The Planning Institute of Jamaica

Planning today . . . Securing tomorrow

ANNUAL REPORT 2018

Annual Report 2018

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MISSION

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

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 coordinating planning for the economic, financial, social, cultural and physical development of Jamaica

(b) monitoring the implementation of plans so initiated or coordinated

(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

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.

Dr. Wayne Henry

Erica S. Anderson is Head of Total Rewards and HR Shared Service Centre, Grace Kennedy Ltd. She holds a BSc in Management Information Systems/Finance & Insurance and an MBA, specialising in Finance. She has 18 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.

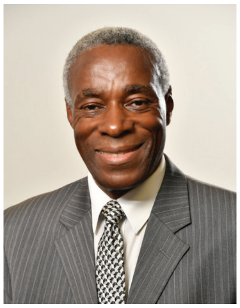
Erica S. Anderson

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 the Culture, Health, Arts, Sports and Education (CHASE) Fund.

Merle Donaldson

Professor the Hon. Ambassador Richard L. Bernal, OJ, is an economist and diplomat. Since July 2016, he has been Pro-Vice Chancellor for Global Affairs at the University of the West Indies (UWI) and Professor of Practice. He 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. Prior to his diplomatic career, Bernal taught economics at the University of the West Indies, served as CEO of a commercial bank, and worked in the Bank of Jamaica and as an economic advisor to the Government of Jamaica.

Richard L. Bernal



Alvin Wint

Alvin Wint is an Emeritus Professor of International Business at the University of the West Indies (UWI). He has served the UWI in several capacities including as a Pro Vice Chancellor. He holds a Doctorate in International Business from Harvard University and has provided advisory and oversight services to numerous public, private and educational institutions in Jamaica and the Caribbean; and to multilateral institutions such as the United Nations, the World Bank Group and the Inter-American Development Bank. He is a recipient of the UWI Vice Chancellor's Award for Excellence, the Jamaican Order of Distinction (Commander Class), and an Honorary Doctor of Humane Letters Degree from Northern Caribbean University.

David Tennant

David Tennant is Professor of Development Finance and Dean of the Faculty of Social Sciences, 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. 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.

Mark Tracey

Mark Tracey is currently a Senior Economic Advisor to the Minister of Finance, Dr The Honourable Nigel Clarke MP. Mr Tracey holds an MSc in Economics from the University of the West Indies, Mona and has over 20 years' experience in economics, with special emphasis on finance, risk management and developmental economics.

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, 2018 the Board, of which the Director General is the Chair, consisted of eight 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, this Committee reviewed and deliberated on the following:

- Audited Financial Statements
- Management Letter
- Internal Audit Plan
- Internal Audit Reports
- Disposal of Fixed Assets

The Finance and Audit Committee met three times during the year. Pricewaterhouse Coopers Tax and Advisory Services Limited was recruited to perform the Internal Auditor function for a period of one year effective October 1, 2018. The Chairman of the Audit Committee reports on the proceedings of the Committee meetings to the Board.

CORPORATE GOVERNANCE

While the Corporate Governance Committee did not meet in 2018, 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 Competitiveness and Growth, and the Adaptation Fund. Additionally, the Board reviewed the following:

- Sustainable Development Goals – Voluntary National Report
- Strategic Business Plan 2018–2021
- Downtown Kingston Redevelopment Project
- The Board Charter

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS, JANUARY – DECEMBER 31, 2018

Directors	Board Meetings (Total Held: 9)	Finance and Audit Committee Meetings (Total Held:3)
Dr. Wayne Henry, Director General Chairman, Board of Directors	9	N/A
Ambassador Dr. Richard Bernal	6	N/A
Professor Alvin Wint	9	N/A
Professor David Tennant	5	N/A
Mr. Mark Tracey	5	3
Mr. Colin Williams	8	3
Ms. Erica Anderson	5	1
Ms. Merle Donaldson	8	N/A
N/A – Not Applicable		

BOARD OF DIRECTORS FEES: JANUARY–DECEMBER 2018

	Fees ($)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle ($)	Honorarium ($)	All Other Compensation including Non-Cash Benefits as applicable ($)	Total ($)
Dr Wayne Henry	Nil	-	-	-	Nil
Mr Colin Williams	9 000	-	-	-	72 000
Professor David Tennant	9 000	-	-	-	45 000
Professor Alvin Wint	9 000				81 000
Ambassador Dr Richard Bernal	9 000				54 000
Mr Mark Tracey	9 000	-	-	-	45 000
Ms Merle Donaldson	9 000				72 000
Ms Erica Anderson	9 000				45 000
TOTAL					414 000

FINANCE AND AUDIT COMMITTEE FEES: JANUARY–DECEMBER 2018

	Fees ($)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle ($)	Honorarium ($)	All Other Compensation including Non-Cash Benefits as applicable ($)	Total ($)
Mr Mark Tracey	11 500	-	-	-	46 000
Mr Colin Williams	6 500	-	-	-	19 500
Ms Erica Anderson	6 500				13 000
TOTAL					78 500

DIRECTOR GENERAL'S STATEMENT

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

The year 2018 was filled with challenges, however, there were opportunities to be leveraged from national and global initiatives, particularly in the area of innovation to inform integrated national development planning, and alignment of strategic priorities with national goals.

Among the achievements were:

Preparation of the **Medium Term Socio-Economic Policy Framework (MTF) 2018–2021** (draft), the fourth medium term strategic programme to advance the implementation of Vision 2030 Jamaica – National Development Plan. Aligned to the 2030 Agenda for Sustainable Development, the MTF will build on the developmental gains made under previous MTFs, while addressing challenges and threats in the national and global environments.

The preparation and presentation of **Jamaica's Voluntary National Report** (VNR) at the United Nations High Level Political Forum on the Sustainable Development Goals. Jamaica's delegation, of which PIOJ was a part, demonstrated that the Vision 2030 Jamaica – National Development Plan was more than 90.0 per cent aligned with the Sustainable Development Goals. The presentation of the VNR in the General Assembly (plenary session) by the Jamaican delegation was highly acclaimed by the forum. Other presentations were made by the delegation throughout the two weeks at various side events. These were also well received.

Noteworthy, was the appointment of one of our Directors to the United Nations to serve in the office of the President of 73rd session of the United Nations General Assembly holding the portfolio of Middle Income Countries, in special situation, Lesser Developed Countries and landlocked countries.

"An Assessment of the Implementation and Impact of the Government of Jamaica's Growth Inducement Strategy", the report published in July 2018, examined the effectiveness of the main economic growth initiatives outlined in the 2011 Growth Inducement Strategy for Jamaica in the Short and Medium Term, and their impact on growth since implementation.

The **National Poverty Reduction Programme,** which aims to eradicate extreme food poverty by 2022, was launched and a comprehensive revision of the **1995 National Population Policy and Plan of Action** commenced. The PIOJ also provided technical guidance to Jamaica's Permanent Mission to the United Nations for the finalisation of the **Global Compact for Safe, Orderly and Regular Migration.**

Disbursements to Micro Small and Medium Enterprises (MSMEs) – Under the Foundations for Competitiveness and Growth Project, $702.2 million in loans was disbursed to 43 MSMEs, through six Commercial Banks, facilitated by the Development Bank of Jamaica (DBJ), while grants of $122.4 million were issued to 156 MSMEs in 11 supply chains. The main beneficiaries were agribusinesses, craft, fisheries and furniture sub-sectors. The main agribusiness supply chains include coffee, ginger and pepper. Additionally, the National Investment Policy was developed, and the Caymanas Special Economic Zone (CSEZ) Feasibility Study and Master Plan was completed.

Official Development Assistance (ODA) in the form of loans amounted to US$130.0 million ($16 .9 billion) and in the form of grants amounted to US$$90.7 million ($11.8 billion). The PIOJ led efforts on behalf of the Government of Jamaica to identify financing from International Development Partners for public investment projects and budget support programmes; ensured that ODA was aligned with Vision 2030 Jamaica – National Development Plan; provided technical support in project preparation and development; assisted in the negotiation of loans and grants with bilateral and multilateral development partners; and monitored the implementation of projects and programmes.

The Institute continued to demonstrate its support and commitment to environmental issues, including disaster risk management and emerging issues such as the blue economy. As the **National Implementing Entity for the Adaptation Fund**, the PIOJ coordinates and monitors the implementation of the GOJ/Adaptation Fund Programme. The PIOJ also serves as the **National Focal Point for the Pilot Programme for Climate Resilience (PPCR)** and more recently, for SIDS Dock,[1] a regional facility which promotes resilient and low carbon development.

The PIOJ also received the:

- Forest Heroes Award from the Forestry Department for its outstanding contribution to the development of the forest sector in Jamaica

- Public Sector Champion Award for its leadership in advancing the inclusion of Social Enterprises in the Government Policy Framework

- Social Development Commission's 2018 Stakeholder Trophy for its role in leading the coordination process among stakeholders in St. James, and for the provision of technical support to the SDC's Local Economic Initiatives in St. James.

Of note was the fact that the PIOJ changed parent ministries from the Ministry of Economic Growth and Job Creation (MEGJC) to the Ministry of Finance and the Public Service (MOFPS) effective April 1, 2018. In closing, I express my appreciation to the Board of Directors for their invaluable support and advice provided during the year. I applaud the continued professionalism, excellence and commitment displayed by staff as together we lead the process of planning for sustainable development in Jamaica.

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

1 SIDS Dock is an initiative among member countries of the Alliance of Small Island States (AOSIS) to provide the Small Island Developing States (SIDS) with a collective institutional mechanism to assist them to transform their national energy sectors into a catalyst for sustainable economic development and help generate financial resources to address adaptation to climate change.

EXECUTIVES

OF THE PLANNING INSTITUTE OF JAMAICA

Wayne Henry, PhD, JP
Director General

Mr R.E. Kirkland 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
Communication
Technology

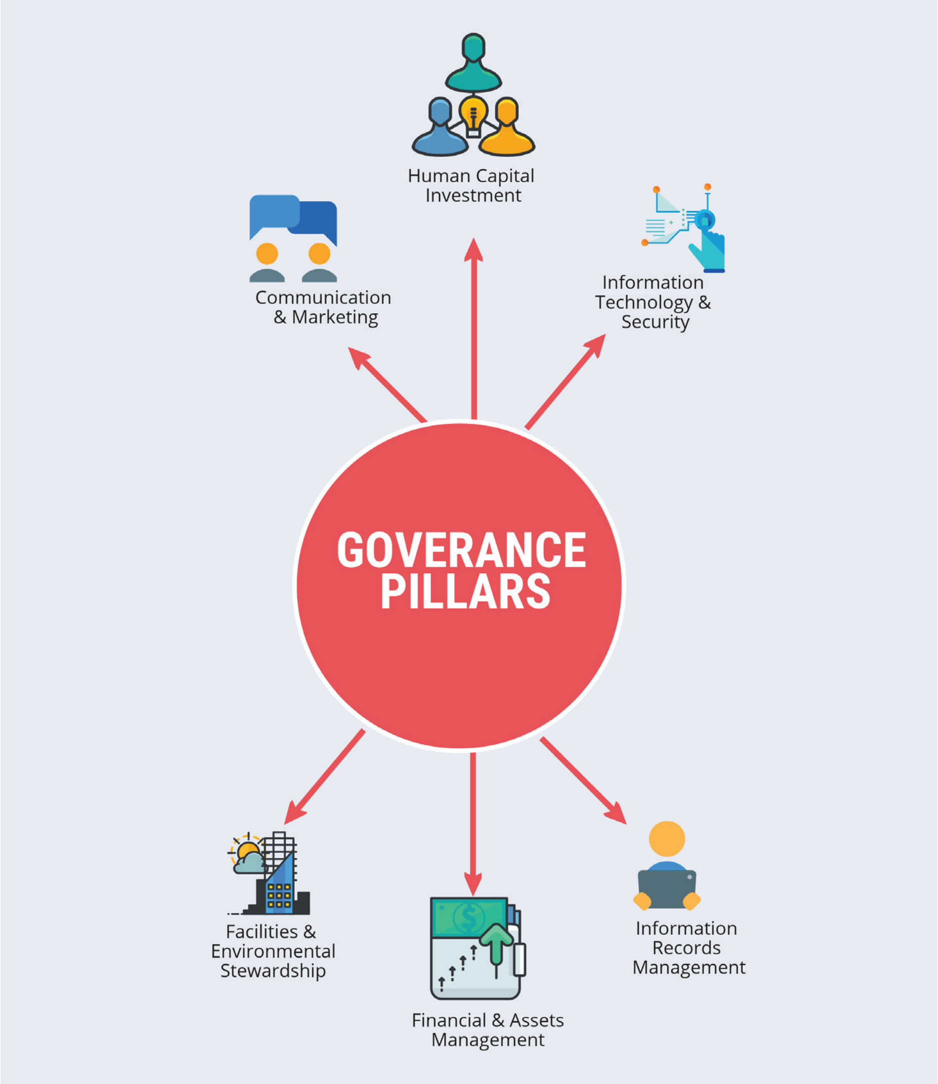
Mrs Sandra Ward
Director
Human Resource
Management and
Administration

Review of Operations

A. CORPORATE GOVERNANCE AND MANAGEMENT

The Institute's emphasis was on strengthening the organization's efforts at furthering the country on a path to integrated national resilience. The pathways identified, focused on the management of data and research capabilities; leveraging and transferring knowledge; foresighting; and an integrated public awareness programme. The 2019–2023 Strategic Plan was developed, and will be accompanied by a rebranding exercise to incorporate a new logo and website.

Programmes and projects were executed in compliance with the governance parameters consistent with Government of Jamaica policies, legislations and regulations and those of our international development partners as it relates to the projects under management. The governance framework was operationalised through the pillars below:



Human Capital Investment

The PIOJ continued to review its competitiveness in relation to the prevailing market dynamics. This demanded continuous assessment of the organizational structure leading to increased staff and parent ministry engagement. Emphasis was placed on capacity building to ensure improved and optimal performance of the employees and the organization.

Capacity Building

Some of the areas targeted were research and innovation, policy analysis, leadership and management. Support was also received from the International Development Bank (IDB) to facilitate a foresighting exercise. This included the convening of focus group sessions and workshops comprising a wide cross section of staff, public sector entities, NGOs and community groups working together to imagine a future state for Jamaica and the Institute. The specific objective was to stimulate dialogue around competitiveness and sustainable strategies in an effort to boost PIOJ's strategic coordination and advisory functions.

Staff participated in other workshops to include Contribution to Nuclear Science and Technology to Building Climate Resilience in the Caribbean Region; Urban and Regional Tools for Climate Change; Public Procurement; 2030 Agenda and Sustainable Development.

Summer Internship Programme

The PIOJ hosted 28 summer interns over the period July 2 to August 24, 2018 under the theme, "Challenge Yourself". Certificates were awarded to top performing interns on completion.

Health & Wellness

A robust Health and Wellness programme was successfully maintained throughout the year, culminating with a Health and Wellness Day. The theme 'Balance for Life' reinforced the specific objective of twinning work life concept in the workplace.

The PIOJ also emerged the winner of the February to June 2018 Round of the JAMFIT Corporate Weight Loss Competition, outperforming 13 other entities.

Information Communications and Technology

Future proofing of the Institute's ICT infrastructure was an area of focus in an effort to replace ageing equipment. To this end, the hardware and software refresh programme commenced while implementing additional restrictions to secure the PIOJ's infrastructure. The web presence and social media strategy, and the Sustainable Development Goals (SDGs) website were completed. Additionally, requirement specifications were developed for the Community Renewal Programme Monitoring and

Director General, Dr Wayne Henry looks on as PIOJ Administrative Professionals try their hand at painting during the celebration of Administrative Professionals Week, April 23, 2018 at the PIOJ.

The men of the Planning Institute of Jamaica gather for a group picture as part of the celebration of International Men's Day on November 19, 2018.

Evaluation information system and the solution identified.

Nascent technologies and their impact at the local and national levels were subjects of ongoing research, with particular focus on Block Chain Technology and Big Data. The Institute continued its input to GOJ's Open Data Portal and the development of the country's Open Data Policy. Contributions continued on GOJ's ICT Transformation processes including the Public Investment Management Information System.

Information & Records Management

Reference Services

The Wesley Hughes Documentation Centre provided information to 882 customers, representing an increase of 379 compared with 2017. The diagram outlines the customer profile of the Documentation Centre.

