica’s progress in transitioning towards renewable energy alternatives and the potential for technological transfer and investment from the UK
- African Caribbean Pacific (ACP) and European Union (EU) Dialogue on Visas and Return, Readmission and Reintegration, May 28 to June 3, 2017 held in Brussels, Belgium
- Enhanced Country Poverty Assessment Workshop, December 6–7, 2017 held in Barbados
- International Labour Organization Course – Academy on Social Security September 18–29, 2017 held in Turin, Italy
- Expert Group Meeting on SDG 5: Achieve Gender equality and empower all women and girls May 30–31 2017 held at the UN Headquarters, New York
- Regional Seminar on Shock-responsive Social Protection in Latin America and the Caribbean, October 30–31, 2017 held in Lima, Peru
- 70th World Health Assembly May 22–31, 2017 held in Geneva, Switzerland
- First Lady Forum: Every Woman Every Caribbean Child, Clinton Global Initiative February 16, 2017 in Georgetown Guyana
- 50th Session of UN Commission on Population and Development, April 3–7, 2017 in UN, New York

- Workshop for Countries presenting Voluntary National Reviews (VNRs) at the High-Level Political Forum on Sustainable Development (HLPF) in 2018, December 4–5, 2017 held in Geneva, Switzerland
- 2nd Workshop of the Montevideo Consensus on Population and Development, May 30–31, 2017 held in Mexico City, Mexico
- High Level Political Forum (HLPF) for Sustainable Development, July 10–19, 2017 held at UN Headquarters, New York
- Special Meeting of Presiding Officers of the Regional Conference on Population and Development for Latin America and the Caribbean, November 7–9, 2017 held in Santiago, Chile
- 10th Global Forum on International Migration and Development, June 28–30, 2017 held in Berlin, Germany
- Global Compact for safe, orderly and regular migration preparatory meeting, December 4–6, 2017 held in Puerto Vallarta, Mexico
- First meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, April 26–28, 2017 held in Mexico City, Mexico
- Expert Group Meeting on progress in achieving SDG 2, June 12–13, 2017 held at the UNHQ, New York
- Mainstreaming Migration into Policy Planning, October 30 to November 3, 2017 in Turin, Italy
- 4th Regular Meeting of the Global Project Board for the Joint Global Programme on Mainstreaming Migration into National Development Strategies, October 3–4, 2017 held in Tunis, Tunisia
- Study Tour to Support the Development of Global Services in Jamaica, September 4–6, 2017 in Montevideo, Uruguay
- Presentations were delivered at:
 - “Uncut Conversations on Climate Change – Dialogue for the Future”. April 11–13, 2017 (panellist)
 - World Bank/Global Facility for Disaster Reduction and Recovery Workshop – Building Regulatory Capacity Assessment
 - Housing for Vulnerable Populations at Social Services and Infrastructure Committee
 - Disaster Risk Management in Jamaica to students of the UWI Social Planning and Design Programme
 - Guest lecturer on gender perspectives in climate change and disaster risk reduction to UWI students
 - Guest lecturer on the topic: “Getting to Vision 2030 Jamaica . . . the role of Science, technology and Innovation”
- Jamaica’s experience in monitoring and reporting on the PPCR at a PPCR Monitoring and Reporting workshop organized by the Climate Investment Funds (CIF) in Washington, D.C
- “Effective Planning in the Face of Climate Change” for the UNESCO World Heritage and Climate Change Symposium
- Assessing socio-economic vulnerability according to the ECLAC methodology at a workshop organised under the project “Capacity Development for Risk Reduction Management Centres in the Caribbean”
- 2nd workshop on monitoring and evaluation for resilience-building projects, hosted by the World Bank on June 12, 2017 (panellist)
- Workshop to review and compare the Strategic Targeting methodology (developed by CDEMA) with the Vulnerability Ranking Index (developed by ODPEM) (Chair)

- Science Technology and Innovation – benchmarking indicators for national development at the National R&D Pilot Survey Workshop
- 4th staging of the Climate Finance Readiness seminar hosted by the Adaptation Fund, Costa Rica (panellists)
- Jamaica’s status in implementing the SAMOA Pathway and 2030 Agenda at the UN Department of Economic and Social Affairs (DESA) SIDS retreat
- Session on GIS and Smart Cities at the inaugural Jamaica GIS User Conference (moderator)
- The use of Geographic Information Systems in monitoring the SDGS and Vision 2030 goals at the inaugural Jamaica GIS User Conference marking the 25th anniversary of the LICJ
- “Climate Change and Natural Disasters: Implications for the Housing Sector” at the Regional Housing Conference, Jamaica
- Session on Building Technology within the Changing Environment(moderator) at the at the Regional Housing Conference, Jamaica
- “Jamaica’s STEM Pipeline . . . a question of adequacy and relevance” at the SRC-INVOCAB Science & Technology Education Symposium
- Regional Workshop for Enhancing Knowledge on the Adaptation Fund Project Development Process and Project Cycle, Barbados (panellist)
- “Jamaica’s STEM Pipeline . . . a question of adequacy and relevance” to representatives of the UWI Chemistry Department on November 16, 2017
- Towards Achieving SDG 14: Starting at the Source to Save the Sea – The Jamaica Experience – speech prepared for Hon. Daryl Vaz, presented at Side Event at the Oceans Conference Thursday, June 8, 2017 at the UN Headquarters
- Key National Sectors and Climate Change Priorities presented by Hon. Fayval Williams during the High Level Segment of the GCF Structured Dialogue with the Caribbean, 19th June 2017, Placencia, Belize.

