

THE PLANNING INSTITUTE OF JAMAICA
ANNUAL REPORTS FOR YEARS ENDED DECEMBER 31, 2016 AND 2017

1.0 INTRODUCTION

1.1 The matter for tabling in the Honourable Houses of Parliament is the Annual Reports of The Planning Institute of Jamaica (PIOJ) for the years ended December 31, 2016 and 2017.

1.2 PIOJ was established on April 9, 1984 as a corporate body under the Planning Institute of Jamaica Act. The Institute is mandated to initiate and co-ordinate plans for the economic, financial and social development of Jamaica. PIOJ also focuses on monitoring the implementation of plans initiated and manages the technical co-operation agreement programmes.

2.0 DISCLOSURES

2.1 Auditors' Report

2.1.1 Ernst and Young (EY), independent auditors of the PIOJ, conducted its examination of the entity's financial statements as at December 31, 2016 and 2017 and gave their unqualified opinion for both years. EY indicated that the audit was conducted in accordance with the International Standards on Auditing. The Auditors also informed that the financial statements accord with International Financial Reporting Standards and give a true and fair view of the financial position as at December 31, 2016 and 2017 and of the financial performance and cash flows of the Institute for both years.

2.2 Compensation for Senior Executives

2.2.1 Pursuant to the Second Schedule (Part 1) of the Public Bodies Management and Accountability Act (Amendment 2011), details of the compensation packages for the Institute's nine (9) Senior Executives for 2017 and eleven (11) for 2016 have been disclosed. For 2017, total executive compensation amounted to \$61.28 million and \$72.36 million for 2016. Fees paid to the Board of Directors are also included in the Annual Reports. Board compensation totalled \$0.93 million and \$0.48 million for 2017 and 2016 respectively. Of note, fees totalling \$0.24 million were paid to eight (8) Directors as they were retained (April to June 2016) to facilitate the transition to a new board being appointed subsequent to the change in administration in 2016. Consequent on the appointment of a new Board of nine (9) Directors, fees totalling \$0.24 million were also paid for the period July to December 2016.

3.0 OPERATIONAL REVIEW

3.1 In 2016, the Institute was integrally involved in the Government's negotiations with the International Monetary Fund for a new Precautionary Stand-By Arrangement. The PIOJ is the national focal point for the post - 2015 Development Agenda and has been instrumental in ensuring Jamaica's readiness to monitor and implement the Sustainable Development Goals (SDGs). The Institute sought to facilitate the strengthening of resilience in the natural and built environments and foster greater incorporation of Sustainable Development principles through

policy, project and capacity enhancing activities. Further activities and achievements of the Institute are highlighted below:

- The implementation of Vision 2030 Jamaica – National Development Plan continued under the Medium Term Socio-Economic Policy Framework (MTF) 2015/2016 to 2017/2018. The MTF, under-pinned by a results-based management approach, is an operational document designed to achieve realistic specific, high priority national outcomes in the long term.
- The PIOJ contributed to the formulation of the Public Investment Management System (PIMS), and provides continuous support for its operations. The PIMS Secretariat directly supports the work of Cabinet appointed Public Investment Management Committee (PIMC) and is charged with streamlining the preparation, appraisal, approval and management of all GOJ projects in Jamaica with the objective of improving the quality of the projects which are approved for inclusion in the Public Sector Investment Programme.
- Partnerships between the PIOJ and the Statistical Institute of Jamaica (STATIN) resulted in the development of a revised Poverty Map for Jamaica based on the 2011 Population and Housing Census and the Jamaica Survey of Living Conditions (JSLC 2012). Technical and financial assistance was provided by the World Bank to undertake this activity.
- The Institute has been contributing to the initiative of the National Council for Senior Citizens towards the revision of the National Policy on Senior Citizens. The collaborative activity resulted in the development of a Green Paper for public consultation.
- The Institute continued the implementation, monitoring and evaluation of key climate change adaptation and disaster risk management projects including capacity building activities such as the training of 130 farmers in the use of Land Husbandry Farmer Field School methodology. As a result, farmers reported experiencing less damage and loss to their crops/fields in the unseasonal heavy rainfall that impacted the island in May 2017.
- The GOJ's growth agenda was further strengthened as the Foundations for Competitiveness and Growth Project (FCGP), for which the PIOJ has oversight responsibility, accelerated its implementation pace. The achievements under the FCGP during the period included:
 - Disbursement of loans to micro, small and medium term enterprises (MSME) totalling J\$718 million
 - Promulgation of the Special Economic Zone Act
 - Development of Logistics Hub and Market Analysis Master Plan.

4.0 FINANCIAL HIGHLIGHTS

4.1 Income and Expenditure

4.1.1 PIOJ recorded improved surpluses of \$84.10 million and \$61.06 million for the 2017 and 2016 periods respectively. Total income for the Institute increased by \$49.67 million to \$615.15 million in 2017 and represented an increase in Government subvention. Expenses also increased by \$26.63 million to \$531.04 million. Other operating expenses were the primary contributor to PIOJ's increased expenses; this increase was primarily driven by costs associated with computers and supplies (\$8.06 million) and General Consumption Tax expense (\$7.42 million).

Table 2: Income & Expenditure

Particulars	2017 \$ million	2016 (Restated) \$ million	Variances	
			\$ million	%
Income				
Government Subvention	568.37	519.48	48.89	9.41
Interest Income	2.12	1.22	0.9	73.77
Other Income	44.66	44.78	-0.12	-0.27
Total Income	615.15	565.48	49.67	8.78
Expenses				
Staff Costs	388.02	388.07	-0.05	-0.01
Property expenses	60.03	55.44	4.59	8.28
Consultancy/Prof. Fees	4.93	3.34	1.59	47.60
Depreciation	27.14	26.54	0.60	2.26
Other operating expenses	50.79	30.78	20.01	65.01
Loss on disposal of proper & equipment	0.13	0.24	-0.11	-45.83
Total Expenses	531.04	504.41	26.63	5.28
Net Surplus	84.11	61.07	23.04	37.73

4.2 Balance Sheet and Cash Flow Highlights

PIOJ remained solvent with equity balances of \$448.14 million and \$315.31 million for 2017 and 2016 respectively. In addition to this, the Institute maintained a fair level of liquidity with a current ratio of 1.51 for 2017, an increase over the 1.23 recorded for 2016. However, after adjusting for funds held for international development partners funded projects and monies owed to projects, the Institute reflected an adjusted current ratio of 0.85 for 2017. This represented a decline from the adjusted ratio of 1.34 computed for 2016. The asset base of the Institute increased by \$159.20 million between 2016 and 2017 and was mainly attributed to increased retirement benefit asset (\$63.60 million), international development partners funded projects (\$68.49 million) and cash and bank balances (\$26.34 million).

5.0 CONCLUSION

5.1 The PIOJ remained committed to providing sound policy advice to the GOJ on social, economic and environmental issues, with a view to achieving national sustainable development. The Institute continued to pursue its mandate to initiate and co-ordinate plans for the economic, financial and social development of Jamaica.



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July 27th, 2018