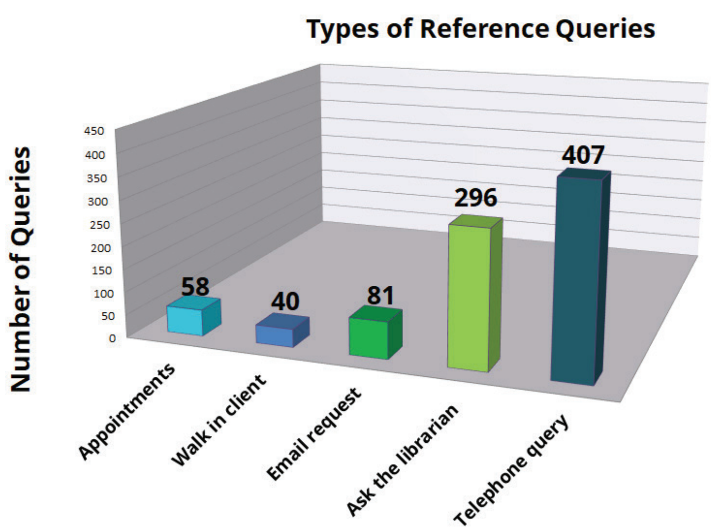
Government Libraries Information Network of Jamaica (GLINJA)

The Jamaica Library Service through an invitation from GLINJA became a stakeholder for the SDG Roadshow. This partnership facilitated dissemination of information across the island.

With regard to Access to Information, five requests were received and satisfied.

Records and Information Management (RIM)

The approved GOJ Records and Information Policy and Procedures Manual was used to guide the capacity building of the administrative staff and registry team. As a result, the RIM committee approved over 300 records for disposition.



A beaming Ms Zoe Pennicott, Administrative Assistant, Corporate Governance and Management, PIOJ (centre) and winner of the in-house Ask the Librarian competition held May 4 2018 in celebration of Special Libraries Week poses with Wesley Hughes Documentation Centre Mrs Kaye-Ann Robinson, Librarian/Documentalist, PIOJ (left); and Mrs Sheneico Eastwood, Librarian, PIOJ (right). The competition involved staff members sending queries via the Ask the Librarian link. Ask the Librarian is an online reference service that allows researchers to submit reference questions.

Financial & Assets Management

Monthly budgeting and expenditure reporting was streamlined consequent on the shift in parent ministry from the Ministry of Economic Growth and Job Creation (MEGJC) to the Ministry of Finance and the Public Service (MOFPS). A Fixed Asset module was completed, resulting in an improved/accurate database of the Institute's assets.

Facilities & Environmental Stewardship

In keeping with OSHA standards, the portfolio continued its focus on ensuring a work environment conducive to optimal performance. Special projects included: Air Quality Baseline Test; improvement in lighting outlay; ergonomic requirements; and disposal of obsolete items. Measures were also taken to improve energy efficiency with the continued conversion of lighting equipment to LED.

Pension Portfolio Management – Pooled Investment Fund (PIF)

The Pension Plan is managed jointly by the PIOJ Pension Plan Board of Trustees and Sagicor Life Jamaica Limited. As at December 2018, the fund stood at $ 1 927 965 669.54 with a membership of 123 comprising 95 active members, 13 active pensioners and 15 deferred pensioners.

B. PUBLICATIONS AND PROMOTIONS

The PIOJ communication and marketing activities throughout the year supported various projects aimed at raising awareness of the role and services of the organization to the public. These included television and radio interviews; participation in exhibitions and displays; quarterly press briefings; seminars; public consultations; and conferences.

As part of the promotional work, social media platforms were utilized. These included the PIOJ Facebook Page, the Community Renewal Programme's Instagram page, and the Vision 2030 Jamaica Instagram page. A draft policy for the purpose of social media platforms was developed. The PIOJ's website was in the process of being updated as part of a rebranding exercise.

The PIOJ continued to promote its publications online through the Institute's website and at several events throughout the year including:

- Annual Labour Market Forum, on April 11, that highlighted the shared services sector
- Symposium of Best Practices in Social and Community Development, held on November 14.
- Jamaica Baptist Union Partnership Fair, February 23
- Women's Day Symposium of the Ministry of Culture, Gender, Sports and Entertainment, March 8
- Launch of the GOJ National Poverty Policy and Programme, March 22
- SDG Consultations in Morant Bay, Mandeville and Montego Bay, May
- SDG event with UNDP, Go For The Goals, July 11
- United Nations Day at UTech, October 26
- World Population Day UNFPA, November 8.

In addition, the Institute undertook a promotional activity using the mass media of broadcast radio. The programme called PIOJ Live was held during the daytime talk show Hotline on RJR 94FM. The sponsored programme lasted for 10 weeks (June 5 to July 17). The series resulted in a drive time news story and requests for other media interviews.

Emphasis was placed on ensuring that all Jamaicans benefited from an improved understanding of Vision 2030 Jamaica and its role in making Jamaica, "the place of choice to live, work, raise families and do business". The PIOJ through the Vision 2030 Jamaica Secretariat participated in over 100 events as follows:

- sponsored, partnered with or participated in over 40 expos and conferences
- delivered over 50 presentations to international development partners, public and private sector, academia, civil society and other groups
- participated in three media events
- completed seven publications which included the MTF 2018–2021.
- Launch of the "Beating Plastic Pollution" Campaign

The publications produced during 2018 were:

- Preparation and finalization of the Medium Term Socio-Economic Policy Framework (MTF) 2018 – 2021
- Jamaica's Development Results 2009/10 – 2017/18
- *Economic & Social Survey Jamaica 2017*
- *National Policy on Poverty and National Poverty Reduction Programme*
- *Economic Update & Outlook*
  - Volume 22 #3, October–December 2017
  - Volume 22 #4, January–March 2018
  - Volume 23 #1, April–June 2018
  - Volume 23 #2, July–September 2018
- National Report on Implementation of the Montevideo Consensus on Population and Development
- Jamaica Voluntary National Review
- An Assessment of the Implementation and Impact of the Government of Jamaica's Growth Inducement Strategy
- The 2015 State of the Jamaican Climate Report

C. POLICY AND PLANNING

Research, analysis and dissemination of socio-economic research form the basis of continued evidence-based policy and planning advice. The Institute continued to provide timely policy and planning advice within the framework of Vision 2030 Jamaica and the MTF 2015–2018 to inform the decision-making process for inclusive economic growth, social empowerment, effective governance, environmental resilience, external cooperation and project development.

Vision 2030 Jamaica – National Development Plan

Vision 2030 Jamaica – National Development Plan is the country's first long-term strategic development plan designed to enable Jamaica to achieve developed country status by 2030; and provides a comprehensive planning framework in which the economic, social, environmental and governance dimensions of national development are integrated. The Plan, which was approved in Parliament in 2009, is based on the vision statement: "Jamaica, the place of choice to live, work, raise families and do business".

During 2018, the PIOJ through 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 also placed on communicating the Plan to a range of stakeholder groups, including the general public. The main highlights for the year included:

- Preparation and finalization of the Medium Term Socio-Economic Policy Framework (MTF) 2018–2021

- Continued implementation of a robust monitoring and evaluation system which includes:
    - Preparation of Jamaica's Development Results 2009/10 – 2017/18
    - Thematic Working Groups (TWGs)
    - Sharing the Vision – The Vision 2030 Jamaica Communications and Corporate Social Responsibility Programme.

Much of the work focused on the preparation of the 4th Medium Term Socio-Economic Policy Framework (MTF), which is the implementation framework of Vision 2030 Jamaica – National Development Plan and covers the period 2018–2021. The MTF is aligned to the overall vision, goals and national outcomes of Vision 2030 Jamaica and allows for a stage-by-stage operationalization of the long-term National Development Plan.

The preparation of MTF 2018–2021 utilized a participatory and inclusive approach. A total of 50 workshops and meetings were held between January and June with over 800 stakeholders from the public and private sector, trade unions, civil society, academia, the international development community, youth and children.

Similar to the previous ones, MTF 2018–2021 identifies strategic national priorities to advance and improve Jamaica's development results, which are aligned to the four National Goals of Vision 2030 Jamaica, and will assist in moving Jamaica forward towards 'a secure and prosperous future for our people'. Accordingly, the Medium-Term National Strategic Priorities to be addressed under MTF 2018–2021 are:

- Human Capital Development
- Social Protection and Social Inclusion
- Values and Attitudes
- Rule of Law and Timely Justice
- Public Sector Efficiency and Effectiveness
- Economic Stability, Growth and Employment
- International Competitiveness
- Environmental Sustainability and Climate Change Response.

In keeping with its mandate to monitor and evaluate the implementation of the National Development Plan, as well as to prepare and submit timely progress reports to stakeholders, the Jamaica's Development Results 2009/10–2017/18 was published.

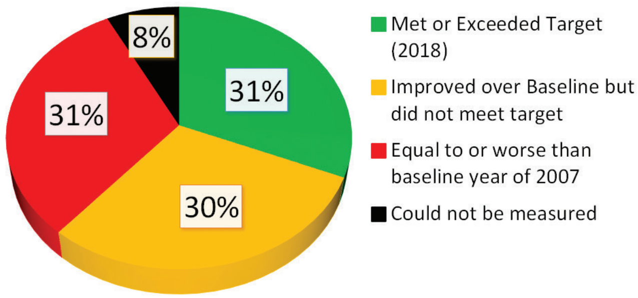
The overall progress of implementation of Vision 2030 Jamaica – National Development Plan under successive MTFs (2009–2012, 2012–2015 and 2015–2018) has been mixed. A summary of the progress made under the framework of national outcome indicators and targets for the Vision 2030 Jamaica – National Development Plan indicates that of a total of 67 indicators, 56.8 per cent have shown improvement over the baseline year 2007 based on results to 2017/18, while 35.8 per cent showed no

Students of St George's College visit the UNFPA booth hosted by communication specialist Vilma Gregory during UN Day 2018 on Wednesday, October 24 at the University of Technology under the theme "Youth Action on the SDGs". A student holds a copy of the Vision 2030 Jamaica - National Development Plan Popular Version.

improvement or worsened relative to the baseline year of 2007.

Vision 2030 Jamaica serves as the axis around which

JAMAICA'S DEVELOPMENT RESULTS 2009/10 - DECEMBER 2018



efforts to achieve the Sustainable Development Goals will be organized. The Sustainable Development Goals (SDGs) are an interdependent set of 17 'broad and universal' development goals with 169 targets to advance – People, Planet, Prosperity, Peace and Partnership (5Ps). This is not dissimilar to the overarching vision for Jamaica and our national goals and outcomes.

Foundations for Competitiveness and Growth Project (FCGP)

The FCGP continued to accelerate its implementation thrust, thereby maintaining the World Bank's satisfactory (S) performance ranking. The project's 2018 performance was highlighted by:

Line of Credit Disbursements

A total of $702.2 million was disbursed in loans to 43 MSMEs, through six commercial banks (AFIs), facilitated by the Development Bank of Jamaica (DBJ). Since inception of the project, loans totalling $2.029 billion have been disbursed to over 110 MSMEs at an average interest rate of 9.25 per cent per annum. By gender mix, MSMEs obtaining loans represented 6.0 per cent female-headed, 33.0 per cent male-headed and 61.0 per cent joint male–female headed operations. Loans have been made to enterprises in the agriculture, agro-processing, construction, manufacturing, mining and quarrying, services and tourism sub-sectors. All parishes, except Hanover, had MSMEs obtaining loans.

Grants Disbursed

The project issued grants of $122.4 million to 156 MSMEs in 11 supply chains. Since inception, $171.0 million in grants has been disbursed to 308 MSMEs in 14 supply chains, comprising agribusiness, crafts, fisheries and furniture sub-sectors. The main agribusiness supply chains include coffee, ginger and pepper.

Consultancy Deliverables

- Production of the National Investment Policy. The policy's Green Paper has been drafted and is being reviewed through public sector stakeholder consultative workshops
- The Caymanas Special Economic Zone (CSEZ) Feasibility Study and Master Plan Final Report has been submitted to the Enterprise Team (ET). The ET's review is in progress and is expected to be finalized by February 2019
- The Business Case for the Electronic Titling Project has been completed for submission to the Public Investment Management Secretariat for approval
- Drafting Instructions for the establishment of legal provisions to govern corporate mergers, in an effort to promote fair competition, were completed and submitted for review by the Attorney General's Chambers
- The Business Case for Jamaica Ship Registry PPP was approved by the Enterprise Team on November 18, 2018.

Other achievements included the award of contracts for:

- Ministry of Health PPP Advisory Services for the establishment of its Oncology and Nephrology centres of excellence at the St Joseph's Hospital location
- Consultancy to assess Economic Investments by the Jamaican Diaspora
- Support to competition advocacy initiatives of the Fair Trading Commission.
- Development of a Project Plan for the implementation of the Electronic Land Titling Initiative

- Legislative review to facilitate implementation of the Electronic Land Titling Initiative
- Legal consultants for the Commercial Task Force at the Attorney General's Chambers
- Environmental Specialist, assigned to the Development Bank of Jamaica, primarily to ensure compliance with the DBJ Environmental Management Framework by the MSME support component of the project as well as support the Access to Finance Project.

Support was provided to JAMPRO's Jamaica Investment Forum (JIF) 2018, which was the third staging of the country's premier Investment Conference, held at the Montego Bay Convention Centre in June. The project facilitated the first ever Jamaica Survey of Establishments, which is capturing data on businesses operating across the island, to create a sample frame for future specialized surveys. To date, base data has been captured on over 25 000 establishments. The survey results/ findings will be presented to stakeholders and the general public during the first half of 2019–2020.

The year culminated with the bi-annual World Bank Implementation Support Mission, during which the bank representatives confirmed the project's performance as one of the higher performing projects.

ECONOMIC

The acceleration of broad-based economic growth and job creation, while safeguarding the most vulnerable, continued to be the mainstay of the government's priorities in 2018. Against this background, the PIOJ pursued its mandate of monitoring and evaluating macroeconomic, sectoral, and trade-related issues, as well as providing timely and appropriate technical advice to the Government of Jamaica and to local and international stakeholders. The Institute's work supported government's thrust towards concretizing and sustaining gains made, including those associated with previous and ongoing IMF arrangements; strengthening of the Growth Agenda to facilitate stronger economic growth; and maintaining a balance between the existing socio-economic environment.

Consistent with the foregoing, the PIOJ focused on:

- provision of timely economic updates and projections to support and facilitate informed decision-making in the public and private sectors
- preparation of economic assessments to guide policy and the decision-making process of government and its agencies
- conducting comprehensive analysis and providing recommendations to industry specific and multi-agency committees and working groups
- monitoring of growth projects to ensure timely implementation
- tracking of Doing Business Reforms and other publications to ensure the country maintains and improves its competitive edge, and assessing the impact on growth.

The PIOJ, the foremost policy advisor to government, prepared and provided several policy briefs, notes and advice to government in various areas, in a timely and well-organized manner. Chief among these were the preparations 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
- economic and special reports for Cabinet and its sub-committees.

In the area of Public Investment Management, the Institute facilitated the Secretariat's project streamlining process, through the review of several projects, including:

- Management Institute for National Development (MIND) – Expansion and Upgrading
- Passport Immigration and Citizenship Agency – Online Passport Application Project (OPAP)
- Jamaica National Heritage Trust – Marcus Garvey Boyhood Home (MGBH) Redevelopment
- Factories Corporation of Jamaica – Garmex Redevelopment Project
- Institute of Forensic Science & Legal Medicine – Construction of the Forensic Pathology Autopsy Suite

Mrs Marcia Blake-Hall, Senior Director, Corporate Marketing and Communication, Planning Institute of Jamaica introduces the panel at the PIOJ's Quarterly Press Briefing held on November 21, 2018. Seated are: (l–r) Mr James Stewart, Senior Director, Economic Planning and Research Division; Dr Wayne Henry, Director General, PIOJ; and Ms Elizabeth Emanuel, Programme Director, Vision 2030 Secretariat, PIOJ. The Quarterly Press Briefing provides estimates on economic performance approximately six weeks following the end of each quarter.

- Ministry of Industry, Commerce Agriculture and Fisheries (MICAF) – Constructing Tarpaulin Fumigation Facility at the Export Complex in Kingston
- Ministry of Industry, Commerce, Agriculture & Fisheries – Enhancing Jamaica's Cross-Border Environment through Trade Facilitation Reforms
- Port Authority of Jamaica – Supply and Implementation of Computer Network Equipment.