» 2017 YEAR IN REVIEW «



Dr Marcia Rowe-Amonde, Senior Director, HEART Trust/NTA (standing) engages panellists Mr Steven Kerr, Manager, Human and Community Development; Mrs Yaneek Page, Founder and Managing Director of Future Services International Limited; Mr Mikhail Ramsay and Mrs Suzette Meggie-Henry at the Career Awareness Week Public Forum held in Emancipation Park on February 14, 2017



Chairperson, Ms Claire Bernard, Deputy Director General, Sustainable Development and Social Planning, PIOJ addressing stakeholders at one of the two National Public Consultation and Validation Fora on the Draft National Policy on Poverty and National Poverty Reduction Programme (Green Paper). The consultation was held on January 31, 2017 at the Knutsford Court Hotel. Seated (left to right) at the head table are Dr Wayne Henry, Director General, PIOJ; Mr Omar Chedda, Director of Investment, Ministry of Economic Growth and Job Creation; and Mrs Shelly Ann Edwards, Programme Manager, Poverty Reduction Coordinating Unit, PIOJ. Dr Henry and Mr Chedda brought remarks, while Mrs Edwards made a presentation on the Green Paper at the forum

» 2017 YEAR IN REVIEW «



While on a tour of several projects supported by the Community Renewal Programme (CRP), members of the PIOJ (EPRD, Corporate Services and CRP) and IMF team, along with several partner agencies, visited the proposed site of the Tivoli Gardens Composting Project on March 3, 2017



World Population Day is observed on July 11 annually. The theme for 2017 was “Family Planning: Empowering People, Developing Nations.” The function was held at the St Matthew’s Anglican Church, Santa Cruz, St Elizabeth. At the head table (left to right) are Reverend Robin Samuda, JP; His Worship the Mayor Councillor Derrick Sangster, St Elizabeth Municipal Corporation; Dr Denise Chevannes, former Executive Director, National Family Planning Board; and Mr Easton Williams, Director, Social Policy, Planning and Research Division

» 2017 YEAR IN REVIEW «



PIOJ's first quarterly press briefing held on February 15, 2017. Seated at the head table (from left to right) are: Mr James Stewart, Director, EPRD; Dr Wayne Henry, Director General, PIOJ; Ms Elizabeth Emanuel, Programme Director, Plan Development Unit; and Ms Caren Nelson, Manager, Policy Research Unit



Members of staff and guests in attendance at the PIOJ's first quarterly press briefing held on February 15, 2017

» 2017 YEAR IN REVIEW «



Speakers at the 2017 Dialogue for Development Lecture that was held on December 5, 2017 in Kingston. The lecture was also the launch of the SDG Public Education Campaign. From left: PIOJ Deputy Director General, Sustainable Development and Regional Planning Division, Ms Claire Bernard; The Eastern Region Winner of the Speaking Competition, “The Jamaica I Want”, Grade 10 Student, Buff Bay High School, Mr Kyshawn Suer; UN Resident Coordinator & UNDP Resident Representative, Mr Bruno Pouezet; UNDP Deputy Resident Representative, Dr Elsie Laurence-Chounoune; Permanent Secretary in the Ministry of Foreign Affairs and Foreign Trade, Ambassador Marcia Gilbert Roberts; Former Special Advisor-Implementation of the Sustainable Development Goals at the Office of the President of the United Nations General Assembly, Ambassador Dessima Williams, who delivered the 2017 Dialogue for Development Lecture; Director General of the Statistical Institute of Jamaica, Ms Carol Cox; The Western Region Winner of the Speaking Competition, “The Jamaica I Want”, Grade 12 Student of Westwood High School, Miss Tacia Riley



Prime Minister Andrew Holness greets the former Director General of the PIOJ, Dr Wesley Hughes at the 2017 Dialogue for Development Lecture that was held in Kingston on December 5, 2017. Dr Hughes started the lecture series which had its 10th staging in 2017

» 2017 YEAR IN REVIEW «



The Labour Market Reform Commission, End of Project Function was held on Friday, July 7, 2017 at the Jamaica Pegasus Hotel. At the podium is Dr Marshall Hall, OJ, Chairman, Labour Market Reform Commission; seated at the head table are the Honourable Shahine Robinson, MP, Minister of Labour and Social Security; Dr Wayne Henry, Director General, PIOJ; and Dr Michael Witter, Commissioner, Labour Market Reform Commission



PIOJ Manager, Population and Health, Toni-Shae Freckleton delivers an overview on the Sustainable Development Goals at the 2017 National Conference on Girls Education organised by St Hugh's High School for Girls in Kingston on November 15. The event was also the launch of the UNFPA 2017 State of World Population Report. Seated from left: Chairman of the Board of the school, Rev Dr Major Serrano Kitson; Web Application Engineer, Lolette Loderick, who delivered the keynote address under the theme, "Seeing Tomorrow: Thriving in a Cyber World"; Deputy Director, UNFPA Sub Regional Office of the Caribbean, Seti Batoul-Oyssein; and Chairperson of the conference, Carol Watson Williams

