

Preserving the future...today!



## Annual Report 2004

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Environmental Foundation of Jamaica

# mission, vision and core values

## Mission Statement

The mission of The Environmental Foundation of Jamaica is to serve the public good by promoting and implementing activities designed to conserve and manage the natural resources and environment of Jamaica in the interest of sustainable development and to improve child survival and child development.

## Vision

The EFJ will be a national leader in the Child Development and Environment sectors by the year 2012, with effective partnerships to ensure sustainable development in the programmes, policies and practices of the public sector, private sector and civil society.

## Core Values

- Good governance that dictates transparency of process and accountability.
- Supporting partnerships and development initiatives consistent with our mission.
- Respecting the value of initiatives coming from the public and private sectors and channeling this interest into partnerships with community groups and other organizations of civil society.
- Developing and maintaining relationships that are consistently ethical while being effective and efficient in doing the organization's business with members, clients and staff.
- Non-discrimination in relation to gender, race, creed and age.

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# board, staff and associates

## BOARD OF DIRECTORS

Mrs. Jeanne Robinson O.D.	Chair, NGO Child Survival Representative/Director
Mr. James Rawle	Vice Chair, Treasurer, NGO Representative Director
Ms. Nicole Foga	Hon. Secretary, Chair Compensation & Compliance Committee, NGO Representative/Director
Mrs. Patricia Sinclair-McCalla	Representative of the Government of Jamaica
Dr. Kevin Rushing	Representative of the United States Government
Prof. Susan Walker	Representative of the University of the West Indies
Mr. Robert Kerr	Chair, Grant Management Committee
	NGO Representative/Director,
	Chair Membership Committee
Mrs. Joan Grant-Cummings	NGO Representative/Director
Mr. John McFarlane	NGO Representative/Director

## MEMBERS OF STAFF

### **EXECUTIVE OFFICE**

Lt. Cdr. John McFarlane, J.P.	Executive Director
Ms. Sydonnie Rothery	Executive Secretary

### **FINANCE AND ADMINISTRATION DEPARTMENT**

Mr. Kurt Hollingsworth	Financial Manager
Ms. Joanna Prendergast	Assistant Manager, Treasury
Mrs. Marcia Dolphy	Coordinator, Accounting Services
Mr. Leighton Cornwall	Senior Accounting Clerk
Ms. Marcia Johnson	Receptionist
Ms. Audrey Kirkland	Office Attendant/Relief Receptionist
Ms. Paulette Westcarr	Office Attendant
Mr. David Beckford	Messenger
Mr. Leonard Reid	Gardener

### **PROGRAMME DEPARTMENT**

Mr. Derrick Gayle	Coordinator, Environment
Ms. Janice Blake	Coordinator, Child Sector
Mrs. Elecia Myers	Coordinator, Technical Support and Services
Mrs. Charmaine Webber	Programme Administrator
Mrs. Valerie Shirley-Anderson	Programme Administrator

# board, staff and associates

## STANDING COMMITTEES

### **EXECUTIVE COMMITTEE**

Mrs. Jeanne Robinson, O.D.,	Chair, NGO Child Survival Representative/ Director, Committee Chair
Mr. James Rawle	Vice Chair, Treasurer, NGO Representative/Director
Ms. Nicole Foga	Hon. Secretary, Chair Compensation & Compliance Committee, NGO Representative/Director
Lt Cdr John A. McFarlane, J.P.	Executive Director

### **FINANCE AND GENERAL PURPOSES COMMITTEE**

Mr. James Rawle	Vice Chair, Treasurer, NGO Representative/ Director, Committee Chair
Mrs. Jeanne Robinson, O.D.	Chair, NGO Child Survival Representative/Director
Dr. Kevin Rushing	Representative of the United States Government
Mrs. Patricia Sinclair-McCalla	Representative of the Government of Jamaica
Mr. Earl Jarrett	Trustee, Environmental Foundation of Jamaica Endowment Fund
Lt Cdr John A. McFarlane, J.P.	Executive Director
Mr. Kurt Hollingsworth	Financial Manager

### **GRANT MANAGEMENT COMMITTEE**

Prof. Susan Walker,	Representative of the University of the West Indies
Mr. James Rawle,	Vice Chair, Treasurer, NGO Representative/Director,
Dr. Kevin Rushing	Representative of the United States Government
Mrs. Patricia Sinclair-McCalla	Representative of the Government of Jamaica
Mr. John McFarlane	NGO Representative/Director
Mr. Robert Kerr	NGO Representative/Director
Lt Cdr John A. McFarlane, J.P.	Executive Director
Mr. Kurt Hollingsworth	Financial Manager

### **COMPLIANCE AND COMPENSATION COMMITTEE**

Ms. Nicole Foga,	Hon. Secretary, NGO Representative/Director , Committee Chair
Mrs. Jeanne Robinson, O.D.	Chair, NGO Child Survival Representative/Director
Mr. James Rawle	Vice Chair, Treasurer, NGO Representative/Director,
Lt Cdr John A. McFarlane, J.P.	Executive Director
Mr. Kurt Hollingsworth	Financial Manager

### **MEMBERSHIP COMMITTEE**

Mr. Robert Kerr	NGO Representative/Director, Committee Chair
Mrs. Jeanne Robinson, O.D.	Chair, NGO Child Survival Representative/Director
Mrs. Joan Grant-Cummings	NGO Representative/Director
Association of Developmental Agencies,	
National Environmental Societies Trust	
Council of Voluntary Social Services	
Lt Cdr John A. McFarlane, J.P.	Executive Director

# board, staff and associates

## **STRATEGIC PLANNING COMMITTEE**

Mr. James Rawle	Vice Chair, Treasurer, NGO Representative/ Director, Committee Chair
Mrs. Jeanne Robinson, O.D.	Chair, NGO Child Survival Representative/Director
Dr. Kevin Rushing	Representative of the United States Government
Mrs. Patricia Sinclair-McCalla	Representative of the Government of Jamaica
Prof. Susan Walker	Representative of the University of the West Indies
Lt Cdr John A. McFarlane, J.P.	Executive Director

## **ENDOWMENT FUND TRUSTEES**

Ms. Nicole Foga  
Mr. Earl Jarrett  
Prof. The Hon. Elsa Leo-Rhynie  
Mr. James Rawle  
Mrs. Jeanne Robinson, O.D.

## **ATTORNEYS**

Myers, Fletcher & Gordon  
Park Place  
21 East Street  
Kingston

## **AUDITORS**

PricewaterhouseCoopers  
Scotiabank Centre  
Corner of Duke & Port Royal Streets  
Kingston

## **COMMERCIAL BANKERS**

National Commercial Bank Jamaica Limited  
Private Banking Branch  
The Atrium  
32 Trafalgar Road  
Kingston 5

## **INVESTMENT MANAGERS**

Barita Portfolio Management Limited  
First Global Financial Services LIMITED  
National Commercial Bank Jamaica Limited  
Scotia Jamaica Investments Limited

# chairman's message

*"Satisfied with doing good,  
too few foundations work  
strategically to do better".*

This quote, taken from a highly influential article on philanthropy published in the Harvard Business Review in 1999, challenges Foundations such as the Environmental Foundation of Jamaica (EFJ) to look beyond facilitating 'good work' through grant funding. Given the political and financial freedom and independence that Foundations enjoy, they are in a unique position to 'add value' to society by actively and creatively engaging in social change in partnership with grantees, as well as with Governments and the private sector. In the environment and child development sectors, the EFJ is undisputedly best placed to advance change in these important aspects of Jamaican society upon which the country's future depends.

Last year in commemoration of the EFJ's Tenth Anniversary, we reflected on the 'good' the Foundation had accomplished in its first ten years of operation, and accepted the challenge that we needed to work strategically to do better. In 2003 and into 2004, building on the work of the Strategic Task Force, the Board of EFJ developed a new five year strategic plan with input from all relevant stakeholders. This plan emphasizes actions which will allow EFJ to 'add value' to the environmental and child sectors. These include expanding and facilitating partnerships as well as expanding local and overseas networks; influencing policy and advocating for change; building internal knowledge and expertise in the two sectors and adopting a more long-term and holistic approach to grant making through programme, rather than project funding. The new plan will be reviewed annually and updated as required to ensure EFJ is responsive to changing circumstances and needs.

While the Foundation was engaged in strategic planning, several major operational changes simultaneously took place during the year under

review. The activities of the Foundation were guided by six Standing Committees, - Executive, Finance and General Purposes, Grant Management, Compliance and Compensation, Membership and Strategic Planning - which were restructured and now include full staff participation. The six committees worked assiduously over the year to guide and implement the Foundation's agenda which resulted in a number of substantial achievements.

In November 2003, EFJ instituted the Call System which allows for more prudent financial management as well as a thematic approach to grant-making. A second Call was made in May 2004. As a result of publicly inviting eligible organizations to submit proposals, EFJ experienced a substantial increase in the number of proposals received, the value of which exceeded the Foundation's annual grant budget. This presented a challenge to the organization to process applications in a timely and efficient manner, as proposals had to be evaluated and ranked on merit, so as to allocate limited funds to the most deserving projects. With experience, these challenges will be overcome, and we thank applicants for their patience as we tried to implement the new system. The advantage of the Call system is that EFJ will be able to target multi-year funding to priority areas in both environmental and child development sectors, resulting in greater cumulative impact, and wider distribution of projects across the island. In 2003/04, three times as many projects valued at five times that of the previous year were approved. Grants were made to 106 organizations across all fourteen parishes.

In commemoration of the 10th Anniversary, in June 2004 the EFJ hosted a Grants Awards Ceremony at King's House. Grants of over \$117 million dollars were presented to 53 organizations engaged in a range of activities under themes in the November 2003 Call. For the child development sector, these included early childhood development, children in challenging circumstances, children with disabilities, child care and protection awareness and advocacy, parenting skills, and adolescents-at-risk.

# chairman's message cont'd

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Environmental themes embraced sustainable forests and watersheds, biological diversity, coastal zone and marine management, waste management, integrated water management and national green spaces. This and three other grant-signing ceremonies served to highlight the organizations that were successful in receiving funds for their important work and allowed them to publicly express their appreciation to the Foundation.

For many years, the umbrella organizations have sought to collaborate with the Foundation in building capacity of Non-Government Organizations (NGOs). During this year, the Foundation pursued a deliberate, systematic approach to capacity building, seeking to 'add value' to the NGO sector by providing resources to build the capacity of the main umbrella NGO organizations – The National Environmental Societies Trust, The Association of Development Agencies and the Council of Voluntary Social Services, so that they in turn could increase the capacity of their members. This will redound to the benefit of EFJ as NGOs and Community Based Organizations (CBOs) will be enabled to become more effective and efficient project implementers and service providers.

The Board reconstituted its standing Membership Committee to include three Board Directors and a representative each from the Council of Voluntary Social Services, the National Environmental Societies Trust and the Association of Development Agencies. In addition the alternate representatives of the institutional members on the Board – Government of Jamaica, Government of the United States and the University of the West Indies were invited to sit on the Membership Committee. In May 2004 planning began for a membership conference which was scheduled for July 2004. However this was postponed for later in the year. Membership by-laws were also drafted for the review by the Committee before presentation to the Board and the membership.