Inter-sectoral programme development and coordination

Through its participation in several sectoral committees and working groups and boards, the PIOJ continued to provide broad-based support to various sectors, including MDA's. Representations were made to the following:

- Programme Monitoring Committee
- Distributive Trade Committee
- Financial Inclusion Steering Committee
- Technical Working Group – Agriculture/Tourism
- Technical Working Group – Manufacture/ Tourism
- Jamaica Dairy Development Board
- Income Security Sub-Committee
- Public Sector Management Committee
- MSME Thematic Working Group
- National Social Protection Committee
- Deployment of Renewable Energy & Improvement of Energy Efficiency in the Public Sector
- Socio-Economic Development Technical Working Group
- International Relations & Trade Sub-committee
- Jamaica Productivity Centre – Board of Directors
- Venture Capital Oversight Committee
- MSME Thematic Working Group
- Social Enterprise Policy Committee Group
- National Poverty Reduction Programme Committee
- Universal Service Fund – Board of Directors
- Statistical Institute of Jamaica – Board of Directors.

Similarly, technical advice and other contributions were provided in various policy areas. Among these were:

- Fiscal Policy Paper
- Public Sector Investment Programme (PSIP) Policy Paper
- National Population & Development Policy
- National Science, Technology & Innovation Policy.

SOCIAL

The Institute continued to lead and monitor the social sector, through the formulation, monitoring of the implementation and evaluation of national and sectoral policies, plans and programmes. Major undertakings included: preparation and presentation of Jamaica's National Voluntary Report to the High Level Political Forum on Agenda 2030 for Sustainable Development, United Nations; Launch of the National Poverty Reduction Programme and commencement of implementation of the first Medium-Term Programme FY 2018–2021; continued implementation of the Mainstreaming of Migration into National Development Strategies Project; lead national technical negotiations at the UN for the finalisation of the Global Compact for Safe, Orderly and Regular Migration (GCM); and preparation of a revised draft of the National Diaspora Policy. The Institute also undertook the completion and submission of Jamaica's National Report on the Implementation of the Montevideo Consensus for Latin America and the Caribbean to the Economic Commission for Latin America and the Caribbean (ECLAC) and the preparation of the Population Situation Analysis and the first draft of the revised National Population and Development Policy for Jamaica.

The PIOJ chaired and provided secretariat services for quarterly meetings of the Sustainable Development Goals (SDGs) Core Group; National 2030 Agenda Oversight Committee; Migration and Development Project Board; National Social Protection Committee (NSPC); National Working Group on International Migration and Development; Jamaica Survey of Living Conditions (JSLC) Steering Committee; Jamaica Country Coordinating Mechanism for HIV/AIDS Steering Committee; the JamStats Steering Committee; and the National Poverty Reduction Programme Committee (NPRPC).

New Projects and Initiatives

Preparation and Presentation of Jamaica's National Voluntary Report (VNR) to the United Nations High Level Political Forum on Agenda 2030 for Sustainable Development

The PIOJ provided leadership in the coordination and preparation of Jamaica's first National Voluntary Report on the implementation of Agenda 2030 for Sustainable Development. The VNR was presented at the High Level Political Forum (HLPF) which was held at the UN Headquarters, July 9–18. The HLPF focused on the theme "Transformation towards sustainable and resilient societies" under the following SDGs goals: Goal 6 – Water and sanitation; Goal 7 – Energy for all; Goal 11 – Sustainable cities and communities; Goal 12 – Sustainable consumption and production; Goal 15 – Life on land; and Goal 17 – Partnerships and means of implementation.

Jamaica's delegation was approved by Cabinet and headed by the Hon. Pearnel Charles Jr, Minister of State in the Ministry of Foreign Affairs and Foreign Trade (MFAFT). The delegation consisted of the PIOJ, along with representatives from the Statistical Institute of Jamaica (STATIN); the Jamaica Public Service; Building Resilience against Emerging Disasters, (BRAED); and the Sir Arthur Lewis Institute of Social and Economic Studies (SALISES).

Mainstreaming International Migration into National Development Strategies

Under the Mainstreaming Migration into National Development Strategies Project, planning and mobilization of the socio-economic livelihoods initiative commenced in Kellits, Clarendon to address the negative impacts of migration on the family. The initiative will be implemented in 2019 in collaboration with the Social Development Commission (SDC) and the Clarendon Parish Development Committee (CPDC). Work commenced with the Ministry of Labour and Social Security (MLSS) to review legislation and map the labour supply and to develop pre-departure curriculum material for the bilateral short-term labour programmes.

Formulation and Adoption of the Global Compact for Safe, Orderly and Regular Migration (GCM)

Technical guidance was provided to Jamaica's Permanent Mission to the UN in New York and the Institute participated in all of the formal negotiation meetings (six monthly meetings) for the finalisation of the Global Compact for Safe, Orderly and Regular Migration (GM) over the period February to July. The GCM was formally adopted by governments in Marakesh, Morocco in December. The GCM is the first global programme of action on international migration to be adopted by the UN and is considered a monumental success. The reason for this is that international migration has been associated with strong political differences surrounding issues of state sovereignty, human rights and other issues to which states are unwilling to make commitments.

Social Determinants of Health

A Concept Note, in consultation with the Ministry of Health (MOH), UN agencies and other stakeholders was drafted, soliciting funding for the execution of a study on Understanding and Addressing the Social Determinants of four Non Communicable Diseases (NCDs) among adults and children in Jamaica. The rationale for the study is premised on the understanding that NCDs should be addressed within the broader context of development rather than purely as a health issue. The study is expected to be executed in 2019.

Sustainable Funding of the National HIV/AIDS Programme

The Institute in collaboration with the MOH and other stakeholders undertook a study to ascertain Jamaica's readiness to transition from donor funding to full budgetary support of the national HIV/AIDS programme. The study was done in response to the progressive withdrawal of funding by international donors. A Cabinet Submission was drafted highlighting the recommendations of the study and submitted to the MOH for tabling in Cabinet. It is expected that the MOH will submit the study to Cabinet in 2019.

Existing Projects and Initiatives

Revision of the National Population and Development Policy and Programme of Action

Jamaica's population is currently at a defining period in our modern history. The population is currently characterized by a declining child population (0–14 years); an expanding working age population (15–64 years); and an increasing dependent elderly age group (65+ years). The large working age population is a transitional phenomenon and needs to be mobilised appropriately for development. In response to these changes, and funded by the European Union, the PIOJ has commenced a comprehensive revision of the 1995 National Population Policy and Plan of Action. The is being done against the background of realising Vision 2030 Jamaica and the Agenda 2030 Sustainable Development Goals, which call for a stronger focus on sustainable development as the framework for population policy and programme interventions. An analysis of the demographic situation and a preliminary draft of the revised policy on population and development have been prepared. The preliminary draft, which was prepared after extensive islandwide consultations, is expected to be finalised by June for submission to Cabinet as a Green Paper.

Monitoring Implementation of the National Policy on International Migration and Development

As 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 (IMD), the PIOJ under the National Policy on International Migration and Development Strategies Project undertook the following: (i) strengthened the technical capacities of members of the National Working Group on International Migration and Development (NWGIMD) in the areas of labour migration management, trafficking in persons (TIP) and

A cross-section of the audience at the Labour Market Forum held April 11, 2018 under the theme Enabling Growth and Development: Unlocking the Potential of the Global Shared Services Sector. The PIOJ partnered with the Inter-American Development Bank for the event.

mainstreaming migration into local development strategies; (ii) facilitated regional discourse and actions to improve migration data management; (iii) worked with partners to improve government's facilitation of its labour migration programmes; (iv) provided assistance with the drafting of migration related policies (diaspora and reintegration); and (v) worked with local and regional partners to improve the management of migration data.

Launch of the Implementation and Monitoring of the National Policy on Poverty and National Poverty Reduction Programme (NPRP)

The National Poverty Reduction Programme (NPRP) was launched in March following the approval of the National Policy on Poverty and National Poverty Reduction Programme in September 2017. The NPRP began official implementation on April 1, with the commencement of the first three-year Medium-term Programme FY 2018–2021. Ahead of the launch, a multi-stakeholder National Poverty Reduction Programme Committee (NPRPC) was convened in February to develop and monitor the implementation of the Medium-term Programme. The strategic areas of the programme are Addressing Extreme Poverty and Basic Needs; Economic Empowerment and Human Capital Development; Psychosocial, Cultural and Normative Advancement; Basic Community Infrastructure; and Institutional Strengthening.

Issues surrounding rural poverty were given priority in response to the consistently higher rates of poverty in that region. A technical working group comprising partners who are implementing interventions designed to impact the target group was constituted. The first goal of the policy, the eradication of food poverty by 2022, was also prioritized, with focus on providing goods and services to the extreme poor, to address deprivations as well as empowerment through various livelihood creation initiatives. Additionally, a comprehensive Monitoring and Evaluation Framework for the NPRP was drafted, in partnership with key stakeholders.

National Implementation of Agenda 2030 for Sustainable Development

The PIOJ continued to provide a focal point for the localization of the SDGs in Jamaica. The governance mechanism was finalised and included the Inter-ministerial Core Group and the National Oversight Committee. The Core Group comprised the PIOJ, STATIN and the MFAFT with the PIOJ providing secretariat services and chairmanship of the Group. The Oversight Committee is the technical decision-making arm and provides advice to the Cabinet and the government in general on all matters relating to the SDGs. The National 2030 Agenda Oversight Committee comprises representatives from the public and private sector, academia, CSOs and Youth organizations. The theme of the national presentation focused on "The Jamaica We Want: Vision 2030 Advancing the SDGs, leaving no one behind".

The Institute chaired the National Working Group for monitoring the execution and finalisation of the GOJ/UN Women's Health Survey, a study examining the prevalence of violence against women and girls in Jamaica. The study is part of a UN Women initiative being implemented in the Caribbean region.

Community Renewal Programme (CRP)

The Community Renewal Programme developed in 2011, aims to contribute to inclusive growth and equitable national development by fostering the socio-economic well-being and enhanced quality of the lives of residents in the 100 most volatile and vulnerable communities of Kingston, St. Andrew, St James, Clarendon and St Catherine. The CRP coalesces around six components: (i) Governance, (ii) Safety and Justice, (iii) Social Transformation, (iv) Physical Transformation, (v) Socio-Economic Development, and (vi) Youth Development. The CRP is implemented by state and non-state entities, with International Development Partner (IDP) support in a number of areas.

The CRP is coordinated and monitored by the Community Renewal Programme Secretariat, which seeks to provide an effective and efficient platform for coordinating and monitoring initiatives that facilitate social transformation and economic development, strengthen governance and improve safety and access to justice in targeted communities. During the review period, the CRP focussed on strengthening the alignment of partner programmes and other interventions with the strategic framework; strengthening the CRP's Monitoring & Evaluation (M&F) framework; supporting catalytic interventions in CRP communities; and strengthening the mechanisms for coordinating partner interventions in CRP communities. In this regard, the main accomplishments were as follows:

- Completion of participatory action plans with costings for four communities in St James, five in Clarendon and four in Kingston.
- Completion of Action Plan for Squatter, Garrisons and Crime hot spots. This is now included in the Government's Plan Secure as part of the solution to squatting
- Joint hosting of the Community Development Committees (CDCs) Conference
- Implementation of the CDB Baseline Survey in 17 CRP communities
- Completion of draft Community Readiness Index

L-R - Mr. Jason Smith, Member of JSIF's Board of Directors; Dr. Wayne Henry, Director General, Planning Institute of Jamaica; Ms. Kaysia Kerr, Chief Executive Officer, National Parenting Support Commission; Mr. Omar Sweeney, Managing Director, Jamaica Social Investment Fund in discussion at the CRP Best Practice Symposium for Community Development and Renewal.

- Completion of the Community Renewal Index
- Procurement of the M&E database
- Eighty-five per cent of stakeholders were programmatically aligned to the CRP Strategic Implementation Plan for the Socio-Economic Thematic area and more than 60.0 per cent of members of the inter agency networks supported by the CRP, were partially aligned to the Strategic plan.
- Hosting of the third Best Practice Symposium for Community Development and Renewal
- Implementation of the Clarendon Youth in Business Project led by the Clarendon Municipal Council. Twenty-five Youth who were trained and mentored, remain in business one year after implementation (more than 90.0 per cent retention)
- Hosting of an M&E workshop for partners in the Kingston& St Andrew Inter Agency Network (IAN) to ensure alignment with the CRP M&E framework.

ENVIRONMENT

The PIOJ contributed to the achievement of sustainable development (SD) for the people of Jamaica in accordance with its mission and mandate. Priority input in this regard related primarily to provision of data and information for decision-making at all levels of government. Supporting initiatives focused on improving quality of and access to climate data and information; capacity building for climate and disaster risk resilience; pursuing low carbon development; and strengthening the policy framework for science, technology and innovation. Other areas of emphasis included expanded use of geospatial technology for enhanced economic analysis of the productive sector; application of the SD dimensions in the review of Provisional Development Orders towards orderly development and use of urban and rural spaces. To support gender mainstreaming in sustainable development policy, the organization collaborated with the United Nations Department of Statistics (UN-DESA) to design and supervise the preparation of a study on Gender in the Biodiversity Policy Landscape in Jamaica.

The Institute demonstrated its support for emerging issues such as the blue economy and global fuel economy. The PIOJ received the Forest Heroes Award from the Forestry Department for its outstanding contributions to the development of the forest sector in Jamaica.

Climate Change

In alignment with Outcomes 11 and 14 of Vision 2030 Jamaica and Goal 13 of the Sustainable Development Goals, the PIOJ coordinated and/ or monitored the implementation of two climate change adaptation programmes and a number of adaptation projects. It served as national Focal

Point for SIDS DOCK, a regional facility which promotes resilient and low carbon development. The PIOJ provided technical input towards the preparation of the SIDS DOCK Energy-focused Captive Insurance Multi-Window Facility for SIDS, which was conceptualized as an additional risk mitigation mechanism to support SIDS' resilience-building efforts. Likewise, support was provided for the finalisation of the application document for the CARICOM Regional Energy Efficiency Building Code and making recommendation regarding its adoption as a regional standard.

The programmes directly implemented were the GOJ/Adaptation Fund Programme and the Strategic Programme for Climate Resilience (SPCR):

GOJ/Adaptation Fund Programme

As the National Implementing Entity for the Adaptation Fund (AF) in Jamaica, the PIOJ, informed by a consultative process, developed a project proposal and obtained approval from the AF Board for the revision of the GOJ/Adaptation Fund Programme. The revised programme includes a new Component 1 to replace the original, and targets coastal rehabilitation in St Mary and Portland. Planned activities include installation of hard engineering structures and bioengineering solutions to reduce coastal erosion along the north eastern coast in the towns of Annotto Bay, Buff Bay and Orange Bay. Since approval, preparatory activities for the commencement of the works included the prequalification of engineering contractors and the hosting of two targeted stakeholder consultations. The programme also applied for and received an 18-month extension to September 2020 to facilitate completion of the new activities.

Work advanced on the ongoing components with approximately 75.0 per cent being completed to date. During the year, the main emphasis was on building capacity in climate smart agricultural techniques and methodologies. A total of 45 farmers in Walkerswood, St Ann received training in crop nutrition, and 29 in Enfield, St Mary were trained in Land Husbandry/Farmer Field School techniques. The programme also facilitated the provision of five mist blowers and other small equipment to four farm groups in St Thomas and Manchester to aid in pest and disease control. A special evaluation was conducted to document lessons learnt to date, innovations developed, and highlight areas for adjustment.

The Planning Institute of Jamaica was the recipient of the Forest Heroes Award presented by the Forestry Department at their 80th Anniversary Forest Heroes Awards Luncheon on June 26, 2018. (L–R) Ms Le-Anne Roper, Sustainable Development Planning Officer, PIOJ; Ms Marilyn Headley, CEO & Conservator of Forests, Forestry Department; and Ms Claire Bernard, Deputy Director General, Sustainable Development and Regional Planning, PIOJ.

Members of Team PIOJ at the starting point of Forest Trek 2018 held March 17, which took participants through the Cambridge Backlands, Forest Reserve, in Portland.

Knowledge sharing and visibility activities carried out in collaboration with the programme implementing partners focused on raising awareness about environmental management, towards climate change adaptation. The youth, including 400 students at the Jamaica Library Service and Multi-Care Environmental summer camp, and the Jamaica 4-H Clubs National Achievement Expo were among the main target population. Visibility activities included:

- the GOJ/AFP being featured, since June, on the UN Sustainable Development Knowledge Platform and the land husbandry manual, and the Negril risk atlas featured in the introductory (December 2018) newsletter of the Adaptation Fund's Community of Practice for National Implementing Entities
- the mounting of two exhibitions to showcase climate smart agricultural techniques at the Regional Consultations on the Sustainable Development Goals (SDGs) for Eastern and Southern regions (St Thomas and Manchester)
- the sponsorship of an Outside Broadcast on October 5 in celebration of the International Day of Forests. Support was also given to the Forestry Department (Forest Trek II) in commemoration of their 80th Anniversary celebrations
- the development of an ArcGIS story map, which is hosted on the programme's webpage (http://adaptja.pioj.gov.jm) to highlight the progress of the GOJ/AFP
- programme update and achievements presented at an AF-hosted Side Event at COP24 and publication of a related newspaper article on December 13, 2018 captioned "National Adaptation Project gets spotlight at UN climate talks event".