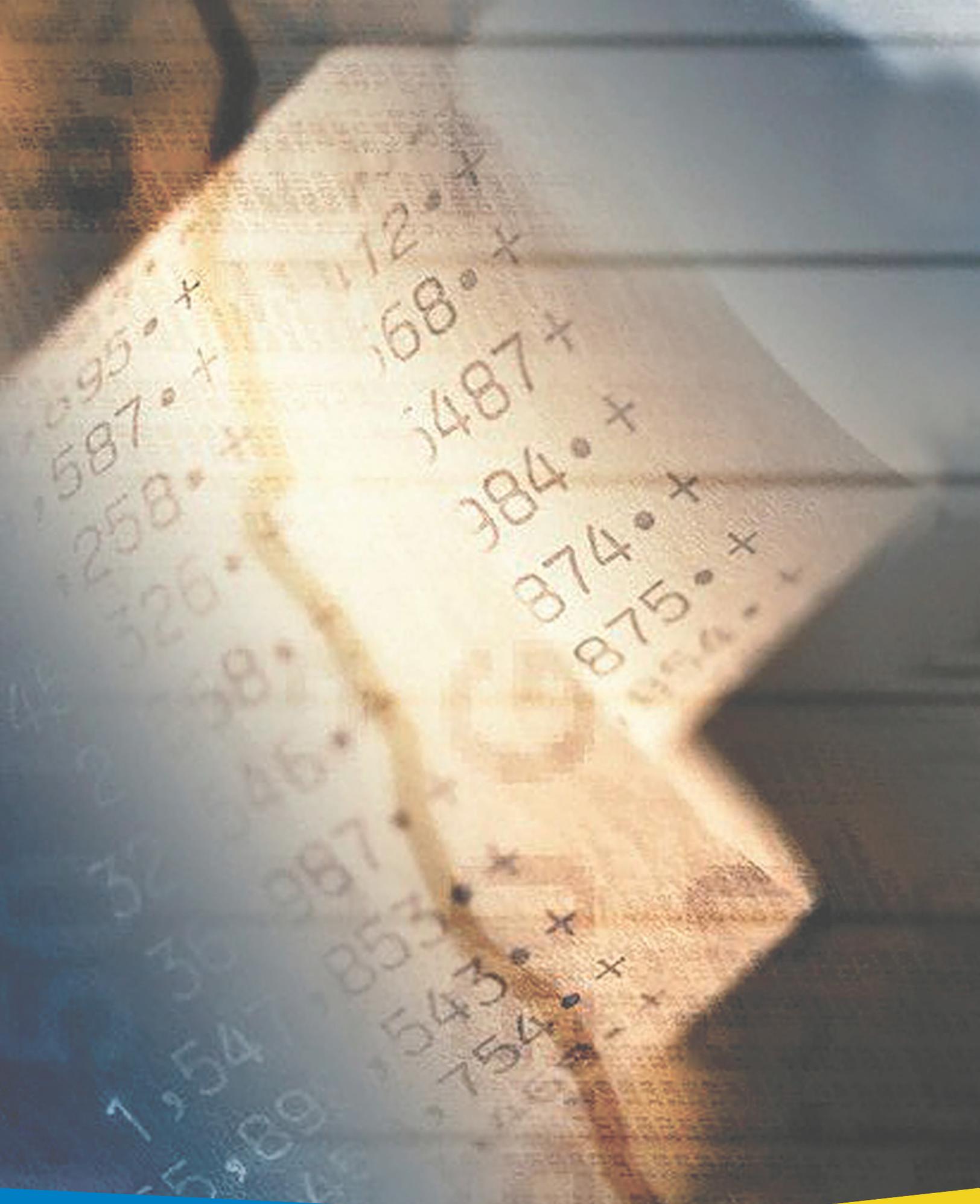
» 2017 YEAR IN REVIEW «



The PIOJ joins the Caribbean in celebrating the Sustainable Development Goals (SDGs) at the opening ceremony of the Caribbean Action 2030 Regional Conference on the Sustainable Development Goals held at the UWI Regional Headquarters on June 28, 2017. At far right is Dr Wayne Henry, Director General, PIOJ; (front row) Ms Elizabeth Emanuel, Programme Manager, Plan Development Unit; (second row, holding SDG block Affordable and Clean Energy) Ms Stacy-Ann Robinson, demographer, SPPRD; (third row, at right) Mrs Toni-shae Freckleton, Manager, Population & Health Unit; and (third row, left holding SDG block Life Below Water) Ms Le-Anne Roper, Sustainable Development Planner, SDRPD



The US Embassy's Acting Public Affairs Officer Ms Kristina Ortiz (third from left) donated books on behalf of the US Embassy to the PIOJ during Read Across Jamaica week in May 2017. Shown above (left to right) are Mrs Janelle Cox, Chief Information Officer, PIOJ; Mrs Sheneico Eastwood, Librarian, PIOJ; Mrs Odean Cole-Phoenix, Technical Information Manager, PIOJ; Mrs Sandra Ward, Head, Human Resource Management, PIOJ; and Mrs Erica Shakes, Librarian/Cataloguer, PIOJ





PLANNING INSTITUTE OF JAMAICA

AUDITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

THE PLANNING INSTITUTE OF JAMAICA

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

(Expressed in Jamaican dollars)

THE PLANNING INSTITUTE OF JAMAICA

YEAR ENDED 31 DECEMBER 2017

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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 2017, 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 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Those Charged with Governance 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 Institute's 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.

Those charged with governance are 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.



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 those charged with governance 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 that reads 'Ernst & Young' in a cursive script.