While NGOs, CBOs and academic institutions remained EFJ's major beneficiaries through grant

funding, in 2004 the Foundation diversified its portfolio by facilitating two initiatives which demonstrate true Public/Private/Non-Profit partnership. EFJ finalized a US\$2 million dollar loan agreement with a local commercial bank and the United States Agency for International Development (USAID) to establish a loan facility of US\$5 million to be administered by RBTT Bank Jamaica Limited. It will provide loan financing for small and medium sized business. Private sector companies will be eligible for reduced-interest loans to employ environmentally friendly practices or introduce appropriate technologies. EFJ also invested in the expansion of the Walkerswood processing plant in the parish of St. Ann, into an environmentally friendly, state of the art agro-processing facility which will expand earning opportunities for local farmers and serve as a model for other agro-industrial facilities. Through these initiatives, EFJ is 'adding value' by facilitating and advancing state-of-the-art knowledge and practices in environmentally sustainable economic activities.

The Foundation is increasingly seeing itself as a philanthropic organization, and over the past year has placed more emphasis on applying the broad principles of philanthropy as the underlying philosophy guiding its work. Recognizing that EFJ's innovative strategies and approaches will make additional and new demands on staff, the organization has completed the organizational restructuring begun last year. EFJ is now a more streamlined organization with fewer members of staff and lower administration costs. At the same time, the Foundation has sought to increase the capacity and efficiency of its staff complement by investing in professional development and training. Staff and Board members participated in several local and international environmental and child development conferences, training programmes and fora. Not only did these activities increase Staff and Board capacity in substantive areas of child development, environmental management and philanthropy, they also served to establish stronger networks and relationships with relevant organizations, promote the work of EFJ and position the organization to become a more active play-



# chairman's message cont'd

er in international and national environmental, child development and philanthropic networks. EFJ Board and Staff are now represented on a number of bodies including the Executive of RedLAC, (Latin American and Caribbean Network of Environmental Funds), and the International Committee of the Council of Foundations, in Washington D.C. by the Hon. Secretary, Ms. Nicole Foga. Locally, EFJ facilitated renewal of the members' programme of the Jamaica Foundations and Corporate Donors (JFCD) and currently hosts the secretariat for the organization. Through JFCD, the Foundation provided resources to host the annual RedLAC meeting to take place in Kingston, Jamaica, in October 2004.

Finally in July 2004, the Board held its annual retreat and Board/Staff meeting which focused Directors and Staff on finalizing the five year Strategic Plan and the preparation of an annual work plan and budget for 2004/2005. The strategic planning process which was undertaken between May 2003 and June 2004 included meetings with several stakeholders including members, Government, and other donors and has generated a comprehensive plan which addresses 2004 to 2008 and beyond.

While outside the reporting period for this annual report, it is noteworthy to mention the passage of Hurricane Ivan which reminded Jamaicans about our vulnerability to natural disasters, and the impact these have on both the environment and our children. EFJ responded to this disaster with timely provision of funds for hurricane relief. This event underscored the importance environmental protection as well as the need for EFJ to be responsive to changing circumstances.

These initiatives could not have been achieved without the full support and dedication of the Board and Staff. I take this opportunity to thank the staff who have adjusted to a restructured organization and new operating systems, and to acknowledge and thank those staff members who moved on during the year.

The Foundation recognizes the contribution of former Executive Director Selena Tapper, who resigned in September 2003, after being at the helm of the Foundation since 1998. We welcome her successor, Lt. Cdr. John A. McFarlane, who was appointed in November 2003. No stranger to public service and environmental issues, Commander McFarlane has held a variety of leadership and management positions in military, government and civil society organizations. We also welcomed to the Board in April 2004 Mrs. Patricia Sinclair-McCalla, Executive Director of the National Environmental Planning Agency, as the representative of the Government of Jamaica.

The past year has demanded substantial commitment from the Board of Directors, above and beyond the call of duty. I thank Directors for their support which included frank, critical and constructive engagement, particularly during the restructuring exercises. Special recognition is due to Mr. Franklin McDonald who retired from Government Service in March 2004 and thus retired from the Board. Franklin served as the Jamaican Government Representative on the Board from its inception, and the EFJ owes him a debt of gratitude for his invaluable contribution. Mr. Earl Jarrett, who was Treasurer for six years stepped down on completion of his term of service. We are indebted to Earl for his astute management of the Foundation's financial portfolio, and thank him for his commitment to the organization's fiscal sustainability. EFJ also extends appreciation to Mr. Les Johnston, Economic Advisor to the US Ambassador, who as the alternate representative of the US Government on the EFJ Board, gave willingly of his time and expertise to the Foundation's work during his ten month's term of office which came to an end in July 2004.

On behalf of the Board, I would also like to acknowledge the support and interest shown by the Governments of Jamaica and the United States at the highest levels. EFJ benefited from several valuable meetings with Land and Environment Minister, Hon. Dean Peart and the Natural Resources Committee of the Cabinet.

# chairman's message cont'd

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Government of Jamaica. We were honored by a visit of US Ambassador Sue Cobb, who took great interest in the work of EFJ. In September 2003, Scott Lampman, Executive Director of the Enterprise for the Americas Initiative/Tropical Forest Conservation Act (EAI/TFCA) Secretariat, to whom the EFJ Board reports annually, also visited the Foundation. We expect future positive developments as a result of his visit, as the EAI/TCFA Board now has a greater appreciation and understanding of our operations and some of the financial and operational constraints imposed by the Bi-lateral Agreement. We anticipate a closer relationship between the Foundation and the two Governments over the coming years.

As we look towards the future, it is clear the EFJ must continue to look outward to build on existing and emerging partnerships, while build-

ing on the internal process improvements undertaken in the last two years. However, much remains to be done, including capitalization of the Endowment Fund which was approved by the two Governments and legally registered; exploring options for sustaining the work of the Foundation when the inflow of funds ends in 2012; leveraging additional funds, improving human resource capacity, expanding the knowledge base and establishing a documentation centre. I have no doubt that these and other important tasks which 'add value' to Jamaican society will be accomplished, and that EFJ will indeed not only "do good", but will "do better", in the years to come.

Jeanne Robinson, O.D.  
January 2005

# grant management

Within the context of fulfilling our mandates in environmental management and conservation, child survival and development, and capacity building, the Board of the EFJ approved a new Programme Based Approach to grant making. This new approach was based on selected themes for which proposals were invited at specified times throughout the year, based on a schedule of "Calls". The first "Call" began in November 2003, and ended on January 7, 2004. The second "Call" made in May 2004, closed on June 30, 2004. The themes for the first "Call", were:

#### ENVIRONMENTAL MANAGEMENT AND NATURAL RESOURCE CONSERVATION:

- a. Sustainable Forests & Watersheds
- b. Biological Diversity
- c. Coastal Zone & Marine Management
- d. Waste Management
- e. Integrated Water Management
- f. National Green Spaces

#### CHILD SURVIVAL AND DEVELOPMENT:

- a. Early Childhood Resource Centers and Support Services
- b. Early Childhood Interventions
- c. Children in Challenging Circumstances
- d. Children with Special Needs and Disabilities
- e. Parenting Skills Development
- f. Adolescents-at-Risk.

For the second call, the scope of themes was reduced to:

- a. Biological Diversity,
- b. Coastal Zone and Marine Management
- c. Integrated Water Management, for the Environment, and for the Child Sector:
- d. Early Childhood Development,
- e. Children with Disabilities and
- f. Parenting Skills

The Grant Management Committee is the sub-committee of the Board with responsibility for the oversight of the grant management process. The committee reviews proposals and makes recommendations for approval to the Board. The committee also receives reports on, and reviews the progress and achievements of approved projects and programmes.

During the financial year 2003/2004, the Committee held nine (9) meetings and reviewed One Hundred and Ninety Three (193) grant proposals. One Hundred and Forty-Eight (148) grants were approved by the Board, amounting to \$526.7M.

There was more than a two-fold increase in the percentage of proposals coming from outside of the Kingston Metropolitan Area (Kingston, St. Andrew, Spanish Town). This was the direct result of the efforts of the EFJ to widen the geographic scope of its mandate beyond the traditional urban centres. The total funds disbursed for the year also increased from \$85.2M in 2002/3 to \$261.5M in 2003/4, as outlined in Table I.

# grant management cont'd

**Table I: Comparative Approval and Disbursement Rates Since Inception**

	Received	Approved	Approved	Disbursed
1993/1994	108	30	17.90	10.30
1994/1995	228	95	77.51	27.50
1995/1996	218	94	57.70	49.35
1996/1997	134	81	44.68	36.90
1997/1998	90	39	18.35	40.23
1998/1999	48	30	25.52	24.94
1999/2000	87	52	79.38	45.81
2000/2001	106	40	92.46	59.10
2001/2002	76	45	69.82	97.57
2002/2003	80	52	112.40	100.50
2003/2004*	442*	148	526.76	261.55
<b>TOTAL</b>	<b>1,617</b>	<b>698</b>	<b>1,110.28</b>	<b>738.49</b>

\* 227 proposals from the 2nd call ending June 30, 2004,  
to be assessed during FY 2004/2005

Table II below gives a comparative summary of the awards made during the year.

**Table II: Grants Approved by Category and Year of Award**

Category	Number of Projects Approved 2002/2003	Value of Grants Approved 2002/2003	Number of Projects Approved 2003/2004	Value of Grants Approved 2003/2004
Capacity Building	8	82,320,253	46	158,871,892
Natural Resource Management	9	38,411,036	32	111,183,986
Child Survival & Development	14	17,610,500	43	179,623,727
Environmental Awareness	13	26,607,800	22	66,605,252
Technological Innovation	0	0	5	10,479,120
National Grants Programme	8	12,184,436	0	0
<b>TOTAL VALUE</b>	<b>52</b>	<b>112,385,557</b>	<b>148</b>	<b>526,763,978</b>

# grant management cont'd

## NGO STRENGTHENING ACTIVITIES

Strategies implemented to stimulate work in the programme areas included providing technical assistance to NGOs, in areas such as project development and proposal writing, and continuing support to environmental NGOs managing parks and protected areas. Institutional and absorptive capacity of NGOs and CBOs continued to be an important focus area for the Foundation and included strengthening of umbrella organizations and provision of technical assistance for improving NGO capacity. Working through the Council of Voluntary Social Services, National Environmental Societies Trust, Jamaica Institute of Environmental Professionals, and through direct grants, the EFJ provided support to over 40 NGOs and CBOs. When grants were approved, orientation sessions were held with successful grantees, to achieve full understanding of the processes involved in executing, reporting, monitoring and evaluating the progress of projects. These sessions were well received by the grantees, and is now a standard component of the grant making process.