Jamaica's Strategic Programme for Climate Resilience

The organization continued to coordinate the implementation of four investment projects under the Strategic Programme for Climate Resilience (SPCR), aimed at climate proofing the country's development. Coordination involved serving on project steering committees and providing annual reports on progress and impact to the funders. The projects are: Improving Climate Data and Information Management Project (ICDIMP); Adaptation and Financing Mechanisms for Jamaica's PPCR Project; the Promoting Community-Based Resilience in the Fisheries Sector Project; and the Investment Plan for the Caribbean Regional Track of the Pilot Program for Climate Resilience. Guidance was also provided to the Financing Water Adaptation in Jamaica's New Urban Housing Sector Project, being facilitated by a private sector set-aside under the SPCR.

Under the ICDIMP, implemented by the PIOJ, the country's hydro-meteorological data collection and information management network was strengthened, personnel trained, analytical capabilities enhanced, and access to climate data and information services improved. Among the achievements were:

- The *2015 State of the Jamaican Climate Report* launched as a signature event during UWI Research Week. The report contains the results of downscaled regional climate models and associated projections for a range of climate parameters (temperature, precipitation, solar radiation, etc.) across the entire island. It also presents analysis of the geographic and sectoral implications of the projections and is intended to inform resilience planning nationwide. Over 200 copies of the report were disseminated to Parliament, Municipal Corporations, and tertiary institutions.
- completion of installation and fencing for all 35 Automatic Weather Stations for the Meteorological Services Branch, significantly enhancing the entity's ability to provide useful weather related information to their clients, including farmers.
- training of 119 Voluntary Observers and Automatic Weather Station partners (55 females) in the use of rain gauges and automatic weather stations.
- establishment of a Situation Room at Water Resources Authority (WRA) to facilitate the real-time monitoring of stream flow and intensity rain gauges. The room is equipped with state-of-the-art technology.
- launch of the Information Education and Behaviour Change campaign under the slogan "Smart and Steady: Get Climate Ready"; the preparation of branding material; a jingle and the introduction of an official campaign mascot.
- the project being featured by the Climate Investment Fund (CIF) in its achievements and lessons learned video and other promotional material to celebrate the 10th Anniversary of the Fund.

PPCR Monitoring and Evaluation: The PIOJ has responsibility for monitoring and reporting on the progress, challenges and impact of PPCR activities. During the year, it organized and hosted the fourth annual Monitoring and Evaluation (M&E) Scoring workshop and completed and submitted the country's M&E Scorecards. The workshop, which was attended by 39 stakeholders also featured a knowledge sharing session where project beneficiaries presented their stories on how the PPCR projects were assisting in building resilience to climate change, both at the national and community levels. The Institute also provided technical input and support at the PPCR Regional Track's fourth Annual Monitoring and Evaluation Workshop to verify progress made with the project.

The organization, with support from the lead Multilateral Development Bank for the PPCR in Jamaica, prepared a concept, and obtained approval for a US$40 000 grant from the CIF to undertake a mid-term stocktake of the SPCR and stakeholder engagement session. The three-day workshop, held in January 2019, was preceded by a number of 'trigger sessions' and placed strong emphasis on accelerating implementation.

The PIOJ partnered with the Women's Environment and Development Organization (WEDO) through the provision of technical and administrative support to host a one-day evaluation and learning workshop. The event focused on the inclusion of women's organizations and women and gender-related groups, including national gender mechanisms in the design and implementation of CIF related investments. Technical advice was also provided to the CIF through the review of a number of studies conducted regarding the CIF implementation approaches and business model and its role and future in the climate finance architecture.

Disaster Risk Management

The PIOJ partnered with the Ministry of Finance and the Public Service, Office of Disaster Preparedness and Emergency Management and other relevant agencies in identifying priority policy-related reform actions to support the development and approval of a Contingent Credit Facility as part of GOJ's efforts to diversify the risk portfolio. The Institute also contributed to other activities geared at developing a public finance strategy to manage disaster risks. Ongoing technical advice was provided to a range of DRM projects and programmes, particularly through documentary review and serving on project steering committees. These included the Jamaica Disaster Vulnerability Reduction Project; Strengthening Human Resilience in Northern Clarendon & West Kingston Project and the Multi-Hazard Risk Profile and Comprehensive Disaster Risk Management for Portmore Project. Support was also given to initiatives at the community level including the Building Resilience and Adaptation to Climate Change while Reducing Disaster Risk in Peckham, Clarendon and surrounding communities, and the Llandewey Ramble Environment and Disaster Mitigation Initiative Projects.

Consistent with its role in the Disaster Risk Management (DRM) framework, the organization continued to build capacity for post disaster assessment. With technical assistance from the Caribbean Development Bank (CDB), 25 technical personnel from the Ministries of Tourism, and Culture Gender, Entertainment and Sports and related departments and agencies were trained in the Post Disaster Needs Assessment methodology, bringing the total trained since 2017 to 113. The four-day workshop was the fourth in a series funded by a US$50 600 grant from the CDB grant.

Science, Technology and Innovation (STI)

The PIOJ was instrumental in the activities and discussions which contributed to the drafting of a number of policy and legislative instruments to advance the development of Jamaica's science, technology and innovation sector. These included the Draft Science, Technology and Innovation Policy and the preparation of the Draft Bill to amend the Food & Drug Act and its Regulations—to enable the proper regulation of natural health products (including nutraceuticals). Technical support was provided for the preparation of the implementation plan and results matrix for the project, "Strengthening the National innovation System".

The Institute contributed to two reviews and reports on the status of laboratory infrastructure. These included the Strategic Review and Modernisation of the Government Laboratories at the Hope Garden Complex (a priority action under the Public Sector Transformation and Modernisation Programme) and the Final report of the Hazardous Lab Waste. The latter contained recommendations to the Minister of Science, Energy and Technology for, among other things, the systematic collection, treatment and disposal of chemical and hazardous waste from laboratories.

With respect to the MTF 2015–2018 priority areas of Environmental Sustainability and Hazard Risk Reduction, the PIOJ provided input to implement the enabling activities for the ratification of the Kigali Amendment to the Montreal Protocol on Ozone Depleting Substances, to stop and then reduce the production of hydrofluorocarbons (HFCs). Other policy areas supported included assistance in the preparation of the National Policy for the Environmentally Sound Management (ESM) of Hazardous Wastes (Green Paper).

Urban and Regional Planning and Geospatial Analysis

Outcome 15 of Vision 2030 Jamaica—Sustainable urban and rural development—was advanced through support provided towards the finalisation of four Provisional Development Orders (St Thomas, St Elizabeth, Westmoreland and St Catherine), contributing to the completion of development orders for all parishes. The PIOJ also continued to provide technical support for the preparation of the National Spatial Plan and the Third City Planning Initiative.

Geospatial technology was used to support analysis of the bauxite and agricultural sectors, the SDGs reporting process, and social policy and planning. Geographic Information Systems (GIS) was used to conduct surface analysis to predict Standard Precipitation Index (SPI) values at different irrigation sites across the island. The analysis, which focused on meteorological drought on a range of timescales, was used to support an assessment of the agricultural sector. Other work included the use of GIS to determine the population that would be impacted by the closure of WINDALCO; and the preparation of web applications to support monitoring and evaluation by the Community Renewal Programme.

EXTERNAL COOPERATION & PROJECT DEVELOPMENT

The Institute continued to perform its mandate as interlocutor between the International Development Partners (IDPs) and ministries, department and agencies (MDAs) ensuring the alignment of Official Development Assistance (ODA) with Vision 2030 Jamaica – National Development Plan. In this capacity, the Institute, on behalf of the Government of Jamaica (GOJ), led efforts to identify financing from IDPs for public investment projects and budget support programmes; coordinated activities of IDPs; provided technical support in project preparation and development; assisted in the negotiation of loans and grants with bilateral and multilateral development partners; and monitored the implementation of projects and programmes.

The work was facilitated through four units, viz: Bilateral Cooperation, European Union (EU), Multilateral Financing and Multilateral Technical Cooperation. During 2018, the Institute had oversight for a combined portfolio of projects and programmes totalling approximately US$2.3 billion ($298.4 million)[2] through funding in the form of loans, grants and technical assistance from

2 The annual average rate of US$1.00:J$129.72 is used throughout the section.

multilateral and bilateral partners. Disbursements totalled US$419.7 million ($54.4 billion). The portfolio was also supported by counterpart resources from the Government of US$143.7 million ($18.6 billion).

Newly approved ODA in 2018 totalled US$220.7 million ($28.6 billion), a decrease of 72.0 per cent compared with 2017. This decrease was attributed to: a reduction in the size of loans agreed between the Government and the Inter-American Development Bank (IDB); and negotiation of no new loans from the People's Republic of China, the main bilateral provider of loan resources. Loan and grant resources totalled US$130.0 million ($16.9 billion) and US$90.7 million ($11.8 billion), respectively.

Sectoral Distribution of New Approvals

Of the US$220.7 million ($28.6 billion) in new ODA, 70.0 per cent supported Human Capital Development; 10.6 per cent targeted Fiscal Prudence and Pursuit of a Credible Economic Programme; 9.2 per cent was allocated to Environmental and Climate Change Resilience; 7.6 per cent targeted Economic Growth and Job Creation; 1.7 per cent was geared towards Effective Social Inclusion and Protection; and 0.9 per cent was assigned to Improved Security and Safety (Figure A). The Multilateral Financing Institutions approved the majority of new funding, primarily the IDB (Table 1).

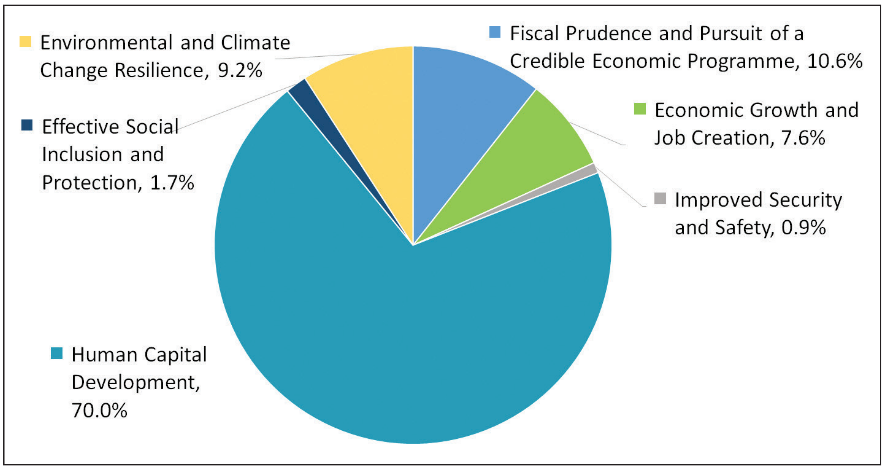


FIGURE A: NEW OFFICIAL DEVELOPMENT ASSISTANCE, CABINET PRIORITIES, 2018

TABLE 1: SOURCES OF NEW OFFICIAL DEVELOPMENT ASSISTANCE, US$MILLION [a]

	Fiscal Prudence and Pursuit of a Credible Economic Programme	Economic Growth and Job Creation	Improved Security and Safety	Human Capital Development	Effective Social Inclusion and Protection	Environmental and Climate Change Resilience	Total
Bilateral Cooperation	0.0	0.1	0.9	23.4	3.0	1.1	28.5
Multilateral Financial Institutions	23.5	16.4	0.3	115.6	0.0	11.0	166.7
Multilateral Technical Cooperation	0.0	0.2	0.7	15.6	0.8	3.1	20.4
Global Environment Fund	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Climate Investment Fund	0.0	0.0	0.0	0.0	0.0	4.9	4.9
Total	23.5	16.7	1.9	154.5	3.8	20.2	220.7

a - Discrepancies in figure totals due to rounding
Source: Planning Institute of Jamaica, International Development Partners, Ministry of Foreign Affairs and Foreign Trade

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 25 project review meetings and 11 portfolio reviews. These meetings sought to identify major bottlenecks within programmes and projects, as well as the solutions to improve implementation. Ad hoc meetings were also convened with project managers to resolve problems hindering good project performance. Additionally, 58 missions from multilateral and bilateral agencies were coordinated by the PIOJ, 37 site visits conducted and 79 Project Steering Committee meetings attended. These activities allowed for a more collaborative monitoring effort by the Institute with implementing entities and IDPs. A total of 70 Technical documents were prepared, 19 of which were briefs done for Government officials including the Prime Minister, Minister of Finance and the Public Service and the Minister of Foreign Affairs and Foreign Trade. Several technical documents were also reviewed.

Highlights

The PIOJ 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 initiatives included:

Public Investment Management System – continued to provide technical and operational support to the Public Investment Management System (PIMS) particularly for externally funded projects, through providing inputs into the review of project concepts and proposals.

Country Strategies/Country Programmes – managed the consultation process between GOJ and the IDPs to ensure the following:

- preparation of the IAEA Country Programme Framework for 2018–2023
- review of the United Nations Multi Country Sustainable Development Framework (UNMSDF) Country Implementation Plan Monitoring Framework 2017
- review of the Draft UN MSDF Country Results Report Jamaica 2017

Establishment of the UN House – coordinated the establishment of the UN House, which entailed continued refurbishing of the facility at Block 11, Kingston Mall, including security improvements and physical works, to facilitate the occupation by UN agencies in Jamaica by the end of 2019.

Jamaica's Macroeconomic Review under the Jamaica/Japan Cooperation Programme

In order to facilitate the determination of future assistance from the Government of Japan, a presentation was organized to outline Jamaica's macroeconomic situation to the Japan International Cooperation Agency (JICA), the development arm of Japan.

Coordination of International Development Partners Support – coordinated sectoral meetings with relevant IDPs and MDAs to discuss support to Social Protection and Poverty Reduction.

Facilitation of Development Fora, Workshops and Seminars – facilitated the participation of Government officials in over 100 local and international workshops and seminars in the areas of, inter alia, Nuclear Security, Health Management, Big Data Computing, Radiation Emergency Management, Justice, Education, National Security, Labour and Nuclear Medicine.

The PIOJ was also instrumental in identifying funding to support a number of fora including the Annual Labour Market Forum under the theme "Economic Upgrading and Workforce Development", April 2018. The forum targeted key players in the Business Process Management Sector with discussions on the improvement of the efficiency of information delivery. Presentations were done by sector experts in three thematic areas, specifically, Sector Experiences, Human Capital Upskilling and Sector Strategy.

Training – Following consultations, the priority fields for scholarship under the Korea International Cooperation Agency Scholarship Programme offered by the Government of the Republic of Korea, were outlined.

In collaboration with the Ministry of Finance and the Public Service, strategic priority areas and opportunities for training in Japan for the upcoming year were identified.

The staff of the PIOJ also benefited from training in the following areas:

- Policy Development and Management and Project Cycle Management Training, October – November, 2018, funded by the Caribbean Development Bank.
- Training in Financial and Contractual Procedures in the Framework of the 11th EDF, May 22 to June 1 and November 19 to 29, 2018, funded by the European Union (EU).

Focal Point for the Japan Overseas Cooperation Volunteer Programme – The PIOJ remained the focal point for the programme and facilitated the assignment of 22 Japanese volunteers in 2018, to support strategic interventions in education, environment, gender affairs, tourism, agriculture, and community development, among others.

Office of the National Authorizing Officer

Under the EU cooperation programme, the PIOJ continued to function as the Office of the National Authorizing Officer (NAO) who is the Minister of Finance and the Public Service. In functioning as the Office of the NAO, the PIOJ was responsible for preparing, executing and providing oversight to the GOJ-EU cooperation programme. Activities included:

- Preparation and transmission of Payment Justification dossiers to the EU for: the second fixed and first variable tranche of the Jamaica Justice Reform Implementation Budget Support Programme amounting to €3.0 million ($452.4 million)[3] and €6.0 million ($904.8 million), respectively; the first fixed tranche of the budget support Public Financial Management Programme in the amount of €950 000 ($143.3 million); and the first fixed tranche of €2.0 million for the budget support programme, Addressing Environmental and Climate Change Challenges Through Improved Forest Management In Jamaica.
- Completion and submission of the Negotiation Report for High Dependency Units Equipment under the Programme for the Reduction of Maternal and Child Mortality (PROMAC) totalling €2.0 million ($301.6 million) for the supply of medical equipment for hospitals across the island.
- Provided technical support/advice to support the efficient implementation of four projects through participation in site visits, verification of supplies provided and participating in evaluations and steering committees and execution of payments to contractors totalling €3.7 million ($558.0 million).