Chartered Accountants
Kingston, Jamaica

30 April 2018

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

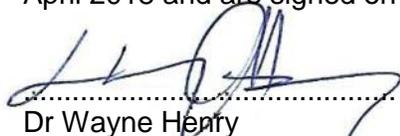
AS AT 31 DECEMBER 2017

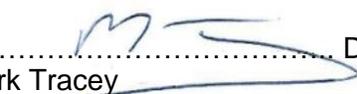
(Expressed in Jamaican dollars)

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Non-current assets			
Property and equipment	6	412,819	406,157
Intangible assets	7	2,291	4,955
Retirement benefit asset	8	297,236	233,638
Long-term receivables	9	2,705	2,995
		<u>715,051</u>	<u>647,745</u>
Current assets			
Receivables and prepayments	10	26,893	29,837
International Development Partners funded projects	11	174,094	105,601
Cash and bank balances	11	64,915	38,574
		<u>265,902</u>	<u>174,012</u>
Total Assets		<u><u>980,953</u></u>	<u><u>821,757</u></u>
EQUITY AND LIABILITIES			
Government's contribution to equity	12	353	353
Accumulated surplus		448,137	314,957
		<u>448,490</u>	<u>315,310</u>
Non-current liability			
Long-term portion - deferred income	13	355,951	365,386
Current liabilities			
Owed to projects	14	68,039	49,662
Payables and accruals	15	93,748	77,612
Current portion – deferred income	13	14,725	13,787
		<u>176,512</u>	<u>141,061</u>
Total Equity and Liabilities		<u><u>980,953</u></u>	<u><u>821,757</u></u>

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

The financial statements were approved and authorised for issue by the Board of Directors on 30 April 2018 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 2017
(Expressed in Jamaican dollars)**

	Notes	2017 \$'000	2016 \$'000
INCOME			
Government subventions	16	568,368	519,481
Interest income		2,119	1,217
Other income	17	44,660	44,779
		<u>615,147</u>	<u>565,477</u>
EXPENSES			
Staff costs	18	388,017	388,068
Property expenses	18	60,027	55,442
Consultancy and professional fees	18	4,933	3,341
Depreciation and amortisation	6,7,18	27,139	26,539
Other operating expenses	18	50,792	30,782
Loss on disposal of property and equipment	18	134	243
		<u>531,042</u>	<u>504,415</u>
NET SURPLUS		<u>84,105</u>	<u>61,062</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	49,075	4,824
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS		<u>133,180</u>	<u>65,886</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 2017
(Expressed in Jamaican dollars)**

	Government Contributions to Equity \$'000 (Note 12)	Accumulated Surplus \$'000	Total \$'000
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
Net surplus for the year	-	84,105	84,105
Other comprehensive income	-	49,075	49,075
Total comprehensive income attributable to members	-	133,180	133,180
Balance at 31 December 2017	353	448,137	448,490

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

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

**YEAR ENDED 31 DECEMBER 2017
(Expressed in Jamaican dollars)**

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus		84,105	61,062
Adjustments for:			
Loss on disposal of property and equipment		134	243
Foreign exchange adjustment		77	(542)
Deferred income	13	(14,725)	(13,787)
Depreciation and amortisation	6,7,18	27,139	26,539
Interest income		(2,119)	(1,217)
Retirement benefit plan charge	8.3	4,640	7,138
Operating cash flows before movement in working capital		99,251	79,436
Increase International Development Partners funded projects		(68,493)	(40,824)
Decrease in inventories		-	490
Decrease in receivables and prepayments		2,944	420
Project funds encashed		6,228	-
Increase in owed to projects		18,377	21,031
Increase/(decrease) in payables and accruals		16,136	(9,370)
Cash provided by operating activities		74,443	51,183
Contributions to retirement benefit plan	8.7	(19,163)	(18,624)
Net cash provided by operating activities		<u>55,280</u>	<u>32,559</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,932	1,278
Acquisition of property and equipment	6	(30,882)	(12,045)
Acquisition of intangible assets	7	(433)	(2,108)
Long-term receivables (net)		290	1,771
Proceeds from sale of assets		44	-
Cash used in investing activities		<u>(29,049)</u>	<u>(11,104)</u>
INCREASE IN CASH AND BANK BALANCES		26,231	21,455
OPENING CASH AND BANK BALANCES		38,540	16,543
Effect of foreign exchange rate changes		(77)	542
CLOSING CASH AND BANK BALANCES	11	<u>64,694</u>	<u>38,540</u>

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 2017
(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 2017. 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 2017, 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 2017
(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*

- **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 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of the amendments had no impact on the Institute's financial statements.

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

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 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments did not have any impact on the Institute's financial statements.

- **IFRS Practice Statement 2: Making Materiality Judgements**

Companies are permitted to apply the guidance in the Practice Statement (PS) to financial statements prepared any time after 14 September 2017.

The PS contains non-mandatory guidance to help entities making materiality judgements when preparing general purpose IFRS financial statements. The PS may also help users of financial statements to understand how an entity makes materiality judgements in preparing such financial statements.

The PS comprises guidance in three main areas:

- General characteristics of materiality,
- A four-step process that may be applied in making materiality judgements when preparing financial statements. This process describes how an entity could assess whether information is material for the purposes of recognition, measurement, presentation and disclosure.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Jamaican dollars)

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

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

- **IFRS Practice Statement 2: Making Materiality Judgements, continued**
 - How to make materiality judgements in specific circumstances, namely, prior period information, errors and covenants and in the context of interim reporting. Furthermore, the PS discusses the interaction between the materiality judgements an entity is required to make and local laws and regulations. These amendments did not have any impact on the Institute's financial statements.
- **IFRS 12 Disclosure of Interests in Other Entities**

Clarification of the scope of the disclosure requirements in IFRS 12

 - The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The amendments are effective from 1 January 2017 and must be applied retrospectively.

