

MINISTRY PAPER 28/2021
THE PLANNING INSTITUTE OF JAMAICA
ANNUAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2019

1.0 INTRODUCTION

1.1 The matter for tabling in the Honourable Houses of Parliament is the Annual Report of the Planning Institute of Jamaica (PIOJ) for the year ended December 31, 2019.

1.2 PIOJ was established on April 9, 1984 as a body corporate 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 the transformation of Jamaica under Vision 2030 through strategies such as monitoring, forecasting and reporting on the economy against targeted objectives.

2.0 DISCLOSURES

2.1 Auditors' Report

2.1.1 Ernst and Young (EY), independent auditors of the PIOJ, conducted its examination of the Institute's financial statements as at December 31, 2019 and gave their unqualified opinion. 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 of the Institute and of its financial performance and cash flows as at December 31, 2019.

2.2 Compensation for Senior Executives

2.2.1 Pursuant to the Second Schedule (Part 1) of the Public Bodies Management and Accountability Act, details of the compensation packages for the Institute's nine (9) Senior Executives for 2019 has been disclosed with executive compensation totalling \$75.50 million (December 2018: \$73.22 million). Additionally fees totalling \$0.38 million (December 2018: \$0.49 million) paid to the Chairman and Board of Directors are also detailed in the Annual Report.

3.0 OPERATIONAL REVIEW

3.1 The PIOJ was instrumental in identifying financing from International Development Partners (IDP) for public investment projects and budget support programmes. The PIOJ led efforts to access development loans totalling US\$2.1 billion inclusive of grants and technical assistance. The combined portfolio of new and ongoing projects and programmes was augmented by Government counterpart resources of US\$140 million. A significant portion of the funding secured was in aid of human capital development.

3.2 Further activities of the Institute are highlighted below:-

- PIOJ continued to ensure that the Official Development Assistance is aligned with the Government of Jamaica's (GOJ) strategic priorities articulated in the Vision 2030 Jamaica National Development Plan, as well as the fourth Medium Term Socio-Economic Policy Framework (MTF) for the period 2018-2021. The MTF facilitates the

implementation of Vision 2030 Jamaica through a results-based management approach that allows for the alignment of the overall vision, goals and national outcomes of the plan.

- A total of \$1.13 billion (\$702.20 million: 2018) in loans was disbursed under the Foundation for Competitiveness and Growth Project (FCGP). The FCGP funded the JAMPRO-led Export Max 111 initiative, which generated 14 new export contracts and provided 13 potential exporters with capacity building support. Other initiatives commenced in 2019 included the National Spatial Planning Information Technology Platform, the contract to design, develop and implement Phase 2 of the National Business Portal and the engagement of organisational re-design of trade regulatory services in GOJ border regulatory agencies. These loans and grants have also enabled micro, small and medium sized enterprises (MSME) to strengthen their capabilities, improve their productivity and increase employment. Specifically, loans and grants totalling J\$395 million and J\$248 million were disbursed to twenty-five (25) and sixty-three (63) MSMEs respectively.
- The PIOJ continued to lead and monitor the social sector, through the evaluation of national sectoral policies, plans and programmes. The development of the monitoring and evaluation framework for the National Poverty Reduction Programme (NPRP) was advanced with inputs from the Technical Review Committee established to support its finalisation. The building out of the NPRP web page was also initiated as a mechanism for strengthened collaboration and communication under the NPRP.
- The PIOJ continued to monitor and evaluate macroeconomic, sectoral as well as trade related issues underpinned by the GOJ's thrust to accelerate broad-based economic growth and job creation, while safeguarding the most vulnerable. In support of the foregoing, emphasis was placed on the provision of timely economic updates and projections, the preparation of economic assessments to guide policy as well as conducting comprehensive analysis and providing recommendations to industry specific and multi-agency committees and working groups.
- The Institute provided support to Public Investment Management as the Secretariat undertook its project streamlining process. In this regard, a number of projects, project proposals and concepts were reviewed. These included Holland Agro-Economic Zone, design and construction of Waste Transfer Station, construction of Rio Cobre Treatment Plant, implementation of Electronic Titles, construction of a modern police headquarters, Spring Plain St. Jago North and Yallahs West Agricultural Development Project and GOJ Integrated Development Project.

4.0 FINANCIAL HIGHLIGHTS

4.1 Income and Expenditure

- 4.1.1** PIOJ recorded a net surplus of \$8.24 million for 2019 moving from a deficit of \$24.81 million in 2018. The overall improvement in the operating results of the Institute was influenced by an increase of \$82.31 million or 13% in total income attributed chiefly to government subvention. Total expenses of \$691.42 million was \$49.26 million or 8% above the \$642.16 million recorded in the prior year. The increase in expenses is attributed mainly to increases in staff costs (\$41.40 million), other operating expenses (\$13.74 million) and depreciation (\$5.56 million). The increase in staff cost resulted from

increases in wages and salaries, retirement benefit, travelling allowance and staff welfare and subsistence.

Table 1 Income & Expenditure as at December 31, 2019

Particulars	2019	2018	Variance \$ million	Variance %
Income				
Government Subvention	647.73	568.85	78.88	14%
Interest Income	1.59	2.22	-0.63	-28%
Other Income	50.34	46.28	4.06	9%
Total Income	699.66	617.35	82.31	13%
Expenses				
Staff Cost	480.49	439.09	41.4	9%
Property Expenses	80.61	91.22	-10.61	-12%
Consultancy/Prof Fees	11.78	13.18	-1.4	-11%
Depreciation	33.6	28.04	5.56	20%
Other Operating Expenses	84.37	70.63	13.74	19%
Finance Cost	0.57	0	0.57	100%
Total Expenses	691.42	642.16	49.26	8%
Net Surplus/Deficit	8.24	-24.81	33.05	-133%

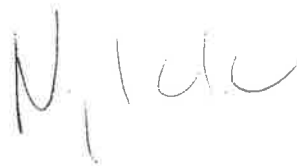
4.2 Balance Sheet and Cash Flow Highlights

4.2.1 During the review period total assets increased from \$926.57 million to \$993.21 million, an improvement of \$66.64 million. The contributors to the increase in total assets were chiefly retirement benefit asset (\$29.44 million) and receivables (\$59.89 million). This was offset partially by reductions in cash and cash equivalents (\$11.37 million), International Development Partner funded projects (\$9.66 million) and property and equipment (\$5.34 million).

4.2.2 The Institute ended the period with a cash balance of \$11.89 million, a decline of \$11.63 million below the closing cash balance of \$23.52 million for 2018. The cash held was utilised for recurrent and resource management as well as disbursements on the International Development Partners funded projects. The PIOJ held sufficient cash flows to meet its short term obligations.

5.0 CONCLUSION

5.1 The PIOJ continues to pursue strategies that allow for an integrated national development plan that aligns with national goals in particular Vision 2030 Jamaica. This was executed with the strengthening of its internal capacity and collaborating with international partners. The Institute will continue to provide critical technical support in its multifunction role as policy advisor, negotiator and monitoring and evaluation of Jamaica's National Development Plan.



Nigel Clarke, DPhil., MP
Minister of Finance and the Public Service

12th April 2021