## BOARD AND STAFF DEVELOPMENT

During the year, Board and Staff members participated in several local and international training, peer learning and professional development activities. These form part of a programme aimed at developing the capacity of the Board and Staff to meet the challenges of directing and managing the EFJ's mandate in the best interest of the nation, using internationally accepted best practices in philanthropy and Foundation management.

# grant awards

## Theme 1: Sustainable Forests & Watersheds

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
Bangor Ridge Citizens Assn	Capacity Bldg & Institutional Strengthening for the Bangor Ridge Citizens Association	\$908,050.00
Dolphin Head Trust	The Development & Implementation of Areas Specific Environmental Education & Awareness Programme	\$5,643,000.00
Friends of the Sea	Dunn's River Watershed Reforestation Project Remediation	\$4,099,216.00
Friends of the Sea Project -	Dunn's River Watershed Reforestation Education Component	\$5,054,123.00
Friends of the Sea	Friends of the Sea Capacity Building/ Infrastructural Strengthening Project	\$5,832,000.00
Jamaica Baptist Union	JBU Environmental Stewardship - Environmental Awareness and Education	\$5,813,197.00
Jamaica Baptist Union	JBU Environmental Stewardship - Environmental Initiatives	\$5,618,470.00
Jeffery Town All Age School	Nursery & Greenhouse Construction at Jeffery Town All Age School	\$548,509.00
Lions and Leo Clubs of Mona	Reforestation of Degraded Forest Reserve in Wallenford	\$2,642,750.00
Moneague Primary & Junior High School	Nursery and Greenhouse Construction at Moneague Primary and Junior High School	\$520,103.00
Northern Caribbean University	Commercializing Breadfruit Production in Jamaica	\$6,000,000.00
Northern Jamaica Conservation Association	Public Art for Nature and the Environment	\$1,500,000.00
Sturge Town All Age School	Sturge Town All Age Environmental Club Organic Farming Garden	\$343,734.00

# grant awards

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
UTech, Jamaica Technological Innovation Centre	Dunn's River Watershed Management Video	\$2,957,000.00
Jamaica Conservation & Development Trust	Environmental Education – Blue and John Crow Mountains National Park	\$1,880,727.60
Jamaica Conservation & Development Trust	Blue and John Crow Mountains National Park Management Plan	\$3,045,108.00
Jamaica Conservation & Development Trust	Blue and John Crow Mountains National Park Support (2003-2004)	\$5,922,712.00
<b>Total Theme 1: Sustainable Forests &amp; Watersheds</b>		<b>\$58,328,699.60</b>

## Theme 2: Biological Diversity

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
Association of Development Agencies	5th WTO Ministerial Conference	\$120,000.00
Dolphin Head Trust	The Dolphin Head Appropriate Resource Utilization Project 2004	\$5,807,000.00
Greening of Jamaica	Upgrading of Lily Pond at Royal Botanic Gardens, Hope	\$1,426,000.00
Herbal Renaissance	Solar Drying	\$899,300.00
UWI Department of Life Sciences	Dolphin Interference with Fish Traps Study	\$1,374,020.00
UWI Department of Life Sciences	The Mangrove Ecosystem: Biodiversity Hot spot	\$4,536,750.00
UWI Faculty of Pure and Applied Sciences	Development of Capacity for the Isolation of Bioactive Compounds	\$3,720,000.00
Windsor Research Centre Ltd	Bird Banding Demonstration Laboratory at Windsor Research Centre	\$5,229,292.00
International Centre for Environment & Nuclear Sciences	Slowpoke Reactor and the Opening of the Centre for Nuclear Sciences	\$300,000.00
Jamaica Conservation & Development Trust	Expansion of the Clearing House Mechanism	\$3,306,718.00

# grant awards

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
Jamaica Horticultural Society (Chelsea Team 2004)	Jamaica's Exhibit – Royal Horticultural Society Centennial Show Chelsea	\$250,000.00
Jamaica Environment Trust	Protection of the Environment Through Environmental Law and Policy	\$5,236,350.00
Jamaica Ornamental Fish Farmers Association	Study Tour In Japan	\$45,179.00
Gideon Educational Centre	Preserving Our Natural Resources for Tomorrow - A Challenge for Early Education Today	\$3,522,250.00
Hope Estate Educational Partners	Hope Play Green-Development Area/Ecological Space	\$4,285,454.80
Island Advisory Council -Jamaica 4H Clubs	The 4H Challenge	\$931,500.00
Jamaica Environment Trust	Implementing Teacher Training Workshops and Supervision of Advanced Schools in SEP	\$5,703,678.00
Jamaica Environment Trust	Building Capacity in the Jamaica Environment Trust -	\$3,051,725.00
Natural History Society Of Jamaica	Jamaica Popular Folklore and Natural History Video Series	\$2,766,177.04
Natural History Society Of Jamaica	Endemic Trees of Jamaica	\$3,638,253.34
Northern Caribbean University	Symposium on the Management of Our Natural Resources	\$159,250.00
Southern Trelawny Environmental Agency	Cockpit Country Conservation Awareness Project	\$5,954,893.00
UWI Biotechnology Centre	Establishment of Medicinal Plant Gene Bank	\$4,999,300.00
UWI Mona Institute of Applied Sciences	Developing Compact Discs on Ascidians Little Known but Important Tropical Marine Filterers	\$2,883,741.30
Michael Manley Foundation	Michael Manley Award for Self Reliance	\$500,000.00
National Environmental Societies Trust	Project Development & Implementation Training	\$4,065,600.00



# grant awards

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
People's Action for Community Transformation	EFJ/PACT Project Monitoring Mechanism	\$5,130,000.00
Tamoy Singh	Participation in the 2004 Earthcorps	\$78,384.00
Trench Town Development Association	Trench Town Culture Yard & Village Management/Entrepreneurial Training	\$874,000.00
United Way of Jamaica	Technical Assistance Support for Project Development & Implementation	\$4,988,750.00
United Way of Jamaica	Technical Assistance Support Fund for Project Development and Implementation II	\$6,000,000.00
UWI Development and Endowment Fund	Caribbean Regional Conference on Philanthropy	\$2,200,000.00
<b>Total Theme 2:</b>	<b>Biological Diversity</b>	<b>\$93,983,565.48</b>

## Theme 3: Coastal Zone and Marine Management

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
Community Organization for Management and Sustainable Development	Reduction of Non-Point Source Pollutants in Montego Bay Flood Plain	\$5,374,512.00
Eastern Attractions	Restoration to Licence: Lyssons Public Bathing Beach, St. Thomas	\$3,850,000.00
Falmouth Restoration Company & Falmouth Heritage Renewal	Preservation of Historic Buildings in Falmouth	\$6,000,000.00
Jamaica Society for Scientists & Technologists	Technology and Innovation Program	\$375,000.00
Montego Bay Marine Park	Improvements in Living Coral Cover within the Montego Bay Marine Park	\$5,458,500.00
Negril Coral Reef Preservation Society	Basic Core Funding for the NCRPS to Manage the Negril Marine Park for Six Months	\$5,237,576.00
Negril Area Environmental Protection Trust	NEPT/RPR Capacity Building Project	\$2,883,202.00
UWI Centre for Marine Sciences	Monitoring of Transplanted Corals at Rackham's Cay	\$3,735,200.00

# grant awards

Organization	Project Name	Amount Approved
UWI Department of Geography & Geology	Evaluation of Coastline Changes and Hazards In Jamaica to Improve Reduction Strategies For Coastal Communities	\$5,946,150.00
UWI Department of Geography & Geology	Verification of Offshore Sand and Gravel Deposits South Coast Shelf of Jamaica	\$133,000.00
Total Theme 3: Coastal Zone and Marine Management		\$38,993,140.00

## Theme 4: Waste Management

Organization	Project Name	Amount Approved
Blue Mountain Coffee Cooperative	Waste Treatment and Energy Recovery	\$5,406,000.00
Coalition for Community Participation in Governance	Facilitating Sustainable Solutions: Community Co-management of a Water Supply System	\$3,436,904.00
Jamaican Society for Agricultural Sciences	National Implementation Strategy Strategy for Co-generation	\$1,105,560.00
International Centre for Environmental and Nuclear Sciences	Effects of Heavy Metals on Agriculture and Health in Jamaica	\$5,990,000.00
Half Moon Bay Fishermen's Cooperative Society Limited	Sanitary Convenience Improvement Project at the Hellshire Beach – Project 1	\$2,217,890.00
Local Initiative Facility For Urban Environment	Strengthening of Communities to address Environmental and Child Survival Issues	\$5,970,750.00
Malcolm Heights Youth Club	Solid Waste Management and Beautification Of the Lucea Primary School	\$304,560.00
Manchester 4H	The Long Pond 4H Centre Development	\$2,174,260.00
Mile Gully/Warwick Castle Benevolent Development	Mile Gully/Warwick Castle Benevolent Society – Water Sanitation and Hygiene Improvement Project Phase 1	\$985,000.00

# grant awards

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
Mustard Seed Communities	Implementation of a Design to Eliminate Sewage Treatment Problems at Mustard Seed Communities, Jerusalem	\$4,820,403.50
New Horizon Christian Outreach Ministries	Renewable Energy Options and Wastewater Recycling Systems Outfitting for Eco-farm at Young Men's Home	\$5,808,860.00
UWI Department of Chemistry	Development of a Sustainable Air Pollution Monitoring Programme for Kingston	\$3,676,090.00
UWI Department of Chemistry	Start up Funding for Undergraduate and Postgraduate Programmes in Occupational and Environmental Safety and Health	\$2,000,000.00
Northern Caribbean University	The Efficient Reclamation of Bauxite Mined Lands	\$6,000,000.00
<b>Total Theme 4:</b>	<b>Waste Management</b>	<b>\$49,896,277.50</b>

## Theme 5: Integrated Water Management

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
Construction Resource and Development Centre	Grey Water Recycling in Schools	\$674,000.00
Gravel Hill Community Benevolent Society	Community Education and Organizational Strengthening for Local Water and Environmental Management	\$885,500.00
BREDS – The Treasure Beach Foundation	Establishment of a Wastewater Management System, composting and Environmental Awareness Programme at Sandy Bank Primary School	\$3,782,477.46
Negril Chamber of Commerce	Water Recovery/Irrigation Plant Nursery	\$2,718,000.00
Alicia Hayman University of Guelph	Local Capacity to Manage Water Quality (Integrated Water Resources Management)	\$869,550.00
Walkerswood Community Development Foundation	Walkerswood Wastewater Facility	\$5,525,066.00

# grant awards

Organization	Project Name	Amount Approved
Walkerswood Community Development Foundation	Walkerswood Community Development Capacity Project	\$4,018,300.00
Whitehorses, Botany Bay & Pamphret Development Benevolent Society	The Implementation of the Water, Sanitation and Hygiene (WASH) Plan of the Whitehorses, Botany Bay and Pamphret Benevolent Society Ltd	\$5,970,250.00
Total Theme 5: Integrated Water Management		\$24,443,113.46