The application of the amendments had no 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**

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.

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 1 January 2018, with early application permitted. The amendment is not applicable as the Institute does not have share-based payments.

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

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017
(Expressed in Jamaican dollars)

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

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

- **IFRS 9 Financial Instruments**

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for the financial instruments project: classification and measurement; impairment; and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Institute plans to adopt the new standard on the required effective date. During 2017, the Institute performed an impact assessment of IFRS 9.

This assessment was based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Institute in 2018 when the Institute will adopt IFRS 9. Overall, the Institute expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9. The Institute is currently assessing the impact on the financial statements.

(a) Classification and measurement

The Institute does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

Other loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest.

(b) Impairment

IFRS 9 requires the Institute to record expected credit losses on its debt securities, either on a 12-month or lifetime basis. The Institute expects to apply the simplified approach and record the life time expected credit losses on trade receivables.

(c) Hedge accounting

This amendment is not applicable as the Institute does not apply hedge accounting.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017
(Expressed in Jamaican dollars)

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

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

- **IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts**

The amendments address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board has developed to replace IFRS 4 (See IFRS 17 below). The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. 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. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Based on the nature of the Institute's revenue i.e. Government grants and rental income, these amendments are not expected to have any impact on the financial statements.

- **IFRS 16 Leases**

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.

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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 16 Leases, continued***

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.

The Institute will perform a detailed assessment of the impact of the standard in 2018.

- ***IFRS 17 Insurance Contracts***

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Institute.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE 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*

- **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. This amendment is not expected to have an impact on the Institute.

- **Annual Improvements 2014-2016 Cycle (issued in December 2016)**

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. The amendment is effective from 1 January 2018. This amendment is not applicable to the Institute.

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which:

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE 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 (issued in December 2016), continued***

The amendments clarify that: continued

- (a) the investment entity associate or joint venture is initially recognised;
- (b) the associate or joint venture becomes an investment entity; and
- (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact. These amendments are not applicable to the Institute.

- ***Annual Improvements 2015-2017 Cycle (issued in December 2017)***

Following is a summary of the amendments from the 2015-2017 annual improvements cycle:

IFRS 3 Business Combinations Previously held Interests in a joint operation

- The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value.
- In doing so, the acquirer remeasures its entire previously held interest in the joint operation.
- An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. Earlier application is permitted.

IFRS 11 Joint Arrangements Previously held Interests in a joint operation

- A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.
- An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. Earlier application is permitted.

IAS 12 Income Taxes Income tax consequences of payments on financial instruments classified as equity.

- The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

THE PLANNING INSTITUTE OF JAMAICA
NOTES TO THE 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 2015-2017 Cycle (issued in December 2017), continued***

IAS 12 Income Taxes Income tax consequences of payments on financial instruments classified as equity (continued).

- An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period. These amendments are not applicable to the Institute.

IAS 23 Borrowing Costs Borrowing costs eligible for capitalisation

- The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.
- An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.
- An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

These amendments are not applicable to 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 non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date 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.

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(Expressed in Jamaican dollars)

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*

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

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the Institute's current practice is in line with the Interpretation, the Institute does not expect any effect on its financial statements.

- ***IFRIC Interpretation 23 Uncertainty over Income Tax Treatments***

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019. These amendments are not applicable to the Institute.

- ***Amendments to 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. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight. Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed. These amendments are not applicable to the Institute.

THE PLANNING INSTITUTE OF JAMAICA
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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*

- ***Amendments to IFRS 9 Prepayment Features with Negative Compensation***
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The basis for conclusions to the amendments clarified that the early termination can result from a contractual term or from an event outside the control of the parties to the contract, such as a change in law or regulation leading to the early termination of the contract.

The amendments are effective for annual periods beginning on or after 1 January 2019 and are intended to apply where the prepayment amount approximates to unpaid amounts of principal and interest plus or minus an amount that reflects the change in a benchmark interest rate. This implies that prepayments at current fair value or at an amount that includes the fair value of the cost to terminate an associated hedging instrument, will normally satisfy the SPPI criterion only if other elements of the change in fair value, such as the effects of credit risk or liquidity, are small. Most likely, the costs to terminate a 'plain vanilla' interest rate swap that is collateralised, so as to minimise the credit risks for the parties to the swap, will meet this requirement. The Institute does not expect any effect on its financial statements.

- ***Amendments to IAS 28 Long-term interests in associates and joint ventures***

The amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The Board also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. To illustrate how entities apply the requirements in IAS 28 and IFRS 9 with respect to long-term interests, the Board also published an illustrative example when it issued the amendments. Entities must apply the amendments retrospectively, with certain exceptions. Early application of the amendments is permitted and must be disclosed.

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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*

- ***Amendments to IAS 28 Long-term interests in associates and joint ventures, continued***

The amendments will eliminate ambiguity in the wording of the standard. The amendments are effective for annual periods beginning on or after 1 January 2019. This amendment is not applicable to the Institute.

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

4.2 *Basis of preparation*

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

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

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

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

4.5 Fair value measurement

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

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

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

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

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.5 *Fair value measurement, continued*

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.

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.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.6 Property and equipment, continued

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.

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.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.9 *Employee benefit costs, continued*

Pension obligations, continued

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.

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.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets, continued*

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.

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.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets, continued*

4.12.4 Impairment of financial assets, continued

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.