Implementation of the following projects:

- Economic Partnership Agreement (EPA) II Project, achievements included the successful completion of Component 2 of the project having met one of the key Objective Verifiable Indicators, "National Quality Infrastructure & Improved institutional framework for exports"
- Technical Cooperation Facility V assisted in the completion of the draft updated National Population and Development Policy which was being revised with the assistance of the German Firm, ICON-INSTITUT
- Technical Cooperation Facility VI supported the hosting of the CARIFORUM – EU Economic Partnership Agreement Workshop & Business to Business (B2B) Networking Event held on Tuesday October 2, 2018. The workshop and B2B event were attended by 68 participants from both the goods and services sectors with live streaming of the sessions to interested parties. The subjects covered included an overview of the Economic Partnership Agreement between the EU and CARIFORUM; preparation to export to Europe and practical illustration of trade information sources.

New Approvals

The PIOJ spearheaded discussions with the IDPs for the approval of several initiatives including the following projects aligned with Cabinet's priorities:

Economic Growth and Job Creation Sector:

Access to Finance Project – The World Bank approved a loan of US$15.0 million ($1.9 billion) to improve access to finance for micro, small, and medium enterprises (MSMEs) which was signed in January 2018. The programme, to be executed by the Development Bank of Jamaica, (DBJ), will support the establishment of an SME Fund for risk capital financing to SMEs, enhance the Credit Enhancement Facility (CEF) for guarantees to MSME loans and providing the enabling environment for access to finance and business development services for MSMEs.

Environmental and Climate Change Resilience Sector:

Jamaica: Promoting Community-based Climate Resilience in the Fisheries Sector – A grant of US$4.9 million ($635.6 million) was approved in March 2018 to help highly vulnerable fishing and fish farming communities in Jamaica to adopt climate-resilient practices. It is financed by the Pilot Program for Climate Resilience (PPCR) of the Strategic Climate Fund and administered by the World Bank. The project is being implemented by the Ministry of Industry, Commerce, Agriculture and Fisheries.

3 Annual average exchange rate of €1.00:$150.80

The following five projects were approved under the GEF Small Grants Programme, amounting to US$1.5 million ($194.6 million):

- Strengthening Community Resilience to Ensure Sustainable Management of our National Resources Through Social Inclusion
- Strengthening Community Resilience in Mocho, Clarendon while Ensuring Food Security through Efficient Management of Natural Resources with the Use of Energy Efficient Technology
- Preserving Natural Resources while Generating Livelihoods in the Sawyers Community
- Expansion of the Rescue Centre to Support Conservation of Jamaican Protected and Endangered Fauna and Flora Through Capacity Building and Community Education
- Resilience Strengthening Climate Change Impacts through Youth Education in Primary Schools.

Human Capital Development Sector:

- Support for the Health Systems Strengthening for the Prevention and Care Management of NCDs–PBL — Loan resources of up to US$50.0 million ($6.5 billion) were negotiated between the GOJ and the Inter-American Development Bank (IDB) to support the execution of a policy-based reform programme to contribute to the improvement of the health of Jamaica's population by strengthening comprehensive policies for the prevention of Non-Communicable Diseases (NCDs) risk factors.
- Support for the Health Systems Strengthening for the Prevention and Care Management of NCDs–INV — Loan resources of up to US$50.0 million ($6.5 billion) were negotiated between the GOJ and the IDB for an investment project to improve access to an upgraded and integrated primary and secondary health network in prioritized areas with an emphasis on chronic disease management, that provide more efficient and higher quality care. The programme will be executed by the Ministry of Health.
- Skills Development for Global Services in Jamaica — The IDB approved a loan of US$15.0 million ($1.9 billion) to promote the growth of the Global Services Sector in Jamaica, particularly in higher value-added segments. The project intends to (i) provide the sector with better skilled workers for Knowledge Process Outsourcing and (ii) increase Jamaica's institutional capacity to attract foreign direct investments and increase exports. The programme will be executed by JAMPRO.
- The Child Care Education and Development Intervention System Project — Grant resources of US$83 000 ($10.8 million) was approved by the Organization of American States to generate updated and systematized information on key indicators to inform/strengthen policy decisions in Early Childhood Development. This project is implemented by the Early Childhood Commission.

The PIOJ played an important role in the preparation and negotiation of a loan agreement with the Inter-American Development Bank for up to US$285.0 million ($37.0 billion)[4] for the Contingent Credit Facility for Natural Disaster Emergencies (CCF). The Facility will provide the requisite liquidity to cover urgent financing needs, which could arise immediately after a disaster.

D. RESEARCH

Model Development and Analysis

Work advanced on building and enhancing the capabilities of models and tools, critical to the work of the organization. The PIOJ continued to update and use models to estimate and project socio-economic and environment indicators. These models included:

Threshold 21 (T21) – This model was adjusted to reflect the revenue and expenditure programme by GOJ for FY2018/19 and its potential socioeconomic implication for Jamaica.

The econometric model was used to:

- Forecast GDP on a quarterly basis for all economic industries (12)
- Inform Short to Medium-Term Growth Outlook for Fiscal Policy Paper
- Mining & Quarrying scenario Analysis.

Other Models

Templates were created to:

- Calculate real prices for Education, Health and Housing expenditures
- Calculate Poverty Line for 2017.

4 The resources do not become a liability or debt until the funds are requested by the Government of Jamaica (GOJ). In the event of a natural disaster, and after a request by the GOJ, funding is allocated under the Facility for post disaster recovery. The Government does not have to access the full value of the Facility in the event of a disaster.

To complement the model-related activities, the staff was engaged in other training activities aimed at improving the output of staff, and ultimately that of the organization. These included a number of capacity-building training programmes offered by the IMF (both online and face-to-face). Chief among these were:

- Macroeconomic Management in Resource-Rich Countries
- Macroeconomic Forecasting
- Macroeconomic Diagnostics
- Financial Programming & Policies – Part 1
- Customized Training on Financial Programming Policies.

SENIOR EXECUTIVE COMPENSATION 2018

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 Director General	2018	10 345 740	5 004 000	1 492 554	-	-	-	16 842 294
R. E. Kirkland Philips Deputy Director General	2018	4 978 287	1 121 954	1 492 554	-	-	-	7 592 796
Barbara Scott Deputy Director General	2018	5 140 468		1 492 554	467 514	-	-	7 100 535
Claire Bernard Deputy Director General	2018	5 320 810		1 492 544	512 943	-	-	7 326 306
James Stewart Director	2018	4 852 893		1 492 544	467 514	-	-	6 812 961
Janelle Cox Director	2018	4 976 463		1 492 554	373 786	-	-	6 842 803
Sandra Ward [a] Director	2018	5 317 000		1 492 554	373 517	-	-	7 183 071
Marcia Blake Hall Director	2018	4 845 952		1 492 554	453 558	-	-	6 792 064
Easton Williams Director	2018	4 790 175		1 492 554	444 662	-	-	6 727 391
Total	2018	50 567 789	6 125 954	13 432 986	3 093 492	-	-	73 220 222

Note:
All contracts are in Jamaican currency
a - Includes outstanding payment for 2013/2017

Appendices

CABINET SUBMISSIONS, NOTES, BRIEFS, POSITION PAPERS

CABINET SUBMISSIONS

- Transition Preparedness Assessment
- Jamaica's National Montevideo Consensus Report
- Voluntary National Review Report
- Voluntary National Review High-Level Political Forum Delegation
- Examination of Social Work Across the Public Sector in Jamaica

NOTES

- Voluntary National Review Report
- Sustainable Development Goals
- Jamaica Montevideo Consensus Report
- Annual Report of the National Social Protection Committee
- Confidential Note – Analysis of the 2016 Poverty Rate

BRIEFS

The PIOJ prepared, provided and contributed to several policy briefs and notes for Cabinet and other local and international stakeholders. These, for the most part, were related to events/ happenings in the local or international arena, which were likely to impact or were of particular interest, and included:

- Growth projections for FY2017/2018 — FY2020/2021 to inform the Government of Jamaica's FPP
- Real Sector Briefs — Economic Update and Prospects, as well as, presentations for Cabinet Retreats and IMF Reviews
- Press brief documents (4) outlining the preliminary performance of the economy for the quarters October¬–December 2017, January–March 2018, April–June 2018 and July–September 2018
- Report on Implications for Jamaica of the Sanction Imposed on Russian Oligarchs by the USA
- Report on the Impact of Economic Measures on Purchasing Power
- Report on the State of the Jamaican Economy
- Jamaica Voluntary National Review Report – Sustainable Development Goals (SDGs)
- Scenario Analysis on the Mining and Quarrying Industry
- Report on the Investment Required to Achieve Growth: Incremental Capital-Output Ratio Approach

Technical advice on several documents, comments and updates on others were among the contributions of the PIOJ to the work of various ministries, departments and agencies (MDA's). Among the documents reviewed during the year, were:

- United Nations Development Account Project – 10th Tranche; Jamaica Survey of Establishments 2018; and the methodology (Excel model) used to estimate the Financial Impact of Employment in the Business Process Outsourcing (BPO) Sector.
- Brief for Cabinet Retreat
- Brief for Governor General's Throne Speech
- Brief for Director General on Ministry of Health Strategic Priorities
- Brief For Ministry of Foreign Affairs and Foreign Trade on the Global Fund
- Brief on the Approach for the VNR presentation for Ambassador Rattray
- Brief on strategies to eradicate poverty to achieve sustainable development for all provided to the Ministry of Labour and Social Security for their preparation of report/submission to the Ministry of Foreign Affairs and Foreign Trade
- Brief prepared and submitted to the Honourable Dr Horace Chang, former Minister without Portfolio in the Ministry of Economic Growth and Job Creation
- Brief on Caribbean Forum on Population, Youth and Development
- Brief on the National Policy on Poverty and National Poverty Reduction Programme prepared and submitted to the Honourable Dr Horace Chang, former Minister without Portfolio in the Ministry of Economic Growth and Job Creation

- GCF and the accreditation process that will be undertaken for PIOJ's Board
- Climate impacts and Jamaica's vulnerability for presentation at the Rotary Club of New Kingston
- Summary of March-June 2017 flood event (through the EPRD) to the MOF/18K lawyers
- Resilient Coasts and Communities for the Most Honourable Prime Minister's address at the G7 Summit Outreach Session in Quebec, Canada
- Global Fuel Economy Imitative – HLPF
- Multi-Stakeholder Adaptation and Resilience Caribbean Initiative offered by Mexican Government – Concept Note
- Building Resilient Economies and Preserving Marine Ecosystems in Coastal Commonwealth Nations (presented by Prime Minister to Bloomberg Global Business Forum, New York, September, 2018.
- PPCR and Jamaica: Brief for Jamaica's presentation on the occasion of the Screening of the CIF 10th Anniversary Video at COP 24, Katowice, Poland, December 2018
- Cabinet's consideration on the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean
- Blue Economy – Minister of State in the Ministry of Foreign Affairs and Foreign Trade and delegation's interventions at the Sustainable Blue Economy Conference
- Damage and Loss Assessment over the past 17 years (by sector and indicating impact on GDP) towards the preparation of a brief on Natural Disaster Management Growth
- Implications to support a speech being delivered by the Minister of Finance and the Public Service

BOARDS, COUNCILS, COMMITTEES, WORKING GROUPS

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

- Council of Voluntary Social Services (CVSS)
- Early Childhood Commission and its Sub-Committees
- Human Resource Committee (HRC)
- Inter- Ministry Human Rights Committee
- Jamaica Council for Persons with Disabilities Board of Management
- National Anti-Trafficking in Persons Task Force
- National Council for Senior Citizens Board
- National Family Planning Board
- National Social Protection Committee (NSPC), and four technical Sub-Committees
- National Working Group on International Migration and Development (NWGIMD)
- Sam Sharpe Teachers' College Board Meeting
- Research Ethics Committee of the Ministry of National Security
- 2030 Agenda Core Group
- National Council on Ocean and Coastal Zone Management
- Social Services and Infrastructure Sub-Committee
- Jamaica Survey of Living Conditions Steering Committee
- QSPTF-PSC (Strategic Approach to International Chemicals Management)
- National Nutraceuticals Industry Steering Committee
- Land Information Council of Jamaica
- Third City Planning Committee
- UNESCO Science Advisory Committee
- Regional Energy Efficiency Building Code Mirror Committee (REEBC)
- PIMSEC Technical Review Committee
- PIMSEC New Grants Committee
- Climate Change Advisory Board
- Climate Change Focal Point Network
- Integrated Community Development Project Steering Committee
- ACP-EU Development Mineral Programme Country Working Group
- Trash-Free Waters Steering Committee
- EHF/CDB Climate Change Adaptation and Disaster Risk Reduction Project Steering Committee
- Energy Management and Efficiency Programme (EMEP) Steering Committee
- Country Working Group – Global Fuel Economy Initiative
- Country Working Group – Implementing Enabling Activities for the ratification of the Kigali
- National Poverty Reduction Programme Committee
- Toxic Sites Identification Project (TSIP)
- Ramsar Committee
- Climate Finance Working Group
- National Spatial Plan Technical Working Group
- GEF 6 Project Steering Committee
- BRACED Project Advisory Team
- Resilient Island's Technical Advisory Group
- JaREEACH II Project Advisory Committee
- GEF 6 Technical Working Group
- National Social Protection Committee
- Global Analysis and Assessment of Sanitation and Drinking Water Technical Working Group
- 2017 State of the Jamaican Environment Report Technical Working Group

POLICY & PLANNING ADVICE

The PIOJ provided technical comments and advice on selected policies, plans etc. as follows:

- Final report of the Hazardous Lab Waste Ad Hoc Committee (HALWAC)
- Elements Paper for the 51st Session of the Commission on Population and Development
- Monitoring Framework for Country Implementation Plan (CIP) under the UN-MSDF
- Final Draft Caribbean Application Document for the Regional Energy Efficiency Building Code (REEBC)
- Drafting instructions for the amendments of the Food & Drug Act and its Regulations
- Draft National Population and Development Policy and Plan of Action
- Draft STI Policy (2018)
- TCF 5 Consultancy report: Development of Strategy to Sustain and Expand ISO/IEC 17025 Accreditation of Beneficiary Laboratories of the EPA Projects
- Kigali Amendment Initiation Plan
- SAMOA Pathway Reports (Jamaica, Caribbean)
- SIDS DOCK Captive Insurance Facility Concept Paper
- Project on Household Food Security and Public Health in the Caribbean (UWI)
- National Policy for the Environmentally Sound Management (ESM) of Hazardous Wastes (Green Paper)

CONFERENCES, WORKSHOPS, SEMINARS AND MEETINGS

- Multi-dimensional Poverty Index (MPI) Training Course, February 26 to March 2, in Barbados
- Data Dissemination Workshop, March 19–23, in Grenada
- “Mainstreaming of Migration into Regional Development Strategies at SELA Regional Meeting on Migration and Migration Policies in Latin American and the Caribbean, March 22, in Lima, Peru
- Consultation on key CARICOM ICPD priorities and the 2018 Inter-Governmental Processes, January 12, UNFPA Headquarters, New York
- Expert Group Meeting on SDG Interlinkages, January 25–26, UN Headquarters
- Intergovernmental Conference on Global Compact for Safe, Orderly and Regular migration preparatory meetings, February 20–23, UN Headquarters, New York
- Intergovernmental Conference on Global Compact for Safe, Orderly and Regular migration preparatory meetings, March 12–15, UN Headquarters, New York
- Intergovernmental Conference on Global Compact for Safe, Orderly and Regular migration preparatory meetings, April 3–6, UN Headquarters, New York
- Intergovernmental Conference on Global Compact for Safe, Orderly and Regular migration preparatory meetings, May 13–19, UN Headquarters, New York
- Intergovernmental Conference on Global Compact for Safe, Orderly and Regular migration preparatory meetings, June 4–8, UN Headquarters, New York
- Intergovernmental Conference on Global Compact for Safe, Orderly and Regular migration preparatory meetings, July 9–13, UN Headquarters, New York
- Caribbean Forum on Population, Youth and Development, July 24–26, Georgetown, Guyana
- UN High-Level Political Forum on Sustainable Development, July 9–18, UN Headquarters, New York
- Meetings with CONEVAL, Mexico and UNICEF Mexico to initiate South/South cooperation talks on poverty measurement and social policy evaluation, Dec 12–15, Mexico City, Mexico
- Invitation from Government of Belize to participate in a Social Protection Conference, in order to share experience of creating the Social Protection Strategy, and costing the social protection floor, December 3–6, Belize
- 2018 Seminar on Medical and Health Management for Jamaica, August 22 to September 10, China
- 50th Session of UN Commission on Population and Development, Consultation on key CARICOM ICPD priorities and the 2018 Inter-Governmental Processes, January 12, UNFPA Headquarters, New York
- Third session of the Regional Conference on Population and Development in Latin America and the Caribbean, August 7–9, Lima, Peru
- 51st Session Commission on Population and Development, April 9–13, UN Headquarters, New York
- GFMD Friends of the Forum Meeting, GFMD Dialogue on GCM, and RT Consultations, September 3–7, Geneva, Switzerland
- Eleventh Global Forum on Migration and Development (GFMD) Summit Meeting, December 5–7, Marrakech, Morocco
- Stakeholder consultations for a Background Paper on the Natural Environment
- FAO National Consultation Workshop
- ODPEM Shelter Management Consultation
- 7th meeting of the Technical Advisory Committee (TAC) of the Regional Coordinating Mechanism (RCM) for the Caribbean, Trinidad and Tobago