## Theme 6: National Green Spaces

Organization	Project Name	Amount Approved
Cornerstone Ministries	General Landscaping and Maintenance at National Heroes Park	\$6,000,000.00
Jamaica Hotel and Tourist Association (Portland Chapter) -	Sustainable Tourism Development for Portland	\$5,914,615.00
National Wildlife Foundation	NWF Hope Zoo: Adequate Transport For Hope Zoo Operations	\$5,895,526.00
National Wildlife Foundation	Capacity Building: Establishment of NWF Secretariat for the Management and Operation of the Hope Zoo Operations	\$5,901,809.38
National Wildlife Foundation	Rehabilitation of Existing Facilities and Improving Security Fencing at Hope Zoo	\$2,400,000.00
National Wildlife Foundation	Rehabilitation Existing Facilities and Improving Security Fencing at the Hope Zoo	\$2,702,500.00
Nature Preservation Foundation	Capacity Building and Institutional Strengthening of the NPF for Implementation of Hope Estate Redevelopment Plan	\$6,000,000.00
Total Theme 6: National Green Spaces		\$34,814,450.38

## Theme 1: Early Childhood Development

Organization	Project Name	Amount Approved
Drewe Avenue Primary/ Infant School	Support for Continuing Breakfast Programme Through Establishment of Bakery	\$750,000.00

# grant awards

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
Salvation Army Day Care Centre & Nursery	Beautification of Play Area – Salvation Army Nursery	\$700,500.00
Southern Trelawny Environmental Agency	Trelawny Child Welfare & Basic School Expansion	\$4,868,515.35
Dudley Grant Memorial Trust	Dudley Grant Memorial Trust – Strengthening Institutional Capacity	\$5,844,515.00
Dudley Grant Memorial Trust	Early Childhood Resource Centre Upgrading Programme - Development	\$5,953,000.00
Dudley Grant Memorial Trust	Early Childhood Resource Centre Upgrading Programme - Research	\$5,632,850.00
Dudley Grant Memorial Trust	Early Childhood Resource Centre Upgrading Programme – Capacity Building	\$5,997,250.00
Maranatha Ministries	Structural Upgrading of the Maranatha Basic School	\$1,654,880.00
MultiCare Foundation	MultiCare Sports Programme	\$5,898,100.00
Spaldings Primary School PTA	Additional Water Closets and Water Tank	\$1,110,000.00
Harvest Temple Basic School Parent/Teachers Association	Harvest Temple Basic School Refurbishing Project	\$1,859,000.00
Mayfield Basic School Development Committee	Mayfield Basic School Expansion	\$785,000.00
Gravel Hill Basic School	Basic School General Development	\$1,213,901.70
Bluefields People's Community Association	Using Information Technology to Promote Sustainable Community Development in Bluefields Environs	\$3,971,421.30
Mico College Science Learning Centre	Developing A Hands-on Science Museum for Promoting 'Excellence in The Teaching of Science & Mathematics	\$5,661,868.80
S-Corner Clinic	Provision of Transport	\$1,000,000.00
UWI, Centre for Population, Community & Social Change	Regional Student Internship Project Support Initiative	\$3,360,000.00
<b>Total Theme 1:</b>	<b>Early Childhood Development</b>	<b>\$56,260,802.15</b>

# GOVERNMENT grant awards

## Theme 2: Children in Challenging Circumstances

Organization	Project Name	Amount Approved
Children First	Youth Development Opportunities	\$6,185,449.00
Fyffes Pen Community Centre Management Committee	Youth Empowerment Through Education, Counselling and Skills Training	\$3,650,000.00
Shrewsbury Basic School Parent Teachers Association	Roofing Of The Shrewsbury Basic School, Addition Of A Canteen And Play Area	\$ 770,000.00
Greenwich All Age Development Committee	Greenwich All Age Development Project Greenwich Park	\$2,800,548.91
Majesty Gardens Community Based Organisation	Majesty Gardens Child Development & Community Enhancement Project	\$4,726,132.00
VOUCH Ltd.	Enhancement of the VOUCH Product	\$5,730,821.00
Family Life Ministries (FLM) and VOUCH	Healing for the Nation – A Community Parenting & Trauma Management Project	\$2,526,929.00
Woman Inc. Montego Bay	Support System for Children of Abused Women Dubbed "S. Scaw"	\$6,100,000.00
Jamaica National Children's Home	Facilitating the Holistic Development of Children Through Remedial Education and Counselling	\$6,000,000.00
Total Theme 2:	Children in Challenging Circumstances	\$38,489,879.91

## Theme 3: Awareness and Advocacy

Organization	Project Name	Amount Approved
Council of Voluntary Social Services	"Protect Our Children" An Awareness Campaign	\$6,100,000.00
Church Teachers' College –	Recycle for Math Today – Recycling & Resource Centre Preserve the Environment for Tomorrow For Mathematics	\$1,856,583.32
Jamaica Coalition on the Rights of the Child	Child Rights Awareness Building Project	\$5,425,500.00

# grant awards

Organization	Project Name	Amount Approved
St. Catherine Community Development Agency	SACDA Child's Rights and Advocacy Project	\$5,163,536.00
Total Theme 3:	Awareness and Advocacy	\$18,545,619.32

## Theme 4: Children with Disabilities

Organization	Project Name	Amount Approved
Combined Disabilities Association Ltd	Strengthening the CDA Phase 1	\$3,428,500.00
Genesis Academy	Improving the Educational Provisions for Mentally Challenged Adolescents	\$6,248,000.00
The Jamaica Association for the Deaf	I'm Deaf Too	\$4,993,550.00
Jamaican Association on Mental Retardation	Institutional Strengthening Through Programme Support	\$5,938,563.00
3D Projects	Early Childhood Facility for Children with Disabilities (Inclusive)	\$4,758,790.00
Rural Services For Children With Disabilities (RSCD)	Community Based Rehabilitation & Support For Children With Disabilities	\$5,965,516.39
University of Technology, Jamaica	Institutional Strengthening of the University of Technology, Jamaica (UTECH) Mustard Seed Communities Project	\$5,298,970.00
Liberty Academy At the Priory	Development of an Inclusive Learning Centre Model for Children with Exceptional Needs	\$5,075,950.00
Jamaica Paraplegic Association	Support to Paralympic Games On the Road To Athens	\$205,300.00
Special Olympics Caribbean Games	Inaugural Caribbean Games 2004	\$2,958,500.00
The Jamaican Association on Mental Retardation	Integrated Summer Camp 2004	\$291,000.00
Total Theme 4:	Children with Disabilities	\$45,162,639.39

# grant awards

## Theme 5: Parenting Skills

Organization	Project Name	Amount Approved
Parenting Partners	Revision of Facilitator Manuals "Pathways To Parenting "A Caribbean Approach"	\$954,650.00
Total Theme 5: Parenting Skills		\$954,650.00

## Theme 6: Adolescents at Risk

Organization	Project Name	Amount Approved
St. Andrew Parish Church Home For Girls	Strengthening the Home's Capacity to Provide Care for "At Risk" Girls	\$5,910,000.00
Association of Clubs	AOC Summer Campers Park	\$327,405.00
Addiction Alert & Life Skills	Community Based Remedial Education	\$6,097,500.00
Ashe Caribbean Performing Arts Ensemble and Academy	"Youth At The Centre The 'One Love' Community	\$5,729,300.00
Hanover Mediation Centre	At Risk Youth Peer Mediation Programme	\$1,129,239.60
HOPE Worldwide Jamaica Programme	Adolescent Healthy Lifestyle Education	\$4,450,000.00
Jamaica Youth Development Foundation	Rescuing Disenfranchised Youth Through Education	\$1,467,847.00
Jamaica Sustainable Development Network Limited	Youth Inclusion Through Information and Communication Technology	\$5,765,000.00
Operation Friendship	Capacity Support for Sustainability	\$1,525,000.00
Peace in life Counselling	Youth Intervention	\$3,899,820.00
Shaneek Atkinson	Environmental Studies	\$100,000.00
Student Christian Fellowship & Scripture Union	Leadership Training and Development of Students at the Secondary & Tertiary Levels	\$5,847,000.00
St. Andrew Care Centre	Leadership Training & Enrichment Project	\$6,000,000.00



# grant awards

<b>Organization</b>	<b>Project Name</b>	<b>Amount Approved</b>
St. Elizabeth Economic and Social Development Limited	Community Based Homework Project	\$2,760,000.00
Western Society for the Upliftment of Children	High Risk Children Education Project	\$5,940,000.00
Woodford Park Community Action Group	Homework Centre Project	\$2,922,000.00
Women's Resource & Outreach Centre	Youth Training and Empowerment Programme	\$5,914,000.00
Young People's Movement	After School Programme	\$1,107,000.00
Total Theme 6:	Adolescents At Risk	\$66,891,111.60
Child Survival & Development	(60 )	\$226,304,702.37
Environmental Conservation & Management	(88)	\$300,459,276.42
Total - 148 Projects		\$526,763,978.79

# finance committee report

FOR THE YEAR ENDED JULY 31, 2004

## ADMINISTRATION

The Committee met eight times during the year under review to conduct the business of the Foundation. Mr. Earl Jarrett, served as Board Treasurer up to February 2004, when he retired from the Board after serving three terms. Mr. James Rawie, the Board Vice-Chair, assumed the responsibility in this post. Mrs. Patricia Sinclair-McCalla replaced Mr. Franklin McDonald, on his retirement, as the Representative of the Government of Jamaica on the Board and on this Committee.

## INVESTMENT PORTFOLIO

The investment portfolio stood at J\$1.341B at July 31, 2004 (July 31, 2003, J\$1.421B). Net income earned from investments during the year amounted to J\$261M. The weighted average yield on funds invested for the year was 22.86% (2003 19.87%) compared with the average Government secured one year fixed income instrument yield of 20.25%, and 20.48% for the previous year. The average yield increased for the current year due mainly to the higher yield instruments acquired towards the end of the previous financial year, which were held for most of the current period.

The balance in the portfolio fell due primarily to the unprecedented level of grant disbursements for the year, approximately J\$261M, more than twice the amount disbursed in any year since the inception of the Foundation.