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.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.12 *Financial assets, continued*

4.12.5 Derecognition of financial assets, continued

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.

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.

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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

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.
 - (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).

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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):

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 19).

4.15 *Government grants*

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

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

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

4.16 *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.

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4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.16 *Revenue recognition, continued*

4.16.3 Interest income, (continued)

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 amounts from the furniture, fixtures and equipment category of the property and equipment to intangible assets within non-current assets. These reclassifications had no material impact in the financial statements.

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.

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5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5.1 *Critical judgments in applying accounting policies*

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

5.1.1 Property and equipment

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

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

5.1.2 Inventory obsolescence

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

5.2 *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 \$297.2 million (2016: \$233.6 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.

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

5.2 *Key sources of estimation uncertainty, continued*

5.2.1 Retirement benefits, continued

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

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

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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 2015	441,578	10,425	227,538	10,419	-	689,960
Additions	-	-	8,998	-	3,047	12,045
Disposal	-	-	(331)	-	-	(331)
Reclassification or transfer	-	-	(3,476)	-	-	(3,476)
31 December 2016	441,578	10,425	232,729	10,419	3,047	698,198
Additions	2,044	-	28,029	-	809	30,882
Disposal	-	-	(417)	-	-	(417)
Reclassification or transfer	3,047	-	-	-	(3,047)	-
31 December 2017	446,669	10,425	260,341	10,419	809	728,663
Depreciation						
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
Reclassification or transfer	-	-	(189)	-	-	(189)
31 December 2016	105,317	10,425	166,283	10,016	-	292,041
Disposal	-	-	(239)	-	-	(239)
Charge for year	11,114	-	12,526	402	-	24,042
31 December 2017	116,431	10,425	178,570	10,418	-	315,844
Net Carrying Amount						
31 December 2017	330,238	-	81,771	1	809	412,819
31 December 2016	336,261	-	66,446	403	3,047	406,157

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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 and 31 December 2015	3,348
Additions	<u>2,108</u>
31 December 2016	5,456
Reclassification	3,476
Additions	<u>433</u>
31 December 2017	<u>9,365</u>
Amortisation -	
At 1 January 2015 and 31 December 2015	1,332
Charge for the year	<u>2,456</u>
31 December 2016	3,788
Charge for the year	3,097
Reclassification	<u>189</u>
31 December 2017	<u>7,074</u>
Net Book Value -	
31 December 2017	<u><u>2,291</u></u>
31 December 2016	<u><u>4,955</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:

	2017	2016
Gross discount rate	8.0%	9.0%
Expected rate of salary increases	5.0%	6.0%
Future pension increases	4.5%	4.5%
Inflation	5.0%	6.0%
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, 2017 is 31 years (2016: 31 years) for active members totalling 96 (2016: 95) and 17 years (2016: 17 years) for deferred pensioners totalling 4 (2016: 3).

The Institute expects to make a contribution of \$20.8 million (2016: \$19.8 million) to the defined benefit plan during the next financial year. Total contribution inclusive of employee contributions is expected to be \$34.34 million (2016: \$32.45 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:

	2017	2016
	\$'000	\$'000
Present value of funded obligations	(933,584)	(770,832)
Fair value of plan assets	<u>1,742,302</u>	<u>1,379,426</u>
Surplus	808,718	608,594
Unrecognised asset due to asset ceiling	<u>(511,482)</u>	<u>(374,956)</u>
Net asset recognized in the statement of financial position	<u>297,236</u>	<u>233,638</u>

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

	2017	2016
	\$'000	\$'000
Current service cost	27,305	26,880
Net interest cost:		
Interest cost on defined benefit obligation	69,016	60,222
Interest income on plan assets	(125,193)	(100,702)
Interest effect of the asset ceiling	<u>33,512</u>	<u>20,738</u>
Net expense recognized in statement of income	<u>4,640</u>	<u>7,138</u>

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

	2017	2016
	\$'000	\$'000
Remeasurement gains (losses):		
Actuarial changes arising from changes in financial assumptions (Note 8.5)	(161,732)	61,700
Experience adjustments (Note 8.5)	313,587	53,371
Change in effect of the asset ceiling (Note 8.6)	<u>(102,780)</u>	<u>(110,247)</u>
Net income/(expense) recognized in other comprehensive income	<u>49,075</u>	<u>4,824</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:

2017	Demographic Assumptions \$'000	Financial Assumptions \$'000	Experience Adjustments \$'000	Net \$'000
Defined benefit obligation (Note 8.8)	-	(166,937)	104,833	(62,104)
Fair value plan assets	-	5,205	208,754	213,959
Recognised in OCI (Note 8.4)	-	(161,732)	313,587	151,855
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

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

	2017 \$'000	2016 \$'000
Opening effect of asset ceiling	(374,956)	(243,971)
Interest effect of asset ceiling	(33,746)	(20,738)
Remeasurement recognized in OCI (Note 8.4)	(102,780)	(110,247)
Closing effect of asset ceiling	(511,482)	(374,956)

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8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2017	2016
	\$'000	\$'000
Opening balance	233,638	217,328
Amounts charged to income	(4,640)	(7,138)
Employer contributions	19,163	18,624
Remeasurements recognized in OCI	49,075	4,824
	<u>297,236</u>	<u>233,638</u>
Closing balance	<u>297,236</u>	<u>233,638</u>