- Land Degradation Neutrality workshop
- Climate Change Division's "Uncut" Conversations
- Climate Change Sessions at the 11th Conference of the Faculty of Science and Technology
- Public lecture and panel discussion on the Blue Economy
- Inception workshop 6th National Report to the UN Convention on Biological Diversity
- Caribbean Cooling Initiative (C-COOL) – Project Inception Workshop
- UNCTAD Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development, July 2–July 3 in Geneva, Switzerland
- International Atomic Energy Agency (IAEA) Workshop Contribution of Nuclear Science and Technology to Building Climate Resilience in the Caribbean Region, August 6 – August 10, Vienna, Austria
- 24th session of the International Seabed Authority (ISA) as a member of Jamaica's Delegation
- BRACED workshops on "exploring tools and techniques to reduce the cost of land regularization" and "Addressing Cost- Accepting Regularization"
- Workshop on the Assessment of Sustainable Energy Education, Jamaica
- Post-VNR and Human Development Indices Information Session
- Comprehensive Disaster Risk Management Policy Workshop
- Local sustainable Development Planning Workshop hosted by the Ministry of Local Government and Community Development
- Innovative Financing for Development Forum – Accelerating the Advancement of the SDGs and creating the Jamaica we want by 2030
- Knowledge Sharing and Capacity Building Workshop for the project "Assessment and Economic Valuation of Coastal Protective Services Provided by Mangroves" Jamaica
- National Conference on Biological Diversity organised by the Ministry of Economic Growth and Job Creation
- Climate Change Division Pre-COP21 workshop
- UN Global Analysis and Assessment of Sanitation and Drinking Water (GLASS) 2018/2019 Data verification workshop

CAPACITY BUILDING/TRAINING

- Staff participated in a number of capacity building exercises to include:
- Caribbean Capacity Building Workshop on Science Advice, February 20–21
- Nationally Appropriate Mitigation Action (NAMA) on the Water Sector workshop, facilitated under the Japan Caribbean Climate Change Project
- MIT Lab virtual learning sessions, May 8–9
- UNDP Humanitarian Country Team Training Workshop
- World Bank's Data Literacy Bootcamp – May 28–29
- Enhanced Country Poverty Assessment – Poverty and Vulnerability Mapping training , June 28–30
- Collector for ArcGIS ELA training
- Contribution of Nuclear Science and Technology to Building Climate Resilience in the Caribbean Region Workshop
- Poverty and Vulnerability Mapping Train the Trainers
- Survey of Living Conditions and Household Budget, Train the Trainers Workshop
- Multi-dimensional Poverty Indicators Training Course
- Data Dissemination Workshop
- Urban and Regional Tools for Climate Change, The Netherlands
- Inventory Management
- Big Data
- Seminar on Medical and Public Health Management of Jamaica
- E- procurement
- Public Procurement Certification Series (PPCS) Level I–IV
- Capacity Building Workshop – Gender Main-streaming
- Cash Management Workshop
- Executive Training Course for Policymakers on the 2030 Agenda and the Sustainable Development Goals (SDGs)
- MOFPS – PIMSEC Train the Trainers Workshop on Project Monitoring & Evaluation Framework
- DB's Public Policy Analysis and Management (PPAM) and Project Cycle Management (PCM) Training Programmes
- Public Investment Projects Database Training
- Workshop for Corporate Planners: Improving the Quality of an Organization's Strategic Plan
- Energy Audit Workshop

PRESENTATIONS

The Institute delivered these presentations et al on:

- World Bank knowledge sharing session on the 2015 SOJC. Presented on the results and key take away points from the report
- "Getting to Vision 2030 Jamaica. . . the role of Science, Technology and Innovation" – Science in Society course, University of Technology, Jamaica
- Second meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development. Delivered presentation on institutional arrangements designed to promote and facilitate the participation of non-governmental stakeholders in the implementation, follow-up and review of the 2030 Agenda – April 15–20, Santiago de Chile

- Available geospatial datasets of the PIOJ – Open Data Bootcamp Workshop May 28–30 workshop
- Panel discussion during the IDB Side Event: The Circular Economy in the Wastewater and Water sectors – Implications for the Caribbean Basin
- Panel discussion by Jamaica's Mission in New York at the Inter-regional meeting on the review of the Samoa Pathway, on the topic "Achieving economic and financial sustainability in SIDS"
- "Our Digital Future" which explored how disruptive technology is being used by government specifically in climate change related projects being implemented and coordinated by the PIOJ – GeoTechVision Technology Expo, St Catherine
- The role of geospatial sciences/technology in improving the quality of the built and natural environment as stated in the Growth Inducement Strategy – guest lecture – UTECH Final Year students of the Land Surveying and GIS Programme, St Andrew, Jamaica

2018 YEAR IN REVIEW

Keynote speaker at the November 8 presentation of the UNFPA State of the World Population Report Mrs Juliet Holness (second left), Member of Parliament and Wife of the Prime Minister examines the 2018 State of the World Population Report with, (left to right) Ms Alison Drayton, Director and Representative, UNFPA Sub Regional Office for the Caribbean; Dr Wayne Henry, Director General, PIOJ; Mr Anthony Hylton, representative of the Leader of the Opposition, Opposition Spokesperson for Development & National Physical Planning; and Dr Elsie Laurence Chounoune, Deputy Resident Representative, UNDP. The event was held at the Terra Nova All Suite Hotel, Kingston.

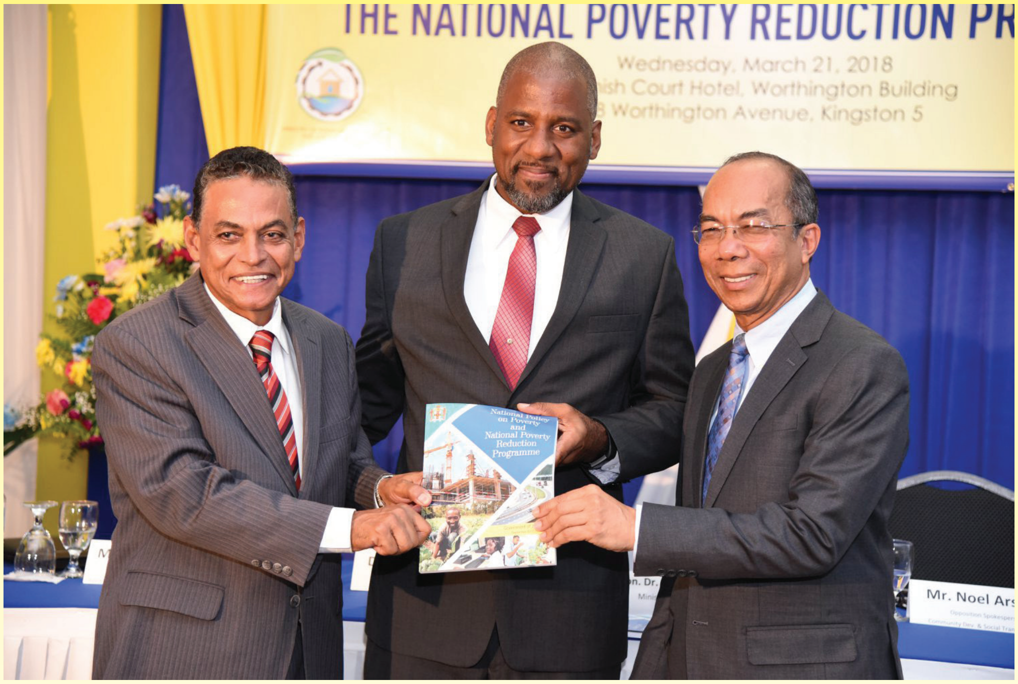
The Planning Institute of Jamaica (PIOJ) Pilot Programme on Climate Resilience (PPCR) Improving Climate Data and Information Management Project (ICDIMP) and the UWI Climate Studies Group Mona, on February 9, jointly launched the 2015 State of the Jamaican Climate Report *at the 2018 UWI Research Days. From left: Ms Galina Sotirova, World Bank Country Manager for Jamaica; Professor IshenKumba Kahwa, Deputy Principal of the University of the West Indies; Professor Denise Eldemire Shearer, Chairperson of the UWI Research Days; and Dr Wayne Henry, Director General of the PIOJ.*

2018 YEAR IN REVIEW

Representatives from the implementing agencies gather at the Pilot Programme for Climate Resilience (PPCR) Monitoring and Evaluation Workshop held in July at the Four Seasons Hotel, Kingston.

Dr David Tennant, Professor of Development Finance and Dean of the Faculty of Social Sciences, UWI, Mona, presented highlights from the publication **An Assessment of the Implementation and Impact of the Government of Jamaica's Growth Inducement Strategy** ***at the UWI Department of Economics/ PIOJ Public Discussion Forum on April 12, 2018.***

2018 YEAR IN REVIEW



Dr Wayne Henry, Director General of the Planning Institute of Jamaica (centre) informed Minister Horace Chang of the Ministry of Economic Growth and Job Creation (right) and Mr Noel Arscott, who represented the Leader of the Opposition, that the National Poverty Reduction Programme had already been activated and stakeholders in the public, private and voluntary sectors had met under the coordination of the PIOJ. Dr Henry was speaking at the launch of the programme on March 21 at the Spanish Court Worthington, Kingston. The committee's immediate goal is to coordinate efforts to eradicate extreme food poverty in Jamaica by 2022.

Mrs Toni-Shae Freckleton, Population Manager at the PIOJ, and Mr Omar Rainford, Administrative Assistant, interacted with Sixth Form students of Calabar High School at the Jamaica Baptist Union Partnership Fair in February 2018. The PIOJ was a booth holder and shared information on its programmes and the National Development Plan, Vision 2030 Jamaica.

2018 YEAR IN REVIEW

The Planning Institute of Jamaica (PIOJ), on behalf of the Government of Jamaica, on August 9, 2018, signed a five-year country programme framework (2018–2023) with the International Atomic Energy Agency (IAEA). Currently, Jamaica has nine ongoing national projects supported by IAEA for the value of €3 195 967. Jamaica has also benefited from the regional programme, which is estimated at €26.9 million. Mr Dazhu Yang, IAEA Deputy Director General and Head of the Department of Technical Cooperation delivered remarks. Signing with Dr Wayne Henry, Director General of the PIOJ, is Ms Barbara Scott, Deputy Director General of External Cooperation Management.

Speaking at the 2018 Labour Market Forum at the Terra Nova All Suite Hotel in Kingston on April 11, Dr Nigel Clarke, Minister of Finance and the Public Service, spoke about developments in the Business Process Outsourcing (BPO) industry and improving efficiency in the public service. At the head table (left to right) are Dr Wayne Henry, Director General, PIOJ, and Ms Antonette Richards, PIOJ Community Development Specialist.

2018 YEAR IN REVIEW

Panellists for the Livelihood Session at the Symposium of Best Practices in Social and Community Development L–R: Dr Kadawame Knife, Director, Center for Entrepreneurships and Thinking Practices; Ms Charmaine Brimm, Technical Specialist, Socio-Economic Development, Planning Institute of Jamaica; Mr Damion Young, Local Economic Development Officer, Clarendon Municipality Corporation; and Mr Herman Shim, Researcher Alternative Energy, Caribbean Maritime University.

Gail Hurley, UNDP Policy Specialist, Development Finance, addressed development practitioners at a workshop on trends in financing for sustainable development initiatives on October 31. The workshop was held at the PIOJ and introduced participants to options available to middle-income countries, such as Jamaica, which now fall outside of particular aid options. Among the options are social impact investments; investments in climate and environment funds; and diaspora financing. Approaches for large infrastructure and agriculture initiatives included discussions on blended finance where commercial capital is blended with philanthropic funding and backed by guarantees by a local authority.

2018 YEAR IN REVIEW

Ms Christena McCarthy, Administrative Assistant, PIOJ, listens intently as Mr Andrew Hanchard, Meteorological Technician, Meteorological Service of Jamaica (MSJ), demonstrates the use of an automatic weather station at the Automatic Weather Station Training Workshop held in Bodles, Old Harbour in July. At the workshop, participants were sensitized on the Automatic Weather Station, which is used to measure, monitor and study the weather and climate. MSJ voluntary observers who took part in the training look on.

The Planning Institute of Jamaica

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

THE PLANNING INSTITUTE OF JAMAICA

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

(Expressed in Jamaican dollars unless otherwise indicated)

THE PLANNING INSTITUTE OF JAMAICA

YEAR ENDED 31 DECEMBER 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Planning Institute of Jamaica

Report on the Audit of 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 2018, 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 2018 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 Audit of 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 Audit of 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.

Ernst & Young

Ernst & Young
Chartered Accountants
Kingston, Jamaica

11 December 2019

THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
ASSETS			
Non-current assets			
Property and equipment	6	430,626	412,819
Intangible assets	7	5,156	2,291
Retirement benefit asset	8	295,956	297,236
Long-term receivables	9	6,790	2,705
		738,528	715,051
Current assets			
Receivables and prepayments	10	32,382	26,893
International Development Partners funded projects	11	131,931	174,094
Cash and bank balances	11	23,729	64,915
		188,042	265,902
Total Assets		926,570	980,953
EQUITY AND LIABILITIES			
Government's contribution to equity	12	353	353
Accumulated surplus		406,741	448,137
		407,094	448,490
Non-current liability			
Long-term portion - deferred income	13	346,100	355,951
Current liabilities			
Owed to projects	14	72,335	68,039
Payables and accruals	15	86,605	93,748
Current portion – deferred income	13	14,436	14,725
		173,376	176,512
Total Equity and Liabilities		926,570	980,953

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

The financial statements were approved and authorised for issue by the Board of Directors on 11 December 2019 and are signed on its behalf by:

____________________ Director
Dr Wayne Henry, PhD, JP

____________________ Director
Mark Tracey

THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2018
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
INCOME			
Government subventions	16	568,854	568,368
Interest income		2,218	2,119
Other income	17	46,278	44,660
		617,350	615,147
EXPENSES			
Staff costs	18	439,094	388,017
Property expenses	18	91,224	60,027
Consultancy and professional fees	18	13,180	4,933
Depreciation and amortisation	6,7,18	28,042	27,139
Other operating expenses	18	70,625	50,792
Loss on disposal of property and equipment	18	-	134
		642,165	531,042
NET (DEFICIT)/SURPLUS		(24,815)	84,105
OTHER COMPREHENSIVE (DEFICIT)/INCOME			
Other comprehensive (deficit)/surplus not to be reclassified to income in subsequent periods:			
Re-measurement (losses)/gains on defined benefit plan	8.4	(16,581)	49,075
TOTAL COMPREHENSIVE (DEFICIT)/INCOME ATTRIBUTABLE TO MEMBERS		(41,396)	133,180

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 2018
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	Government Contributions to Equity $'000 (Note 12)	Accumulated Surplus $'000	Total $'000
Balance at 31 December 2016		353	314,957	315,310
Net surplus for the year		-	84,105	84,105
Other comprehensive income	8.4	-	49,075	49,075
Total comprehensive income attributable to members		-	133,180	133,180
Balance at 31 December 2017		353	448,137	448,490
Net deficit for the year		-	(24,815)	(24,815)
Other comprehensive deficit	8.4	-	(16,581)	(16,581)
Total comprehensive deficit attributable to members		-	(41,396)	(41,396)
Balance at 31 December 2018		353	406,741	407,094

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

THE PLANNING INSTITUTE OF JAMAICA
STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2018
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (deficit)/surplus		(24,815)	84,105
Adjustments for:			
Loss on disposal of property and equipment		-	134
Foreign exchange adjustment		(23)	77
Increase in expected credit losses	10.1	215	-
Write off of capital work in progress	6	809	-
Deferred income	13	(14,436)	(14,725)
Depreciation and amortisation	6,7,18	28,042	27,139
Interest income		(2,218)	(2,119)
Retirement benefit plan charge	8.3	6,858	4,640
Operating cash flows before movement in working capital		(5,568)	99,251
Decrease/(Increase) International Development Partners funded projects		42,163	(68,493)
(Increase)/Decrease in receivables and prepayments		(5,704)	2,944
Project funds encashed	13	4,296	6,228
Increase in owed to projects		4,296	18,377
(Decrease)/Increase in payables and accruals		(7,143)	16,136
Cash provided by operating activities		32,340	74,443
Contributions to retirement benefit plan	8.7	(22,159)	(19,163)
Net cash provided by operating activities		10,181	55,280
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,227	1,932
Acquisition of property and equipment	6	(47,600)	(30,882)
Acquisition of intangible assets	7	(1,923)	(433)
Long-term receivables (net)		(4,085)	290
Proceeds from sale of assets		-	44
Cash used in investing activities		(51,381)	(29,049)
(DECREASE)/INCREASE IN CASH AND BANK BALANCES		(41,200)	26,231
OPENING CASH AND BANK BALANCES		64,694	38,540
Effect of foreign exchange rate changes		23	(77)
CLOSING CASH AND BANK BALANCES	11	23,517	64,694

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

1 IDENTIFICATION

1.1 *General information*

The Planning Institute of Jamaica (the Institute) was established as a body corporate under the Planning Institute of Jamaica Act on 9 April 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 2018. 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 2018, except for the extent of additional disclosures, they did not have a material impact on the annual financial statements of the Institute.