The following tables indicate the current allocation of the investment portfolio:

### Allocation among approved Fund Managers (before IFRS Fair Value Adjustment)

Fund Manager	Balance at 31-Jul-04	% of Total	Balance at 31-Jul-03	% of Total
Barita Portfolio Management Ltd.	562,541,550	42.68%	682,555,326	48.32%
Scotia Jamaica Investment Management Ltd.	527,342,000	40.01%	575,886,839	40.77%
National Commercial Bank Jamaica Ltd.	52,246,000	3.96%	86,472,610	6.12%
George and Branday Ltd.	112,777,000	8.56%	37,052,986	2.62%
Property Holdings	13,000,000	0.99%	30,500,000	2.16%
Unquoted Equities	50,000,000	3.79%		
	<b>1,317,906,550</b>	<b>100.00%</b>	<b>1,412,467,761</b>	<b>100.00%</b>

## ASSET ALLOCATION

Investment type	Balance at 31-Jul-04	% of Total	Balance at 31-Jul-03	% of Total
GOJ Secured Fixed Income	1,241,915,000	87.38%	1,374,024,433	96.67%
Properties	13,000,000	0.91%	30,500,000	2.15%
Quoted Equity	36,550,000	2.57%	16,810,328	1.18%
Unquoted Equity	50,000,000			
<b>Total</b>	<b>1,341,465,000</b>	<b>90.86%</b>	<b>1,421,334,761</b>	<b>100.00%</b>

# finance committee report cont'd

## ADMINISTRATIVE EXPENSES

The administrative expense for the year was 19.84% of grant disbursements. This represents a compliance with the revised administrative expense ceiling prescribed at no more than 25% of grant disbursements (previously the ceiling was set at 15% of inflows). The restructuring and HR Audit exercise which was undertaken between June and November 2003 resulted in a rationalization of the core business service delivery and the financial and administrative functions of the Secretariat. Accordingly, there was a reduction in the total administrative expenses for the year to J\$51.9M (2003 J\$58.0M), and a concomitant increase in grant disbursements to J\$261M (2003 J\$100.5M).

## NEW FINANCIAL PRODUCTS

We reached the final negotiating stages for the establishment of a public/private partnership with a local commercial bank for the establishment of a "green" loan facility to be accessible to small and medium sized enterprises in the hotel/tourist and manufacturing sectors. The focus areas for this initiative are:

- a) Conservation & the Sustainable Use and disposal of Resources.
- b) Pollution Control Initiatives.
- c) Energy Conservation and the promotion and use of Renewable Energy Resources.
- d) Recycling and Reuse of Waste

This partnership will also provide technical assistance for organizations in research and preparation of proposals for consideration.

The negotiations to provide equity financing in Walkerswood Partners Limited for the development of a model large-scale environmentally sustainable agro-industry waste management system was concluded in January 2004, when the EFJ invested J\$50M into the company, represented by redeemable preference shares.

## STATUS OF TOTAL INFLOWS UNDER THE ENTERPRISE FOR THE AMERICAS AGREEMENT AS AT JULY 31, 2004

<b>Funding Source</b>	<b>Expiry Date</b>	<b>Total Required Inflows</b>	<b>Actual Inflows to date</b>	<b>% Received</b>
Fund 1 - PL480	Sep 2001	9,197,708	9,197,708	100.00%
Fund 2 - AID Debt	Sep 2012	12,292,036	9,977,774	81.17%
<b>Total:</b>		<b>21,489,744</b>	<b>19,175,482</b>	<b>89.23%</b>

# auditor's report to members

20 October 2004

To the Members of  
Environmental Foundation of Jamaica  
(A company limited by guarantee)

## Auditors' Report

We have audited the financial statements set out on pages 1 to 21, and have received all the information and explanations which we considered necessary. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of the company's affairs as at 31 July 2004 and of the movement in the Americas' Funds and statement of cash flows for the year then ended, and have been prepared in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.

*PricewaterhouseCoopers*

Chartered Accountants  
Kingston, Jamaica

# statement of changes in the america's funds

Year ended 31 July 2004

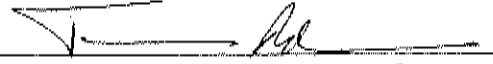
	Note	Fund I \$'000	Fund II \$'000	2004 \$'000	Restated 2003 \$'000
USAID debt funds received (US\$559,513) for year			33,896	33,896	33,206
Investment income earned		163,571	85,419	248,990	224,346
Foreign exchange gain		7,249	3,072	10,321	34,293
		170,820	122,387	293,207	291,845
Investment property rental and loan interest income		1,466	-	1,466	3,272
Effects of adopting IFRS				-	4,123
Unrealised loss on available-for-sale investment		(8,421)	(4,534)	(12,955)	-
		163,865	117,853	281,718	299,240
Less:					
Project grants disbursed	3	(171,909)	(89,640)	(261,549)	(100,460)
Transfers to administration	4	(11,077)	(31,825)	(42,902)	(71,231)
Investment advisers' fees	7	(6,724)	(3,262)	(9,986)	(10,001)
		(189,710)	(124,727)	(314,437)	(181,692)
(Deficit)/Surplus for year		(25,845)	(6,874)	(32,719)	117,548
Fund balance at beginning of year		910,144	585,158	1,495,302	1,377,754
Fund balance at end of year		884,299	578,284	1,462,583	1,495,302

# balance sheet

31 July 2004

	Note	2004 \$'000	Restated 2003 \$'000
<b>ASSETS</b>			
Property, Plant and Equipment	8	26,307	27,880
Investment Property	9	13,000	12,500
Investment	10	50,000	
Available-for-sale Investments	11	1,113,442	1,265,536
Loans Receivable	13	5,935	6,634
Other Assets	14	276,843	215,063
		<u>1,485,527</u>	<u>1,527,613</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable and accrued charges		5,763	8,316
Bernard van Leer fund	15	3,346	2,844
		<u>9,109</u>	<u>11,160</u>
<b>Equity</b>			
Administration fund- expenses recoverable	4	(12,472)	(6,729)
Capital reserves	16	26,307	27,880
Americas' Funds		1,462,583	1,495,302
		<u>1,476,418</u>	<u>1,516,453</u>
		<u>1,485,527</u>	<u>1,527,613</u>

Approved on behalf of the Board of Trustees on 15 October 2004 and signed on its behalf by

  
 Jeanne Robinson, O.D. (Chairman)

  
 James Rawle (Treasurer)

# statement of cash flows

Year ended 31 July 2004

	2004 \$'000	Restated 2003 \$'000
<b>Cash Flows from Operating Activities</b>		
(Deficit)/Surplus for year	(32,719)	117,548
Adjustments for:		
Increase in amount due to Administration Fund	(5,743)	(2,766)
Fair value adjustments	12,955	(8,867)
Investment property revaluation	(500)	(3,500)
Changes in operating assets and liabilities:		
Accrued interest income	23,076	(10,641)
Other accounts receivable and prepayments	(2,835)	(44)
Recoverable taxes	(43,599)	(1,865)
Accounts payable and accrued charges	(2,553)	3,906
Bernard van Leer Fund	502	2,571
	<u>(51,416)</u>	<u>96,342</u>
<b>Cash Flow From Investing Activities</b>		
Investments – Walkers Wood	(50,000)	-
Investments – available for sale	139,139	22,941
Loans receivable	699	(556)
Transfer from investment property	-	18,000
	<u>89,838</u>	<u>40,385</u>
Increase in cash and cash equivalents	38,422	136,727
Cash and cash equivalent at beginning of year	137,659	932
<b>Cash and cash equivalent at end of year</b>	<u>176,081</u>	<u>137,659</u>
<b>Represented by:</b>		
Cash and bank	11,058	12,359
Short term investments (note 14)	165,023	125,300
	<u>176,081</u>	<u>137,659</u>

# notes to the financial statements

**Year ended 31 July 2004**

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## **1. Identification and Activities**

The company is limited by guarantee and was incorporated in Jamaica on 18 November 1992. The company was established pursuant to an agreement between the Government of the United States of America and the Government of Jamaica concerning the establishment of an Enterprise for the Americas Environmental Foundation. This agreement referred to as "The Enterprise for the Americas Initiative Framework Agreement" (EAI Agreement) was signed on 26 November 1991 and amended effective 27 August 1993. The agreement provides for the creation of a special Americas Fund to be administered by the company in accordance with agreement terms and the company's memorandum and articles of association.

The main objectives of the company which are in conjunction with the EAI Agreement are as follows:

- i) to promote and implement activities designed to conserve and manage the natural resources and environment of Jamaica in the interest of sustainable development and ;
- ii) to encourage the improvement of child survival and child development in Jamaica .

The company pursues its objectives mainly through the granting of funds to organizations, for qualified projects based on established criteria, by carrying out specific educational activities and rendering technical assistance towards its objectives. Operations commenced in August 1993.

All amounts in these financial statements are stated in Jamaican dollars, unless otherwise indicated.

## **2. Summary of Significant Accounting Policies**

### **(a) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of investment property and available-for-sale investment securities.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates.

### **(b) Grant funds**

Grant funds received by the company under the Enterprise of the Americas Initiative Framework Agreement including investment income are recorded at cost and credited directly to Americas' Funds Account until disbursed.

### **(c) Income recognition**

- (i) Interest income is recognised in the Americas' Funds for all interest bearing instruments on an accrual basis using the effective yield method based on actual purchase price. Interest income includes income earned on cash and cash equivalent accounts held.
- (ii) Rental income is recognised on the accrual basis and included in the Americas' Funds.
- (iii) Dividend income is recognised when the right to receive payment is established.



# notes to the financial statements cont'd

**Year ended 31 July 2004**

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## **2. Summary of Significant Accounting Policies (Continued)**

### **(d) Property, plant and equipment**

Property, plant and equipment are recorded at cost and depreciated on the straight-line basis over their estimated useful lives. Annual depreciation rates are as follows:

Building	2.5%
Motor vehicles	20%
Computers	25%
Leasehold improvements	12 ½%
Furniture and fixtures	10%

Repairs and maintenance are charged to administration expenses during the financial period in which they are incurred. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining administrative fund balance.

### **(e) Investment property**

Investment property, principally comprising office building, is held for long-term rental yields. Investment property is treated as long-term investment and is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in the Americas' Funds and are included in investment income due to the nature of the Foundation's operations.

### **(f) Impairment of non-current assets**

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

### **(g) Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

### **(h) Accounts payable**

Accounts payable are stated at historical cost.

### **(i) Administration fund/deferred income**

Where funds received for administration expenses are insufficient to cover these expenses, the over expended balance, referred to as administration fund, is recoverable from the Americas' Funds. Funds received for administration expenses, which are unexpended, are referred to as deferred income.

### **(j) Capital reserves**

The cost of fixed assets acquired from grant funds, for administrative purposes, is credited directly to capital reserves and is written off to the administration fund account over the useful life of the relevant assets.

# notes to the financial statements cont'd

**Year ended 31 July 2004**

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## **2. Summary of Significant Accounting Policies (Continued)**

### **(k) Foreign currency translations**

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the balance sheet date monetary assets denominated in foreign currency are translated using the closing exchange rate. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange difference on unsettled foreign currency monetary assets are recognised in the Americas' Funds.

### **(l) Investments**

The company investments in debt and equity securities are classified as available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has the expressed intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Available-for-sale investments are carried at fair value. Fair values of quoted investments are based on the quoted bid prices.

Purchases and sales of investments are recognised on the trade date, which is the date that the company commits to purchase or sell the asset. The cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Unrealised gain and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in the Americas' Funds. The fair values of investments are based on quoted bid prices or amounts derived from cash flow models. Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. Upon sale or impairment of securities classified as available-for-sale, the accumulated fair value adjustments are included in the Americas' Funds as gains and losses from investment securities.