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

	2017	2016
	\$'000	\$'000
Opening defined benefit obligation	770,832	713,017
Service cost	27,305	26,880
Interest cost on defined benefit obligation	69,016	60,222
Members' contributions	12,478	11,862
Value of annuities purchased	1,134	4,518
Benefits paid	(9,285)	(13,749)
Remeasurement – changes in financial Assumptions (Note 8.5)	166,937	(64,003)
Remeasurement (gain)/loss on obligation for OCI (Note 8.5)	(104,833)	32,085
	<u>933,584</u>	<u>770,832</u>
Closing defined benefit obligation	<u>933,584</u>	<u>770,832</u>

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

	2017	2016
	\$'000	\$'000
Opening fair value of plan assets	1,379,426	1,174,316
Members' contributions	12,478	11,862
Employer's contributions	19,397	18,624
Value of annuities purchased	1,134	4,518
Interest income on plan assets	125,193	100,702
Benefits paid	(9,285)	(13,749)
Remeasurement – changes in financial assumptions	5,205	(2,303)
Remeasurement (loss)/gain on assets for OCI (Note 8.5)	208,754	85,456
	<u>1,742,302</u>	<u>1,379,426</u>
Closing fair value of plan assets	<u>1,742,302</u>	<u>1,379,426</u>

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8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2017	2016
	\$'000	\$'000
Equity fund	646,099	479,643
Fixed income fund	231,922	214,932
Foreign exchange fund	268,489	203,395
Mortgage and real estate fund	365,036	263,674
Money market fund	43,704	32,927
Other	187,052	184,855
Fair value of plan assets	<u>1,742,302</u>	<u>1,379,426</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 (2016: 1%) in the discount rate applied and the impact on the fund determined. The impact of a 1% increase or decrease (2016: 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:

	2017			
	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	137,722	(180,561)	(73,497)	62,738

	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

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8 RETIREMENT BENEFIT ASSET, CONTINUED

8.11 Sensitivity analysis, continued

	2017			
	Life Expectancy		Pension increase	
	1 Year	1 Year	1%	1%
	Increase	Decrease	Increase	Decrease
	\$'000	\$'000	\$'000	\$'000
Impact on the present value of defined benefit obligation	18,777	(18,737)	110,182	(93,336)

	2016			
	Life Expectancy		Pension increase	
	1 Year	1 Year	1%	1%
	Increase	Decrease	Increase	Decrease
	\$'000	\$'000	\$'000	\$'000
Impact on the present value of defined benefit obligation	13,554	(13,772)	86,492	(73,821)

9 LONG-TERM RECEIVABLES

(a) These include:

	2017	2016
	\$'000	\$'000
Staff loans receivable (Note 9(b))	5,038	6,121
Less: Current portion of staff loans included in other receivables (Note 10.2)	(2,333)	(3,126)
	<u>2,705</u>	<u>2,995</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.

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10 RECEIVABLES AND PREPAYMENTS

10.1 These include:

	2017	2016
	\$'000	\$'000
Maintenance fees	-	9,797
Trade receivables (sale of publications)	88	90
Prepayments and deposits	15,195	12,017
Other receivables (Note 10.2)	11,610	7,933
	<u>26,893</u>	<u>29,837</u>

The average credit period granted on sale of publications is 30 days (2016: 30 days). No interest is charged on outstanding balances.

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

Trade 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 (2016: 30 days).

10.2 Other receivables include:

	2017	2016
	\$'000	\$'000
Advances to staff	1,279	2,446
Current portion of long-term receivables (Note 9)	2,333	3,126
Other	7,998	2,361
	<u>11,610</u>	<u>7,933</u>

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

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11 CASH AND BANK BALANCES

11.1 Cash and bank balances comprise the following:

	2017	2016
	\$'000	\$'000
Funds held for recurrent and resource management	66,001	37,782
Building maintenance fund	(1,307)	758
Cash and bank balances	<u>64,694</u>	<u>38,540</u>
Interest accrued	221	34
	<u>64,915</u>	<u>38,574</u>
International Development Partners funded projects	<u>174,094</u>	<u>105,601</u>
	<u><u>239,009</u></u>	<u><u>144,175</u></u>

11.2 Bank balances include interest bearing accounts totalling \$237.6 million (2016: \$143.8 million), including a foreign currency deposit amounting to \$5.8 million US\$46,197 (2016: \$5.3 million US\$41,467). Interest on local currency deposits are at rates ranging between 1% and 5.25% (2016: 0.05% to 5.5%) per annum and on foreign currency deposits at an average rate of 1% (2016: 0.05%) per annum.

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

11.4 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 \$45 million at 31 December 2017 (2016: \$21 million). The funds held in these bank accounts are funds received from IDPs for projects implemented by the Institute.

12 GOVERNMENT'S CONTRIBUTION TO EQUITY

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

13 DEFERRED INCOME

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

	2017	2016
	\$'000	\$'000
Balance at beginning of year	379,173	392,960
Grants received	6,228	-
Transferred to income (see Note 17)	(14,725)	(13,787)
Balance at end of year	<u><u>370,676</u></u>	<u><u>379,173</u></u>

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13 DEFERRED INCOME, CONTINUED

	2017	2016
	\$'000	\$'000
Current portion	14,725	13,787
Long-term portion	355,951	365,386
	<u>370,676</u>	<u>379,173</u>

14 OWED TO PROJECTS

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

15 PAYABLES AND ACCRUALS

	2017	2016
	\$'000	\$'000
Short-term employee benefits	47,138	40,880
Other payables and accruals	46,610	36,732
	<u>93,748</u>	<u>77,612</u>

The credit period on purchases of goods/services from the Institute's major suppliers ranges from 30 - 60 days (2016: 30 - 60 days). The Institute has financial risk management procedures in place to ensure that all payables are paid within the agreed credit period.