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

- ***IFRS 9* Financial Instruments**

  In the current year, the Institute has applied *IFRS 9 Financial Instruments* (as revised in July 2014) and the related consequential amendments to other IFRSs that are effective for an annual period beginning on or after 1 January 2018. The Institute has applied the transitional provisions of IFRS 9 and has elected not to restate comparatives.

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 9* Financial Instruments, continued**

IFRS 9 introduced new requirements for (a) The classification and measurement of financial assets and financial liabilities (b) Impairment of financial assets, and (c) General hedge accounting.

The Institute has applied IFRS 9 in accordance with the transition provisions set out in the standard using the modified retrospective transition approach. As a result, the comparative information is disclosed in accordance with the Institute's previous accounting policy, details of the new requirements and the impact on the financial statements are as follows:

(a) Classification and measurement of financial assets

The date of initial application is 1 January 2018, the date at which the Institute has assessed its existing financial assets and financial liabilities. At the date of initial application, an assessment is made as to whether a financial asset (except equity instruments and derivatives) meets the business model test for amortised cost or fair value through other comprehensive income (FVTOCI) based on the facts and circumstances that existed at that date. The resulting classification is applied retrospectively irrespective of the business model operating in prior reporting periods. No assessment is made for instruments that have already been derecognized at 1 January 2018. Comparative amounts in relation to instruments that continue to be recognised as at 1 January 2018 are not restated.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

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 9* Financial Instruments, continued**

(a) *Classification and measurement of financial assets, continued*

In addition, under IFRS 9, an irrevocable election can be made to present subsequent changes in the fair value of an equity investment that is not held for trading, in other comprehensive income, with only dividend income recognised in profit or loss.

The Directors of the Institute reviewed and assessed the Institute's financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has not had an impact on their classification and measurement.

Financial assets classified as loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There has been no impact on the Institute's financial position, net deficit or surplus, other comprehensive income or total comprehensive income in the year. The original classification under IAS 39 as 'Loans and receivables' is now classified and measured under IFRS 9 as "debt instruments" at 'amortised cost'.

The Institute has not designated any financial liabilities at fair value through profit or loss. There are no changes to the Institute's classification and measurement for its financial liabilities.

(b) *Impairment of financial assets*

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred loss model under IAS 39. The expected credit loss model requires that expected credit losses reflect changes in credit risks since the initial recognition of the financial asset, at the end of each reporting period. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

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 9*** **Financial Instruments, continued**

(b) Impairment of financial assets, continued

IFRS 9 requires measurement of the loss allowance for a financial instruments at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition or if the financial asset is a purchased or originated credit-impaired financial asset. However if the credit risk on an instrument has not increased significantly since initial recognition (except for those purchased or originated credit-impaired financial assets), the loss allowance is measured for that financial instrument at an amount equal to 12-months ECL.

IFRS also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Items existing at 1 January 2018 that are subject to the impairment provisions of IFRS 9	*Credit risk attributes at 1 January 2018*
Long-term receivables	Assessed for 12-months ECL
Trade and other receivables	Simplified approach applied. Assessed for lifetime ECL
Cash and bank balances	Assessed at low credit risk at the end of each reporting

The impairment had an immaterial impact on the financial statements as at 1 January 2018 on transition to IFRS 9. As such, Management has assessed that no impairment allowance was required given the nature and condition of the financial assets held by the Institute.

(c) General hedge accounting

This requirements of IFRS 9, do not apply on initial application, as the Institute does not apply hedge accounting.

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 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. The Institute has applied IFRS 15 (as amended in April 2016) in the current year which is effective for annual periods beginning on or after 1 January 2018. It also includes disclosure requirements to provide comprehensive information about the amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The term deferred income is used with regard to special non-cash grants that are disclosed in Note 13 and are not within the scope of IFRS 15. The Institute's accounting policies for its revenue streams are disclosed in detail in Notes 4.14, 4.15 and 4.16 below. Apart from providing additional disclosures for the Institute's revenue transactions, the application of IFRS 15 has not had any material impact on the financial position and/or financial performance of the Institute to IFRS 15 on 1 January 2018.

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 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.

  The amendment is not applicable as the Institute does not have share-based payment transactions.

- ***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.

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

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

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

  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 (continued)

  The amendments clarify that: continued

  This election is made separately for each investment entity associate or joint venture, at the later of the date on which:

  (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. 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.

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

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

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

  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.

  The Interpretation is effective for annual periods beginning on or after 1 January 2018. Since the Institute's current practice is in line with the Interpretation, this Interpretation has no effect on these financial statements.

- ***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, these amendments are not applicable to the Institute.

- ***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 effective for annual periods beginning on or after 1 January 2018 and did not have any impact on the financial statements of the Institute.

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*

- ***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.

  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 expects to adopt the standard using a modified retrospective approach where the cumulative effect of initial application is recognized as an adjustment to the opening balance of retained earnings and comparatives are not restated. Management does not expect the impact of the adoption of this standard to be significant.

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 17* Insurance Contracts**

  In May 2017, the IASB issued IFRS 17 Insurance Contracts, 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 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 2022, 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.

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

  The 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.

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***

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.
- 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.

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.

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 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. This Interpretation is not applicable to the Institute.

- ***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.

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, continued**

  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.

- ***IAS 1 and IAS 8 - Definition of Material - Amendments to IAS 1 and IAS 8***

  The IASB issued amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

  The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments are effective for annual periods beginning on or after 1 January 2020 and are not expected to have any impact on the financial statements of the Institute.

- ***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.

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***

  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.

  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.

- ***Plan Amendment, Curtailment or Settlement - Amendments to IAS 19***

  The amendments to IAS 19 *Employee Benefits* address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

  Determining the current service cost and net interest
  When accounting for defined benefit plans under IAS 19, the standard generally requires entities to measure the current service cost using actuarial assumptions determined at the start of the annual reporting period. Similarly, the net interest is generally calculated by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event

  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  Effect on asset ceiling requirements
  A plan amendment, curtailment or settlement may reduce or eliminate a surplus in a defined benefit plan, which may cause the effect of the asset ceiling to change.

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*

- ***Plan Amendment, Curtailment or Settlement - Amendments to IAS 19, continued***

  The amendments clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

  This clarification provides that entities might have to recognise a past service cost, or a gain or loss on settlement, that reduces a surplus that was not recognised before. Changes in the effect of the asset ceiling are not netted with such amounts.

  The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019. Early application is permitted and should be disclosed.

  These amendments are not expected to have an impact on the financial statements of the Institute.

- ***IFRS 3 Business Combination - Definition of a Business - Amendments to IFRS 3***

  The IASB issued amendments to the definition of a business in IFRS 3 - Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

  The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 with earlier application permitted. The amendments are not expected to have any impact on the financial statements of the Institute.

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. In December 2015, the IASB decided to defer the effective date of these amendments until such time as it has finalised any amendments that result from its research project on the equity method.

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.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.2 *Basis of preparation, Continued*

The presentation in the notes is broadly in the order of the items in the statement of financial position and the statement of comprehensive income.

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

4.3 *Judgements*

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

4.4 *Current versus non-current classification*

The Institute presents its statement of financial position in a current versus non-current classifications.

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 equivalents 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 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.5 *Fair value measurement*

Fair values of financial instruments measured at amortised cost are disclosed in Note 22.10.

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

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

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

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

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

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.6 *Property and equipment*

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

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

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

Construction in progress is stated at cost, net of accumulated impairment losses.

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

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.

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.

Computer software costs are amortised using the straight-line method over their useful lives, at a rate of 33.3% per annum.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.8 *Impairment of long-lived assets*

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

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

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

4.9 *Employee benefit costs*

Pension obligations

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

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

Defined benefits obligations for the plan 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.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.9 *Employee benefit costs, Continued*

Pension obligations, continued

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

Leave entitlements

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Institute recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

4.10 *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.

Consistent with the transitional arrangements for the implementation of IFRS 9, the Institute elected not to restate the prior period financial statements for any adjustments arising from IFRS 9's implementation in the current year. Classification, measurement and impairment for financial instruments for the current year were done using IFRS 9 and IAS 39 for the prior year, as discussed below.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.11 *Financial assets*

IFRS 9 accounting policies applicable after 1 January 2018

4.11.1 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Institute holds the trade receivables with the objective to collect the contractual cash flows. These cash flows are solely payments of principal and interest (SPPI). A provision for impairment of these receivables is established in accordance to IFRS 9. The amount of the expected credit loss is the difference between the carrying amount and the recoverable amount.

4.11.2 Other financial assets at amortised cost

The Institute classifies its other financial assets at amortised cost, as these assets are held only within a business model, where the objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Other financial assets at amortised cost include cash and bank balances, other receivables and long-term receivables.

4.11.3 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. Cash and cash equivalents are carried in the statement of financial position at amortized cost less provision for expected credit loss in accordance with IFRS 9.

4.11.4 Impairment

The Institute recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9.

The Institute always recognises lifetime ECL for trade receivables applying the IFRS 9 simplified approach. The expected credit losses on these financial assets are estimated based on the Institute's historical credit loss experience, adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.11 *Financial assets, Continued*

IFRS 9 accounting policies applicable after 1 January 2018, continued

4.11.4 Impairment, 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 all other financial instruments, the Institute recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Institute measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Institute in accordance with the contract and all the cash flows that the Institute expects to receive, discounted at the original effective interest rate.

4.11.4 Write-off

Financial assets are written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Subsequent recoveries of amounts previously written off are recognised in surplus or deficit.

IAS 39 accounting policies applicable prior to 1 January 2018

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.11 *Financial assets, Continued*

IAS 39 accounting policies applicable prior to 1 January 2018, continued

4.11.1 <u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including receivables and prepayments, cash and bank balances which are short-term in nature and long-term receivables) are measured at amortised cost using the effective interest rate 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.

4.11.2 <u>Effective interest rate method</u>

The effective interest rate 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 rate basis for the debt instruments.

4.11.3 <u>Impairment of financial assets</u>

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.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.11 *Financial assets, Continued*

IAS 39 accounting policies applicable prior to 1 January 2018, continued

4.11.3 Impairment of financial assets, continued

Objective evidence of impairment could include:

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

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 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.11 *Financial assets, Continued*

IAS 39 accounting policies applicable prior to 1 January 2018, continued

4.11.4 Derecognition of financial assets

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

4.12.1 <u>Classification as debt or equity</u>

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.

4.12.2 <u>Equity instruments</u>

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

4.12.3 <u>Financial liabilities</u>

4.12.3.1 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 rate method.

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

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

4.12.3.2 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 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.13 *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).

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 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.14 *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.

4.15 *Revenue recognition*

4.15.1 Sale of goods

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Institute expects to be entitled in exchange for those goods or services. The Institute has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Revenue is recognised at a point in time in the amount of the price expected to be received by the Institute for publications supplied, as contractual performance obligations are fulfilled, and control of goods passes to the customer. Revenue is decreased by any discounts granted to customers. However discounts are usually minimal to the overall revenue recognised in the statement of comprehensive income.

4.15.2 Government grants

The Institute's policy for recognition of revenue from Government grants is described in Note 4.14 above.

4.15.3 Rental income

The Institute's policy for recognition of revenue from operating leases is described in Note 4.16 below.

4 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.15 *Revenue recognition, Continued*

4.15.4 Interest income

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

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

When calculating the effective interest rate the estimates future cash flows consider all contractual terms of the financial instrument, but not ECL.

4.15.5 Building management fees

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

4.16 *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.

4.17 *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 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4.18 *Foreign currencies*

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

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

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5.1 *Critical judgments in applying accounting policies*

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

5.1.1 Property and equipment

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

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

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

5.1 *Critical judgments in applying accounting policies, Continued*

5.1.2 Allowance for impairment losses on receivables

The Institute recognises an allowance for expected credit losses on its lease receivables using the simplified approach. Lease receivables are assumed to be in default when they are 90 days past due which is also considered to be a significant increase in credit risk since initial recognition, in the absence of more forward looking information and actual default experience. An impairment of 50% of the outstanding 90 days past due receivable is made and incorporating the time value of money over the expected lease period, and any reasonable and supporting information that is available at the reporting date about current conditions and expected future development affecting collection.

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 retirement benefit asset 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 $295.96 million (2017: $297.24 million) in respect of the defined benefits plan is subject to estimates in respect of periodic costs where costs are dependent on returns on assets, future discount rates, rates of salary increases and inflation rate in respect of the pension plan.

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

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

6 PROPERTY AND EQUIPMENT

	Freehold Building $'000	Leasehold Improvements $'000	Furniture, Fixtures and Equipment $'000	Motor Vehicles $'000	Work in Progress $'000	Total $'000
Cost						
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
Additions	-	-	8,040	4,597	34,963	47,600
Reclassification or write-off (Note 6 a)	-	-	(2,704)	-	(809)	(3,513)
31 December 2018	446,669	10,425	265,677	15,016	34,963	772,750
Depreciation						
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
Charge for year	11,167	-	14,730	383	-	26,280
31 December 2018	127,598	10,425	193,300	10,801	-	342,124
Net Carrying Amount						
31 December 2018	319,071	-	72,377	4,215	34,963	430,626
31 December 2017	330,238	-	81,771	1	809	412,819

(a) The reclassification and transfer in current year arose from an asset count exercise that resulted in the establishment of a fixed asset register and the general ledger was adjusted to reflect the related adjusted carrying values.

7 INTANGIBLE ASSETS

	Computer Software $'000
At Cost -	
31 December 2016	5,456
Reclassification	3,476
Additions	433
31 December 2017	9,365
Reclassification	2,704
Additions	1,923
31 December 2018	13,992
Amortisation –	
31 December 2016	3,788
Charge for the year	3,097
Reclassification	189
31 December 2017	7,074
Charge for the year	1,762
31 December 2018	8,836
Net Book Value -	
31 December 2018	5,156
31 December 2017	2,291

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

(Expressed in Jamaican dollars unless otherwise indicated)

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 annual actuarial valuation was carried out at 31 December 2018 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:

	2018	**2017**
Gross discount rate	7.0%	8.0%
Expected rate of salary increases	4.0%	5.0%
Future pension increases	3.0%	4.5%
Inflation rate	3.0%	5.0%
Minimum funding rate	5.0%	5.0%

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

The weighted average duration of the defined benefit obligation as at 31 December 2018 is 31 years (2017: 31 years) for active members totalling 95 (2017: 96) and 17 years (2017: 17 years) for deferred pensioners totalling 6 (2017: 4).

The Institute expects to make a contribution of $23.12 million to the defined benefit plan during the next financial year. Total contribution inclusive of employee contributions is expected to be $39.28 million.