### **(m) Financial instruments**

Financial instruments carried on the balance sheet include investment, available for sale investments, loans receivable, cash, other receivables and accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the company's financial instruments are discussed in Note 20.

### **(n) Americas' Funds**

As outlined in note 1, the EAI Agreement provides for the establishment of a special Americas' Fund to be administered by the company in pursuit of its objectives. Under this arrangement, specific amounts due by the Government of Jamaica to the Government of the United States of America are paid into the fund in accordance with provisions of two debt reduction agreements (Agreement I and Agreement II). Agreement I relate to funds owed under the U.S. PL480 programme and Agreement II relates to funds owed under a specific USAID debt Agreement.

In accordance with the EAI Agreement, all funds deposited into the Fund, including investment income earned belongs to the Government of Jamaica until disbursed in accordance with stipulated guidelines.

The two funds should not be co-mingled

# notes to the financial statements cont'd

**Year ended 31 July 2004**

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## **2. Summary of Significant Accounting Policies (Continued)**

### **(o) Employee Benefits**

#### **(i) Pension scheme**

The company participates in a defined contribution pension scheme, which is administered by trustees. The company's contribution is fixed, once the contributions have been paid, the company has no further payment obligations. The contributions constitute the net periodic cost for the year in which they are due and are included in staff costs.

#### **(ii) Other employee benefits**

Employees' entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

### **(p) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

### **(q) Comparative information**

Comparative figures have been restated as a result of the application of IAS 40, which requires the transfer of owner-occupied property from investment property to property, plant and equipment. Where necessary, comparative figures have also been reclassified to conform with changes in presentation in the current year.

# notes to the financial statements cont'd

## Year ended 31 July 2004

### 3. Project Grants Disbursed

	Fund I \$'000	Fund II \$'000	Total \$'000
Projects' disbursements (Net)	171,909	89,640	261,549
<b>Disbursements allocated as follows:</b>			
Addiction Alert Organization	-	2,084	2,084
Alicia Hayman	350	-	350
ASHE Caribbean Performing Arts Ensemble and Academy	-	4,988	4,988
Association of Clubs	290	618	908
Association of Development Agencies	120	-	120
Bangor Ridge Citizen Association	406	-	406
Birdlife Jamaica	85	-	85
Bluefields People's Community Association	-	1,732	1,732
Bowden Pen Farmers Association	271	-	271
BREDS- The Treasure Beach Foundation	1,502	-	1,502
Campus Crusade for Christ	-	999	999
Children First	-	1,003	1,003
Children's Issues Coalition	-	708	708
Church of God of Prophecy – Golden River	-	260	260
Church Teachers College	-	1,454	1,454
Coalition for Community Participation in Governance	801	-	801
College of Agriculture Science and Education	2,250	-	2,250
Combined Disabilities Association	-	710	710
Community Organization for Management & Sustainable Development	1,205	-	1,205
Construction Resource & Development Centre	546	-	546
Council of Voluntary Social Services	3,053	4,972	8,025
Dolphin Head Trust	3,088	-	3,088
Drews Avenue Primary School	-	700	700
Dudley Grant Memorial Trust	-	12,326	12,326
Falmouth Restoration Co. & Falmouth Heritage Renewal	1,377	-	1,377
Friends of the Sea	12,310	-	12,310
Fyffes Pen Community Centre Management Committee	-	340	340
Genesis Academy	-	2,116	2,116
Gideon Early Childhood Educational Centre	1,678	-	1,678
Girls Town Jamaica	-	318	318
Gravel Hill Basic School	-	1,103	1,103
Gravel Hill Community Benevolent Society	292	-	292
<b>Sub-total carried forward</b>	<b>29,624</b>	<b>36,431</b>	<b>66,055</b>

# GOVERNANCE

## notes to the financial statements cont'd

Year ended 31 July 2004

### 3. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Sub-total brought forward (pg33)	29,624	36,431	66,055
Greening of Jamaica Foundation	1,426	-	1,426
Greenwich All Age Development	-	1,500	1,500
Half Moon Bay Fisherman's Cooperative	270	-	270
Hanover Mediation Centre	-	341	341
Harvest Temple Basic School PTA	-	1,792	1,792
Herbal Renaissance	802	-	802
Hope Estate Educational Partners	1,370	-	1,370
Hope Worldwide Jamaica	-	1,130	1,130
International School of Jamaica	1,892	-	1,892
International Centre for Environment and Nuclear Science	1,400	-	1,400
Island Advisory Council – Jamaica 4H Clubs	812	-	812
Jamaica Ornamental Fish Farmers Association	45	-	45
Jamaican Association on Mental Retardation	-	3,589	3,589
Jamaica Association for the Deaf	-	1,123	1,123
Jamaica Baptist Union	4,878	-	4,878
Jamaica Coalition on the Rights of the Child	-	1,993	1,993
Jamaica Conservation & Development Trust	7,927	-	7,927
Jamaica Environment Trust	22,827	-	22,827
Jamaica Horticultural Society (Chelsea Team 2004)	250	-	250
Jamaica Hotel & Tourist Association	2,312	-	2,312
Jamaica Institute for Environmental Professionals	2,330	-	2,330
Jamaica Institute of Engineers Foundation	7,576	-	7,576
Jamaica National Children's Home	-	858	858
Jamaica Society for Scientist and Technologists	410	-	410
Jamaica Sustainable Development Network Ltd.	-	1,685	1,685
Jamaica Youth Development Foundation	-	2,349	2,349
Jeffrey Town All Age School	75	-	75
Liberty Academy at the Priory	-	1,255	1,255
Lions and Leo Clubs of Mona	1,390	-	1,390
Majesty Gardens Community Based Organization	-	1,781	1,781
Malcolm Heights Youth Club	205	-	205
Mainourished Children's Foundation	-	839	839
Manchester 4H	1,356	-	1,356
Maranatha Ministries	-	1,655	1,655
Mayfield Basic School Development Committee	-	785	785
Sub-total carried forward	89,177	59,106	148,283

# GOVERNMENT

## notes to the financial statements cont'd

Year ended 31 July 2004

### 3. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
<b>Sub-total brought forward (pg 34)</b>	89,177	59,106	148,283
Michael Manley Foundation	500	-	500
Mico College Science Learning Centre	-	2,390	2,390
Mile Gully/Warwick Castle Benevolent Development Society	985	-	985
Mona Institute of Applied Sciences	851	-	851
Montego Bay Marine Park Trust	3,925	-	3,925
Mustard Seed Communities	1,812	-	1,812
National Environmental Societies Trust	9,775	-	9,775
National Wildlife Foundation	10,262	-	10,262
Natural History Society of Jamaica	1,268	-	1,268
Nature Preservation Foundation	1,894	-	1,894
Negril Area Environmental Protection Trust	2,531	-	2,531
Negril Chamber of Commerce	615	-	615
Negril Coral Reef Preservation Society	5,593	-	5,593
New Horizon Christian Outreach Ministries	1,713	-	1,713
North East Affiliate – Habitat for Humanity	509	-	509
Northern Caribbean University	4,621	-	4,621
Northern Jamaica Conservation Association	26	-	26
Operation Friendship	-	1,342	1,342
Parenting Partners	-	187	187
Peace in Life Counseling Centre	-	1,150	1,150
People's Action for Community Transformation	4,407	-	4,407
Rio Cobre Goat Breeders Association	164	-	164
Roots FM 96.1	1,000	-	1,000
Rural Family Support Organization	698	287	985
Rural Services for Children with Disabilities	-	2,658	2,658
S Corner Clinic & Community Development	-	706	706
Salvation Army Day Care Centre & Nursery	-	595	595
Shaneek Atkinson	-	100	100
Shrewsbury Basic School	-	700	700
Southern Trelawny Environmental Agency	1,575	811	2,386
Spalding Primary School	-	754	754
Special Olympics Caribbean Games 2004	-	2,958	2,958
St. Andrew Care Centre	-	492	492
St. Andrew Parish Church Home for Girls	-	2,561	2,561
St. Ann Environment Protection Association	3,512	-	3,512
St. Catherine Community Development Agency	-	736	736
St. Elizabeth 4-H	271	-	271
<b>Sub-total carried forward</b>	<b>147,684</b>	<b>77,533</b>	<b>225,217</b>

# notes to the financial statements cont'd

**Year ended 31 July 2004**

## **3. Project Grants Disbursed (Continued)**

	<b>Fund I \$'000</b>	<b>Fund II \$'000</b>	<b>Total \$'000</b>
<b>Sub-total brought forward (pg 35)</b>	147,684	77,533	225,217
Students Christian Fellowship and Scripture Union	-	660	660
Sturge Town All Age School	344	-	344
Tamoy Singh	78	-	78
The Woodford Community Action Group	-	1,138	1,138
Trench Town Development Association	874	-	874
United Way of Jamaica	8,639	-	8,639
Universal African Improvement Association	-	-	-
Discovery Bay Branch	-	11	11
University of Technology	-	2,066	2,066
University of Technology – Technology Innovation Centre	1,940	-	1,940
University of Technology Centre for the Arts	-	854	854
University of the West Indies – Department of Pure and Applied Sciences	3,622	-	3,622
University of the West Indies – Department of Geography and Geology	2,052	-	2,052
University of the West Indies – Department of Life Sciences	3,379	-	3,379
University of the West Indies – Development and Endowment Fund	1,500	-	1,500
University of the West Indies – Biotechnology Centre	326	-	326
University of the West Indies – Centre for Marine Sciences	1,721	-	1,721
University of the West Indies – Department of Chemistry	3,752	-	3,752
University of the West Indies – Department of Social Work/Caribbean Support Initiative	-	1,422	1,422
University of the West Indies – International Centre for Environmental and Nuclear Sciences	4,100	-	4,100
VOUCH Ltd.	-	2,461	2,461
Walkerswood Community Development Foundation	3,530	-	3,530
Western Society for the Upliftment of Children	-	691	691
Whitehorses, Botany Bay & Pamphret Benevolent Society	645	-	645
Windsor Research Centre	2,764	-	2,764
Woman Inc.	-	1,660	1,660
Women's Resource and Outreach Centre	-	1,032	1,032
Young People's Movement Youth and Social Club	-	439	439
<b>Total disbursements</b>	<b>186,950</b>	<b>89,967</b>	<b>276,917</b>

# notes to the financial statements cont'd

**Year ended 31 July 2004**

## 3. Project Grants Disbursed (Continued)

	<b>Fund I \$'000</b>	<b>Fund II \$'000</b>	<b>Total \$'000</b>
<b>Total disbursements brought forward (pg 36)</b>	186,950	89,967	276,917
<b>Refunds</b>			
Dudley Grant Memorial Trust	-	(326)	(326)
Friends of the Sea	(967)	-	(967)
Jamaica Environment Trust	(7,223)	-	(7,223)
National Environmental Societies Trust	(5,029)	-	(5,029)
National Wildlife Foundation	(1,812)	-	(1,812)
Private Sector Organization of Jamaica	(10)	-	(10)
St. Catherine Community Development Agency	-	(1)	(1)
<b>Total refunds</b>	<b>(15,041)</b>	<b>(327)</b>	<b>(15,368)</b>
<b>Net Disbursements</b>	<b>171,909</b>	<b>89,640</b>	<b>261,549</b>