16 GOVERNMENT SUBVENTIONS

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

17 OTHER INCOME

	2017	2016
	\$'000	\$'000
Rental income	19,413	18,414
Building management fees	4,940	4,692
Gain on sale of publications	1,022	889
Deferred income (see Note 13)	14,725	13,787
Other	4,560	6,997
	<u>44,660</u>	<u>44,779</u>

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18 **EXPENSES**

	2017	2016
	\$'000	\$'000
Staff costs		
Salaries and allowances	269,046	265,610
Retirement benefits plan charge	4,640	7,138
Travelling and motor vehicle upkeep	66,891	70,632
Statutory contributions	11,956	12,985
Staff welfare and subsistence	30,688	28,289
Accrued vacation	4,796	3,414
	<u>388,017</u>	<u>388,068</u>
Property expenses		
Parking	2,364	2,139
Security	10,258	9,746
Utilities	24,945	24,459
Landscaping	602	684
Cleaning and maintenance	6,163	6,245
Insurance	2,765	3,114
Repairs and maintenance	12,075	8,552
Property tax	623	291
Subsistence	232	212
	<u>60,027</u>	<u>55,442</u>
Consultancy and professional fees	<u>4,933</u>	<u>3,341</u>
Depreciation and amortisation	<u>27,139</u>	<u>26,539</u>
Other operating expenses		
Foreign travel	1,535	290
Motor vehicle expenses	1,955	1,708
Computer and supplies	14,286	6,231
Postage	239	160
G.C.T. expense	17,671	10,256
Stationery and office supplies	5,962	5,176
Advertising, special events and publications	5,784	4,757
Other general expenses	3,360	2,204
	<u>50,792</u>	<u>30,782</u>
Loss on disposal of property and equipment	<u>134</u>	<u>243</u>
	<u><u>531,042</u></u>	<u><u>504,415</u></u>

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19 RELATED PARTY TRANSACTIONS AND BALANCES

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

	2017 \$'000	2016 \$'000
Salaries and allowances including statutory contributions	59,305	78,396
Pension contributions	<u>1,283</u>	<u>1,811</u>
Directors' fees	<u>597</u>	<u>331</u>

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

20 COMMITMENTS

Capital commitments

	2017 \$'000	2016 \$'000
For acquisition of equipment	<u>12,000</u>	<u>2,400</u>

At 31 December 2017, the Institute entered into a contractual agreement for the retrofitting, paving and drainage improvement of a car park located at 9 Oxford Road. The car park was commissioned on February 28, 2018.

21 LEASING ARRANGEMENTS

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

Non-cancellable operating lease receivables are as follows:

	2017 \$'000	2016 \$'000
No later than 1 year	20,818	12,341
Later than 1 year and no longer than 5 years	<u>88,820</u>	<u>-</u>
	<u>109,638</u>	<u>12,341</u>

Lease payments in respect of a car park leased, is recognised by the Institute as an expense during the year totalling \$3,046,000 (2016: \$2,707,000).

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22 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

22.1 *Capital risk management*

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

22.2 *Significant accounting policies*

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

22.3 *Categories of financial instruments*

	2017	2016
	\$'000	\$'000
Financial assets (at amortised cost)		
Loans and receivables (including cash and bank balances)	<u>268,607</u>	<u>177,007</u>
Financial liabilities (at amortised cost)		
Other financial liabilities	<u>94,931</u>	<u>68,675</u>

22.4 *Financial risk management objectives*

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

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

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

22.5 Credit risk

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

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

22.6 Liquidity risk management

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

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

	Carrying amount \$'000	Contractual cash flow \$'000	1 to 12 months \$'000
31 December 2017			
Financial liabilities			
Payables	26,892	26,892	26,892
Owed to projects	68,039	68,039	68,039
	<u>94,931</u>	<u>94,931</u>	<u>94,931</u>
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>

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

22.7 Market risk

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

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

22.8 Foreign currency risk management

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

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

	2017	2016
	\$'000	\$'000
Cash and bank deposits - United States dollars	<u>5,754</u>	<u>5,286</u>

22.8.1 Foreign currency sensitivity analysis

The Institute's deposits are exposed to the United States dollar. The Institute's sensitivity to 2% revaluation or 4% devaluation (2016: 1% revaluation or 6% 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 2% revaluation or 4% devaluation (2016: 1% revaluation or 6% devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J\$0.115 million or an increase of J\$0.230 million in net income (2016: decrease of J\$0.053 million or an increase of J\$0.317 million in net income).

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

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

22.9 Interest rate risk management

The Institute's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note (Note 22.6).

Interest rate sensitivity analysis

Interest rate sensitivity 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 2016 the assumptions were an increase/decrease of 1.0%/1.0% 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:

	2017	2016
	\$'000	\$'000
Effect on net surplus increase 1% (2016: 1%) (J\$ deposits)	1,172	1,385
Effect on net surplus decrease 1% (2016: 1%) (J\$ deposits)	(1,172)	(1,385)
Effect on net surplus increase 1% (2016: 1%) (US\$ deposits)	58	53
Effect on net surplus decrease 0.5% (2016: 0.5%) (US\$ deposits)	(29)	(26)

22.10 Fair value of financial instruments

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

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

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

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

23.10 *Fair value of financial instruments, continued*

- (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.