8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2018 $'000	2017 $'000
Present value of defined benefit obligations	(1,059,110)	(933,584)
Fair value of plan assets	1,965,423	1,742,302
Surplus	906,313	808,718
Unrecognised asset due to asset ceiling	(610,357)	(511,482)
Net asset recognized in the statement of financial position	295,956	297,236

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

	2018 $'000	2017 $'000
Current service cost	32,092	27,305
Net interest cost:		
Interest cost on defined benefit obligation	74,215	69,016
Interest income on plan assets	(140,368)	(125,193)
Interest effect of the asset ceiling	40,919	33,512
Net expense recognized in statement of income (Note 18)	6,858	4,640

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

	2018 $'000	2017 $'000
Remeasurement (losses) gains:		
Actuarial changes arising from changes in financial assumptions (Note 8.5)	(190,139)	(161,732)
Experience adjustments (Note 8.5)	231,514	313,587
Change in effect of the asset ceiling (Note 8.6)	(57,956)	(102,780)
Net (expenses)/income recognized in other comprehensive income	(16,581)	49,075

8 **RETIREMENT BENEFIT ASSET, CONTINUED**

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

2018	**Demographic Assumptions $'000**	**Financial Assumptions $'000**	**Experience Adjustments $'000**	**Net $'000**
Defined benefit obligation (Note 8.8)	-	(195,911)	179,623	(16,288)
Fair value plan assets (Note 8.9)	-	5,772	51,891	57,663
Recognised in OCI (Note 8.4)	-	(190,139)	231,514	41,375

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 (Note 8.9)	-	5,205	208,754	213,959
Recognised in OCI (Note 8.4)	-	(161,732)	313,587	151,855

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

	2018 $'000	**2017 $'000**
Opening effect of asset ceiling	(511,482)	(374,956)
Interest effect of asset ceiling	(40,919)	(33,746)
Remeasurement recognized in OCI (Note 8.4)	(57,956)	(102,780)
Closing effect of asset ceiling	(610,357)	(511,482)

8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2018 $'000	**2017 $'000**
Opening balance	297,236	233,638
Amounts charged to income (Note 18)	(6,858)	(4,640)
Employer's contributions	22,159	19,163
Remeasurements recognized in OCI	(16,581)	49,075
Closing balance	295,956	297,236

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

	2018 $'000	**2017 $'000**
Opening defined benefit obligations	933,584	770,832
Service cost	32,092	27,305
Interest cost on defined benefit obligations	74,215	69,016
Members' contributions	14,943	12,478
Value of annuities purchased	-	1,134
Benefits paid	(12,012)	(9,285)
Remeasurement – changes in financial assumptions (Note 8.5)	195,911	166,937
Remeasurement gains on obligation for OCI (Note 8.5)	(179,623)	(104,833)
Closing defined benefit obligations	1,059,110	933,584

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

	2018 $'000	**2017 $'000**
Opening fair value of plan assets	1,742,302	1,379,426
Members' contributions	14,943	12,478
Employer's contributions	22,159	19,397
Value of annuities purchased	-	1,134
Interest income on plan assets	140,368	125,193
Benefits paid	(12,012)	(9,285)
Remeasurement – changes in financial assumptions (Note 8.5)	5,772	5,205
Remeasurement gains on assets for OCI (Note 8.5)	51,891	208,754
Closing fair value of plan assets	1,965,423	1,742,302

8 RETIREMENT BENEFIT ASSET, CONTINUED

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

	2018 $'000	%	2017 $'000	%
Equity fund	742,709	38	646,099	37
Fixed income fund	260,038	13	231,922	13
Foreign exchange fund	303,082	15	268,489	15
Mortgage and real estate fund	408,119	21	365,036	21
Money market fund	47,168	3	43,704	3
Other	204,307	10	187,052	11
Fair value of plan assets	1,965,423	100	1,742,302	100

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 (2017: 1%) in the discount rate applied and the impact on the fund determined. The impact of a 1% increase or decrease (2017: 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:

	2018			
	Discount rate		Future salary	
	1% Increase $'000	1% Decrease $'000	1% Increase $'000	1% Decrease $'000
Impact on the present value of defined benefit obligations	(148,822)	193,368	76,868	(66,096)

	2017			
	Discount rate		Future salary	
	1% Increase $'000	1% Decrease $'000	1% Increase $'000	1% Decrease $'000
Impact on the present value of defined benefit obligations	(137,722)	180,561	73,497	(62,738)

8 RETIREMENT BENEFIT ASSET, CONTINUED

8.11 Sensitivity analysis, continued

	2018			
	Life Expectancy		Pension increase	
	1 Year Increase $'000	1 Year Decrease $'000	1% Increase $'000	1% Decrease $'000
Impact on the present value of defined benefit obligations	19,434	(19,698)	122,096	(103,760)

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

8.12 Fair value of plan assets:

The five-year trend for the fair value of plan assets, the defined benefit obligations, the surplus in the plan and experience adjustments for the plan asset and liabilities is as follows:

	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Fair value of plan assets	1,965,423	1,742,302	1,379,426	1,174,316	936,042
Defined benefit obligations	(1,059,110)	(933,584)	(770,832)	(713,017)	(576,779)
Surplus	906,313	808,718	608,594	461,299	359,263
Experience adjustments -					
Defined benefit obligations	231,514	313,587	53,371	188,306	92,371

8 RETIREMENT BENEFIT ASSET, CONTINUED

Risks associated with pension plans and other employee benefit plans
Through its defined benefit pension plan, the Institute is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Institute intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Institute believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Institute's long term strategy to manage the plans efficiently.

Changes in bond yields
A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk
Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. The majority of the plan's assets are either unaffected by fixed interest securities or loosely correlated with inflation, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

9 LONG-TERM RECEIVABLES

(a) These include:

	2018 $'000	2017 $'000
Staff loans receivable (Note 9(b))	9,017	5,038
Less: Current portion of staff loans included in other receivables (Note 10.2)	(2,227)	(2,333)
	6,790	2,705

(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 through salary deductions. Interest on these loans range from 2% to 3% per annum and have tenure of five years.

10 RECEIVABLES AND PREPAYMENTS

10.1 These include:

	2018 $'000	2017 $'000
Maintenance fees (a)	10,805	-
Trade receivables (sale of publications) (b)	90	88
Prepayments and deposits	17,696	15,195
Other receivables (Note 10.2)	4,006	11,610
	32,597	26,893
Less expected credit losses	(215)	-
	32,382	26,893

(a) Maintenance fees are due and payable from the Government of Jamaica, which was settled subsequent to the year end. Management has carried out the expected credit loss assessment and the impact was determined to be immaterial.

(b) 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 debtors amounts which are outstanding. The Institute does not hold any collateral over these balances. The average age of these receivables is 30 days (2017: 30 days).

The average credit period granted on sale of publications is 30 days (2017: 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.

10 RECEIVABLES AND PREPAYMENTS, CONTINUED

10.2 Other receivables include:

	2018 $'000	2017 $'000
Advances to staff	-	1,279
Current portion of long-term receivables (Note 9(a))	2,227	2,333
Other	1,779	7,998
	4,006	11,610

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

10.3 Movement in expected credit losses

	2018 $'000	2017 $'000
Opening balance	-	-
Charge for the year	215	-
Balance at end of year	215	-

11 CASH AND BANK BALANCES

11.1 Cash and bank balances comprise the following:

	2018 $'000	2017 $'000
Funds held for recurrent and resource management	19,681	66,001
Building maintenance fund	3,836	(1,307)
Cash and bank balances	23,517	64,694
Interest accrued	212	221
	23,729	64,915
International Development Partners (IDPs) funded projects (see Note 11.2)	131,931	174,094
	155,660	239,009

11 CASH AND BANK BALANCES, CONTINUED

11.2 Movement in International Development Partners (IDPs) funded projects:

	2018 $'000	2017 $'000
Opening balance	174,094	105,601
Funds received during the year	5,890	68,546
Funds disbursed during the year	(48,053)	(53)
Closing balance	131,931	174,094

11.3 Bank balances include interest bearing accounts totalling $121 million (2017: $237.6 million), including a foreign currency deposit amounting to J$8.2 million US$63,846 (2017: J$5.8 million US$46,197). Interest on local currency deposits are at rates ranging between 1% and 3.00% (2017: 1% to 5.25%) per annum and on foreign currency deposits at an average rate of 1% (2017: 1%) per annum.

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

11.5 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 $78 million at 31 December 2018 (2017: $45 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 4.14).

	2018 $'000	2017 $'000
Balance at beginning of year	370,676	379,173
Grants received	4,296	6,228
Transferred to other income (see Note 17)	(14,436)	(14,725)
Balance at end of year	360,536	370,676

13 DEFERRED INCOME, CONTINUED

	2018 $'000	2017 $'000
Current portion	14,436	14,725
Long-term portion	346,100	355,951
	360,536	370,676

14 OWED TO PROJECTS

	2018 $'000	2017 $'000
Opening balance	68,039	49,662
Funds received during the year	10,373	34,819
Funds disbursed during the year	(6,077)	(16,442)
Closing balance	72,335	68,039

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

15 PAYABLES AND ACCRUALS

	2018 $'000	2017 $'000
Short-term employee benefits	41,335	47,138
Other payables and accruals	45,270	46,610
	86,605	93,748

The credit period on purchases of goods/services from the Institute's major suppliers ranges from 30 - 60 days (2017: 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 and Ministry of Finance and Public Service.

17 OTHER INCOME

	2018 $'000	2017 $'000
Rental income	23,790	19,413
Building management fees	4,915	4,940
Gain on sale of publications	753	1,022
Deferred income (see Note 13)	14,436	14,725
Other	2,384	4,560
	46,278	44,660

18 EXPENSES

	2018 $'000	2017 $'000
Staff costs		
Salaries and allowances	308,629	269,046
Retirement benefits plan charge (Notes 8.3 & 8.7)	6,858	4,640
Travelling and motor vehicle upkeep	78,853	66,891
Statutory contributions	12,754	11,956
Staff welfare and subsistence	34,295	30,688
Accrued vacation	(2,295)	4,796
	439,094	388,017
Property expenses		
Parking (Note 18 a)	20,176	2,364
Security	12,388	10,258
Utilities	29,078	24,945
Landscaping	794	602
Cleaning and maintenance	8,159	6,163
Insurance	2,013	2,765
Repairs and maintenance	16,196	12,075
Property tax	2,013	623
Subsistence	407	232
	91,224	60,027
Consultancy and professional fees (Note 18 b)	13,180	4,933
Depreciation and amortisation	28,042	27,139
Balance carried forward	571,540	480,116

18 **EXPENSES, CONTINUED**

	2018 $'000	**2017 $'000**
Balance brought forward	571,540	480,116
Other operating expenses		
Foreign travel	2,451	1,535
Motor vehicle expenses	2,325	1,955
Computer and supplies	9,915	14,286
Postage	216	239
G.C.T. expense	30,224	17,671
Stationery and office supplies	6,089	5,962
Advertising, special events and publications	10,842	5,784
Increase in expected credit losses	215	-
Other general expenses	8,348	3,360
	70,625	50,792
Loss on disposal of property and equipment	-	134
	642,165	531,042

a) PARKING

Parking expenses for 2018 includes one off expenditure relating to, the renovation and build out of the current car park located at No 9 Oxford Road, Kingston 5, Jamaica, to facilitate parking for PIOJ staff, tenants and visitors. The immediate relocation was necessary due to the recent sale of the Jamaica Boys Home, which served as the previous parking lot for the PIOJ.

The cost of build-out for the parking lot was $11.7 million. This cost includes the reconfiguration of the parking lot's new entrance/exit and drainage system. This amount incurred by PIOJ was expensed during 2018, as a result of the short-term nature of the rental contract of the parking lot held between PIOJ and its landlord.

Additional car park spaces were acquired to accommodate PIOJ staff, tenants and visitors at the cost of $4.5 million.

b) CONSULTANCY

Consultancy fees increased in 2018 largely in part to the PIOJ's engagement of consultants to provide technical assistance and guidance in the preparation and implementation of the Strategic Planning Framework costing $5.1million.

The consultants were contracted for the period 2 July 2018 - 2 November 2018. All deliverables have been accepted and all payments have been made.

19 RELATED PARTY TRANSACTIONS AND BALANCES

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

	2018 $'000	2017 $'000
Salaries and allowances including statutory contributions	73,220	59,305
Pension contributions	1,809	1,283
Directors' fees	493	597

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

20 COMMITMENTS

Capital commitments

	2018 $'000	2017 $'000
For acquisition of equipment	29,424	12,000

The Institute entered into a contractual agreement as at 31 December 2018, for the development of Branding Toolkit to change the Institute logo, and improve the website, and subsites. The project was pursued to implement a new hyperconverged server infrastructure. The prior year amount represents a contractual agreement for the retrofitting, paving and drainage improvement of a car park located at 9 Oxford Road.

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:

	2018 $'000	2017 $'000
No later than 1 year	24,093	20,818
Later than 1 year and no longer than 5 years	86,526	88,820
	110,619	109,638

Lease payments in respect of car parks leased, are recognised by the Institute as an expense during the year totalling $20,176,000 (2017: $3,046,000).

22 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS

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 accumulated surplus 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 FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS, CONTINUED

22.3 *Categories of financial instruments*

	2018 $'000	2017 $'000
Financial assets (at amortised cost)		
Loans and receivables (including cash and bank balances)	177,136	253,412
Financial liabilities (at amortised cost)		
Other financial liabilities	113,670	115,177

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

22.5 *Credit risk*

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Institute. The Institute's principal financial assets are cash and bank balances, receivable and long-term receivables.

The Institute holds all its short-term deposits with First Caribbean International Bank Jamaica. This institution is owned by the CIBC Banking Conglomerate with headquarters in Canada which has AAA rating by more than one international rating agencies.

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 in agreed instalments.

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.

The gross carrying amount of the trade receivables balance is reduced by an allowance for expected credit losses.

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

22.5 *Credit risk, Continued*

The allowance is based on historical loss experience, specific risks identified in collection matters, and analysis of past due balances identified in the aging detail and expectations of future behavior as informed by economics or other environmental situations. As at 31 December 2018, the Institute recorded ECL of $0.215 million.

Cash and cash equivalents are held with reputable banks with ratings of at least BB or B2 and higher as such management determined that the ECL had no material impact on the financial statements.

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 2018			
Financial liabilities			
Payables	41,335	41,335	41,335
Owed to projects	72,335	72,335	72,335
	113,670	113,670	113,670

	Carrying amount $'000	Contractual cash flow $'000	1 to 12 months $'000
31 December 2017			
Financial liabilities			
Payables	47,138	47,138	47,138
Owed to projects	68,039	68,039	68,039
	115,177	115,177	115,177

22 **FINANCIAL INSTRUMENTS, CAPITAL RISK MANAGEMENT AND FINANCIAL RISKS, 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 22.8 and 22.9).

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

22.8 ***Foreign currency risk management***

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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:

	2018 $'000	**2017 $'000**
Cash and bank deposits - United States dollars	8,154	5,754

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 (2017: 2% 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 (2017: 2% revaluation or 6% devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J$0.163 million or an increase of J$0.326 million in net income (2017: decrease of J$0.115 million or an increase of J$0.345 million in net income).

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

22.9 ***Interest rate risk management***

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

22.9 *Interest rate risk management, Continued*

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates for the Institute's financial assets and financial liabilities at the end of the reporting year as these are substantially the interest sensitive instrument impacting financial results. For floating rate cash 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$) deposits and an increase/decrease of 1%/1% for United States dollar (US$) deposits represents management's assessment of the reasonable possible change in interest rates in the short-term. In 2017, the assumptions were an increase/decrease of 1%/1% 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 1% lower on US$ deposits and all other variables were held constant:

	2018 $'000	**2017 $'000**
Effect on net (deficit)/surplus increase 1% (2017: 1%) (J$ deposits)	(751)	1,172
Effect on net (deficit)/surplus decrease 1% (2017: 1%) (J$ deposits)	751	(1,172)
Effect on net (deficit)/surplus increase 1% (2017: 1%) (US$ deposits)	(82)	58
Effect on net (deficit)/surplus decrease 1% (2017: 0.5%) (US$ deposits)	82	(29)

22.10 *Fair value of financial instruments*

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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

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

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

(ii) The fair values of long-term receivables have not been estimated as these are staff loans to employees at interest rate below market rates.

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

22.10 *Fair value of financial instruments, Continued*

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.

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

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

	Carrying amount $'000	**Fair values $'000**
31 December 2018		
Financial assets		
Cash and bank balances	23,729	23,729
Receivable and prepayments	32,382	32,382
International Development Partners funded projects (IDPs)	131,931	131,931
Financial liabilities		
Payables	41,335	41,335
Owed to projects	72,335	72,335

	Carrying amount $'000	**Fair values $'000**
31 December 2017		
Financial assets		
Cash and bank balances	64,915	64,915
Receivable and prepayments	26,893	26,893
International Development Partners funded projects (IDPs)	174,094	174,094
Financial liabilities		
Payables	47,138	47,138
Owed to projects	68,039	68,039