# notes to the financial statements cont'd

## Year ended 31 July 2004

### 4. Administration Fund

Amendments to Article VII (2) of the EAI Agreement, (see note 1) empowers the company's board of directors to draw from the Americas' Funds, sums necessary for its administrative expenses. The sums drawn should not exceed 25% of the grants disbursed unless specially agreed. Amounts are transferred to the company's administration fund in accordance with this provision to meet administrative expenses. Administrative expenses had been previously allowed at a maximum of 15% of total inflows. The under/(over) expended balance is deferred income/(expenses recoverable) to the company and is comprised as follows:-

	2004 \$'000	2003 \$'000
Grant funds transferred from Americas' Funds (page 26)	42,902	71,231
Less: Cost of fixed assets purchased, transferred to capital reserves	(2,433)	(1,619)
Less: Transfer of investment property to property, plant and equipment (note 10)	-	(18,000)
Add: Cost of property, plant & equipment disposed, released from capital reserves	3,473	1,352
	43,942	52,964
Other income	1,667	95
	45,609	53,059
Released from capital reserves (note 8)	3,924	3,166
Released to capital reserves	(3,391)	(972)
Less: Administrative expenses for the year (note 5)	(51,885)	(58,019)
	(5,743)	(2,766)
Balance at beginning of year	(6,729)	(3,963)
Expenses recoverable from America's fund	(12,472)	(6,729)

Administrative expenses during the year were within the ceiling of 25% of grants disbursed as permitted and indicated below:

	2004 \$'000	2003 \$'000
25% of grants disbursed (2003: 15% of total inflows)	65,387	44,268
Less: Administrative expenses for the year	(51,885)	(58,019)
Excess/(Shortfall)	13,502	(13,751)

# notes to the financial statements cont'd

## Year ended 31 July 2004

### 4. Administration Fund (Continued)

Administrative expenses include the following components:

	2004 \$'000	2004 % of disbursements	2003 \$'000	2003 % of Inflows
Direct administration	51,885	19.60%	51,161	17.58%
Special projects' administration	-	-	6,252	1.92%
Special projects' direct costs	-	-	606	0.21%
	<u>51,885</u>	<u>19.60%</u>	<u>58,019</u>	<u>19.71%</u>

Administrative expenses include the direct and indirect costs of projects undertaken by the Special Projects Unit established by the Secretariat in July 2000. Special projects are those which have significant environmental importance to a specific location of the country and require large capital investments and the input of a wide range of stakeholders.

### 5. Administration Fund - Recoverable Expenses

The following items have been charged/(credited) to administrative expenses:

	2004 \$'000	2003 \$'000
Depreciation	3,924	3,166
Gain on sale of fixed assets	(1,667)	( 95)
Auditors' remuneration -		
Current year	1,200	820
Prior year	239	36
Repairs and maintenance	1,470	980
Bank and finance charges	195	201
Staff costs (note 6)	<u>29,177</u>	<u>31,211</u>

### 6. Staff Costs

	2004 \$'000	2003 \$'000
Wages and salaries	25,531	26,010
Payroll taxes – employer portion	2,621	2,593
Pension costs	567	727
Other	<u>347</u>	<u>837</u>
	29,066	30,167
Redundancy	<u>111</u>	<u>1,044</u>
	<u>29,177</u>	<u>31,211</u>

The average number of persons employed by the company at the year end was 15 (2003: 20).

# notes to the financial statements cont'd

## Year ended 31 July 2004

### 7. Investment Advisers' Fees

The EAI Agreement (note 1) mandates the company to appoint one or more Investment Advisers to manage its investments. Investment Advisers' fees for the year are comprised as follows:

	2004 \$'000	2003 \$'000
Barita Portfolio Management Limited	6,724	6,030
Scotiabank Jamaica Trust & Merchant Bank Limited	3,262	3,971
	<u>9,986</u>	<u>10,001</u>

### 8. Property, Plant and Equipment

	Building	Motor Vehicles	Computers	Leasehold Improvements	Furniture and Fixtures	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost or Valuation -						
At 1 August 2003	18,000	8,081	4,775	4,326	4,688	39,870
Additions	-	1,301	287	404	441	2,433
Disposal	-	(3,473)	-	-	-	(3,473)
At 31 July 2004	<u>18,000</u>	<u>5,909</u>	<u>5,062</u>	<u>4,730</u>	<u>5,129</u>	<u>38,830</u>
Depreciation -						
At 1 August 2003	-	6,029	3,237	789	1,935	11,990
Charge for the year	450	1,559	870	555	490	3,924
Relieved on disposal	-	(3,391)	-	-	-	(3,391)
At 31 July 2004	<u>450</u>	<u>4,197</u>	<u>4,107</u>	<u>1,344</u>	<u>2,425</u>	<u>12,523</u>
Net Book Value -						
31 July 2004	<u>17,550</u>	<u>1,712</u>	<u>955</u>	<u>3,386</u>	<u>2,704</u>	<u>26,307</u>
31 July 2003	<u>18,000</u>	<u>2,052</u>	<u>1,538</u>	<u>3,537</u>	<u>2,753</u>	<u>27,880</u>

# notes to the financial statements cont'd

## Year ended 31 July 2004

### 9. Investment Property

	2004 \$'000	2003 \$'000
At beginning of year as previously stated	12,500	27,000
Transferred to property, plant and equipment	-	(18,000)
As restated	12,500	9,000
Revaluation gain	500	3,500
At end of year	13,000	12,500

The Foundation's investment property is carried at fair value, based on valuation at 31 July 2004 by professionally qualified property appraisers and valuers. The basis of the valuation was open market value and the surplus arising there from has been credited to the Americas' Fund.

Rental income and repairs and maintenance expenditure in relation to investment property amounted to \$1,367,000 (2003 - \$3,042,000) and \$309,000 (2003 - \$335,000) respectively.

The 2003 accounts were restated to reflect the transfer of investment property valued at \$18,000,000 to property, plant and equipment in accordance with IAS 40.

### 10. Investment

This investment represents 2,000,000 redeemable cumulative preference shares of one dollar each in Walkerswood Partners Limited, redeemable on the 23 October 2016. The shares were bought at a premium of twenty- four dollars per share.

### 11. Available-for-Sale Investments

	2004 \$'000	2003 \$'000
At beginning of year	1,390,835	1,279,609
Net (disposals)/additions	(99,415)	102,360
Fair value adjustment	(12,955)	8,867
At end of year	1,278,465	1,390,836
Current portion	(165,023)	(125,300)
	1,113,442	1,265,536

Available-for-sale investments include marketable equity securities, which are fair valued annually at the close of business on 31 July. All equity investments held are traded in active markets, and fair value is determined by reference to the Stock Exchange quoted bid prices.

Available-for-sale investments are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date or unless they will need to be sold to raise operating capital.

# GOVERNANCE

## notes to the financial statements cont'd

### Year ended 31 July 2004

#### 12. Investment Securities by Adviser

	Fund I \$'000	Fund II \$'000	2004 \$'000	2003 \$'000
Barita Portfolio Management Limited				
Securities	403,506	158,999	562,505	665,745
Quoted equities	36,550	-	36,550	16,810
Scotiabank Jamaica Trust & Merchant Bank Limited	333,832	193,510	527,342	575,887
National Commercial Bank	14,024	38,222	52,246	86,474
George & Branday Limited	63,331	49,446	112,777	37,053
	851,243	440,177	1,291,420	1,381,969
Fair value adjustment	(8,421)	(4,534)	(12,955)	8,867
Total available for sale investments	842,822	435,643	1,278,465	1,390,836
Other Investments				
Investment property	-	-	13,000	30,500
Investment - Walkerswood Partners Limited	-	-	50,000	-
	-	-	63,000	30,500
Total investments			1,341,465	1,421,336

Total investments are comprised of:

	2004 \$'000	2003 \$'000
Investment property	13,000	30,500
Investment - Walkerswood Partners Limited	50,000	-
Available-for-sale investment	1,113,442	1,265,536
Other assets - Available-for-sale investment	165,023	125,300
Total investments	1,341,465	1,421,336

# GOVERNMENT

## notes to the financial statements cont'd

### Year ended 31 July 2004

#### 13. Loans Receivable

	2004 \$'000	2003 \$'000
(a) Negril Coral Reef Preservation Society	5,935	5,935
(b) Southern Trelawny Environmental Agency	-	409
(c) Association of Clubs	-	290
	<u>5,935</u>	<u>6,634</u>

(a) This represents the bridge financing of a Negril Coral Reef Preservation Society project pending the receipt of grant funding from the European Commission. Interest is earned on the loan at 6% per annum and both principal and interest are repayable on or before September 2003, as a result the amount is past due at year end 31 July 2004.

(b) This represented a loan made on 2 November 2001 to defray losses incurred during the Trelawny Yarn Festival 2000. The loan attracted interest, however neither the interest rate nor the duration of the loan were agreed at 31 July 2003. During the year ended 31 July 2004 the amount was converted to a grant and included in grant disbursements (note 3).

(c) This loan was made on 11 October 2002 and had a tenure of five years with a one-year moratorium. Quarterly repayments of \$25,000 were scheduled to begin 1 November 2003. No interest was earned on the loan. During the year ended 31 July 2004 the amount was converted to a grant and included in grant disbursements (note 3).

#### 14. Other Assets

	2004 \$'000	2003 \$'000
Accrued interest income	31,933	55,009
Prepayments	567	252
Other receivables (i)	3,555	1,035
Recoverable taxes (ii)	64,707	21,108
Available-for-sale investment	165,023	125,300
Cash and bank balances	<u>11,058</u>	<u>12,359</u>
	<u>276,843</u>	<u>215,063</u>

(i) The other receivables balance is stated after provision of \$4,517,336 (2003 - \$4,517,336), representing the balance outstanding on an investment instrument with face value of \$15,517,336 from Buck Securities Limited, a former fund manager, of which \$11,000,000 has been recovered.

(ii) The company has been granted a waiver of all taxes in accordance with Article III of the agreement between the Government of Jamaica and the Government of the United States of America concerning an Enterprise for the Americas Foundation and in accordance with the provisions of Section 86 of the Income Tax Act. Withholding taxes were deducted from certain interest income received and general consumption tax paid on certain assets purchased and administrative expenses. These amounts are therefore recoverable from the relevant authorities.

# notes to the financial statements cont'd

## Year ended 31 July 2004

### 15. Bernard van Leer Fund

The Foundation has entered into a partnership with the Bernard van Leer Foundation for financial and technical support for a project entitled 'Child Support Program' which is to be managed by the Foundation. The balance on the account represents installments received to date less amounts disbursed as follows:

	US \$'000	JA \$'000
Opening balance of fund – 1 August 2003	56	2,844
Funds received during the year	87	4,944
	<u>143</u>	<u>7,788</u>
<b>Direct Costs</b>		
Personnel	61	3,298
Development and training	50	2,741
Workshop	2	87
Networking	1	30
	<u>(114)</u>	<u>(6,156)</u>
<b>Indirect Costs</b>		
Administration	(10)	(549)
	<u>19</u>	<u>1,083</u>
Management fees and personnel costs payable	42	2,263
Closing bank balance of fund – 31 July 2004	<u>61</u>	<u>3,346</u>

### 16. Capital reserves

The cost of capital assets acquired using administration grant funds received is credited to capital reserves and released to the administration fund over the life of the relevant assets by reference to depreciation charges. The balance is comprised as follows:-

	2004 \$'000	2003 \$'000
Balance at beginning of year	27,880	11,807
Capital assets acquired from administration grant funds	2,433	1,619
Transfer from investment property	-	18,000
Disposal of capital assets	(3,473)	(1,352)
Accumulated depreciation on capital assets disposed	3,391	972
	<u>30,231</u>	<u>31,046</u>
Less:		
Transfers to administration fund (depreciation) current year	(3,924)	(3,166)
Balance at end of year	<u>26,307</u>	<u>27,880</u>

### 17. Commitments

As at 31 July 2004, the company had project grant funds committed and not disbursed of approximately \$469,048,528.

# GOVERNMENT OF JAMAICA

## notes to the financial statements cont'd

**Year ended 31 July 2004**

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### **18. Pension Scheme**

The company is a participating employer in a joint defined contribution pension scheme, which is open to all permanent employees and administered by the trustees.

The pension scheme, which commenced on 1 August 1999, is funded by employee contributions at 5% of pensionable salary with the option to contribute an additional 5% and employer contributions at 5% of pensionable salary. A member at normal retirement will be entitled to an annual pension of an amount such that the value, as determined by the Actuary, of this pension and any benefits contingent upon his death shall be equivalent to the Member's Account at the date of his retirement.

### **19. Financial Risk Management**

The company's activities expose it to a variety of financial risks, including the effects of changes in debt market prices, foreign currency exchange rates and interest rates. Management seeks to minimise potential adverse effects on the financial performance of the company by applying procedures to identify, evaluate and manage these risks, based on guidelines set by the Board of Directors.

#### **(i) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The company had net foreign currency assets of US\$6,670,000 at 31 July 2004 (2003 – US\$3,692,000) in respect of transactions arising in the ordinary course of business.

#### **(ii) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company has no significant concentrations of credit risk except for high levels of investment in Government of Jamaica instruments. Cash is placed with substantial financial institutions.

#### **(iii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company's operating cash flows are dependent on changes in market interest rates. The company has interest-bearing assets which are subject to interest rate fluctuations.

#### **(iv) Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The company manages this risk by maintaining sufficient cash and marketable securities.



# notes to the financial statements cont'd

## Year ended 31 July 2004

### 20. Fair Values

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. Market price is used to determine fair value where an active market exists, as it is the best evidence of fair value of financial instrument. Where no active market exists, present value or other estimation and valuation techniques are used to determine fair value.

The amounts included in the financial statements for loans receivable, cash, other receivables and accounts payable reflect their approximate fair values because of the short-term maturity of these instruments.

The fair value for the Bernard van Leer Fund could not be reliably determined as there is no fixed maturity date and the balance does not attract interest.

Financial investments classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, the fair values are estimated on the basis of pricing models or other recognised valuation techniques.

### 21. Related Party Balance and Transactions

#### (a) Balance due from connected party:

	2004 \$'000	2003 \$'000
Investment -		
Walkers Wood Partners Limited (note 11)	50,000	-

#### (b) Grants disbursed to grantees with common directors:

	2004 \$'000	2003 \$'000
Friends of the Sea, net	11,343	9,197
National Environmental Societies Trust, net (i)	4,746	7,457
Northern Jamaica Conservation Association	26	-
St. Ann Environment Protection Association	3,512	3,755
Walkerswood Community Foundation (ii)	3,530	-

(i) Grant approved for the year ended 31 July 2004 amounted to \$10,541,000 of which \$5,795,000 was not disbursed at year end.

(ii) Grant approved for the year ended 31 July 2004 amounted to \$9,543,000 of which \$6,023,000 was not disbursed at year end.

# auditor's report to directors

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20 October 2004

To the Directors of  
Environmental Foundation of Jamaica  
(A company limited by guarantee)

## Auditors' Report

The supplementary information set out on page 22, taken from the accounting records of the company, has been subjected to the tests and other auditing procedures applied in our examination of the company's financial statements for the year ended 31 July 2004.

In our opinion, this information, although not necessary for a fair presentation of the company's state of affairs, statement of movement in Americas' Funds or cash flows, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*PricewaterhouseCoopers*

Chartered Accountants  
Kingston, Jamaica

# GOVERNMENT administrative expenses

Year ended 31 July 2004

	2004 \$'000	2003 \$'000
Advertising and promotion	1,129	523
Audit fees -		
Current year	1,200	820
Prior year	239	36
Bank and finance charges	195	201
Business meetings	898	282
Depreciation	3,924	3,166
Electricity	773	655
Entertainment	-	2
Equipment insurance	472	463
Foreign travel and accommodation	349	-
Legal fees	377	399
Local travel and accommodation	300	92
Motor vehicle expenses	1,184	2,341
Office and general expenses	1,244	752
Office rental	-	1,692
Postage	89	41
Printing and stationery	1,279	985
Professional and consultancy fees	2,430	2,683
Programme support cost	-	21
Public relations	931	924
Repairs and maintenance - office	1,470	980
Salaries and related expenses	29,177	31,211
Security	1,108	954
Subscription and donation	371	189
Telephone	700	919
Training	1,990	782
Water	56	48
	<u>51,885</u>	<u>51,161</u>
Special project direct expense:-		
Child sector project	-	388
Coastal zone project	-	27
Dunn's river watershed project	-	-
Hope gardens project	-	20
National heroes park	-	(52)
Spinal forest project	-	223
		<u>606</u>
Special project administration expenses		6,252
	<u>51,885</u>	<u>58,019</u>

# membership report

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The governance structure of the EFJ includes a membership base that is unique among the funds under the Enterprise for the America's Initiative. The membership is comprised of a wide range of civil society organizations which have a mandate or a stated interest in areas of the EFJ's own mandate: the Environment and Child Survival and Development. The Foundation believes that commonality of goals must be supported by a real partnership with civil society to achieve results and has therefore given high priority to the role of membership in the internal life of the organization.

## Governance

## The Membership Programme

### Membership Support and Development

There has been continued investment in building capacity in the umbrella organizations National Environmental Societies Trust (NEST), the Council for Voluntary Social Services (CVSS), and the Association of Development Agencies (ADA) to provide technical assistance, training and volunteer support to member organizations.

As part of the Training and Education Programme, the committee convened a workshop "Philanthropy in Action" on April 2, 2004 for the benefit of EFJ members and grantees. The workshop was conducted by Dr. Robin Reiter-Faragalli, President of the Miami Children's Hospital Foundation and it addressed the Role of Philanthropy, Relationships between NGOs and Donors, and the means by which NGOs can market themselves to donors. Thirty-nine persons from twenty-nine member organizations attended.

Assistance was provided to two member organizations to host expositions - 'Children's Expo' mounted by Jamaica Foundation for Children, and 'Green Expo' mounted by Jamaica

Conservation and Development Trust in May and June 2004 respectively. The Foundation itself mounted exhibits at both events which proved of great interest to the visitors.

Members have been involved in the management and implementation of projects funded by EFJ, they have provided input into EFJ's Strategic Planning processes, and represented for EFJ at various events, and other public activities.

### Administration

Throughout the year committee and members' meetings were held helped to strengthen relations between members.

- A meeting of Non-Governmental Organizations was convened in October 2003 to communicate the direction and management of EFJ's Grant Making Programme. More than 120 persons attended. The principles of the 'Call' System introduced. An overview on the grant management programme, grant making procedures and project monitoring was also presented. Several recommendations were put forward by participants, which in turn formed the basis of various aspects of the Membership Work Programme, developed in 2004.

- The Annual General Meeting held on December 4, 2003 at the Hilton Hotel, New Kingston, included special guests the Honourable Dean Peart MP, Minister of Land and Environment and Ms. Karen Turner, Mission Director USAID-Jamaica. NGO Director, Mr. Robert Kerr retired. At that time however he was nominated for re-election and included in the slate of five nominees. Nominations were submitted to the Minister of Land and Environment, and two NGO directors were selected - Mrs. Joan Grant-Cummings and Mr. Robert Kerr.

- A workshop held in early January 2004, was convened to confirm the vision and mission of

# membership report

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the EFJ and to obtain input from the members on the Foundation's Five Year Strategic Plan. Thirty-eight members as well as several grantees attended.

- A Membership Strategy for 2004 was prepared by the Committee, and presented to the Board which approved it in principle in May 2004. The EFJ Strategic Plan 2004-2009 has guided Membership Strategy and programme.

- The committee changed its name from Membership and Community Relations to Membership Committee in March 2004 and had a new Terms of Reference approved by the board in May 2004.

- Planning in July 2004 for the EFJ Membership Conference which commenced after reconstitution of the Committee.

- A Membership Charter was presented at the Board's Annual Retreat in early July 2004. The Charter was approved in principle and continues to be reviewed by the Committee.

The Chair takes this opportunity to express appreciation and thanks to the Committee members, where support and activities have been both valuable and effective.

Robert Kerr  
January 2005

# members

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Association of Clubs  
Association of Development Agencies  
Big Brothers of Jamaica  
BirdLife Jamaica  
Bluefield's Peoples Community Association  
Council of Voluntary Social Services, The  
Friends of the Sea  
Geological Society of Jamaica  
Girls Town Jamaica  
Hope for Children Development Company  
Hyacinth Lightbourne Memorial Association  
ICWI Group Foundation  
Jamaica Assoc for Persons with Mental Retardation  
Jamaica Association for the Deaf  
Jamaica Baptist Women's Federation  
Jamaica Cancer Society  
Jamaica Conservation and Development Trust  
Jamaica Environment Trust  
Jamaica Family Planning Association  
Jamaica Foundation for Children  
Jamaica Institute of Environmental Professionals  
Jamaica National Children's Home  
Jamaica Red Cross Society  
Jamaica Society for Agricultural Sciences  
Jamaica Society for the Blind  
Jamaican Geographical Society  
Portmore Joint Citizens Association  
National Development Foundation of Jamaica  
National Environmental Societies Trust  
Negril Coral Reef Preservation Society  
Portland Environment Protection Association  
Private Sector Organization of Jamaica  
Raymond's Citizens Association  
Jamaica Save the Children  
S-Comer Clinic  
Northern Jamaica Conservation Association  
Three - D Projects  
Unitas of Jamaica Limited  
Vouch Limited  
Yallahs Community Development Fund Limited  
Young Women's Christian Association