



ENVIRONMENTAL FOUNDATION OF JAMAICA

Preserving the future... today!



2006-2007 ANNUAL REPORT



Environmental Foundation of Jamaica

Mission Statement

The mission of The Environmental Foundation of Jamaica (EFJ) 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 MEMBERS

Mr. James Rawle	Chairman, Treasurer, NGO Representative
Ms. Nicole Foga	Secretary, Chair, Compliance and Human Resources Committee, NGO Representative
Dr. Leary Myers	Representative of the Government of Jamaica
Mr. James Harmon	Representative of the Government of the United States Of America
Prof. Susan Walker	Representative of the University of the West Indies, Chair, Grant Management Committee
Mr. Carlton Levy	Child Survival Director
Mrs. Sheila Grant	Chair, Membership Committee, NGO Representative
Mrs. Gina Sanguinetti Phillips	NGO Representative
Mr. Franklin McDonald	NGO Representative

MEMBERS OF STAFF

Executive Office

Mrs. Joan Grant Cummings	Chief Executive Officer
Ms. Sydonnie Rothery	Executive Secretary

Finance Department

Mr. Kurt Hollingsworth	Financial Manager
Ms. Joanna Prendergast	Assistant Manager, Treasury
Mrs. Marcia Dolphy	Coordinator, Accounting Services
Mr. Leighton Cornwall	Senior Accounting Clerk
Mr. Rohan Shaw	Information Systems Consultant

Human Resources and Administration Department

Mrs. Andrea Jarrett	Human Resources and Administration Manager
Ms. Paulet Noble	Human Resources Assistant
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

Mrs. Karen McDonald Gayle	Programme Manager
Mr. Derrick Gayle	Coordinator, Environment Programme
Ms. Janice Blake	Coordinator, Child Sector Programme
Mrs. ELECIA MYERS	Coordinator, Technical Support and Services
Ms. Asha Bobb-Semple	Programme Officer, Environment Programme
Mrs. Charmaine Webber	Programme Administrator

STANDING COMMITTEES

Executive Committee

Mr. James Rawle	Chairman, Treasurer, NGO Representative
Ms. Nicole Foga	Secretary, Chair, Compliance and Human Resources Committee, NGO Representative
Mrs. Joan Grant Cummings	Chief Executive Officer

Finance and General Purposes Committee

Mr. James Rawle	Chairman, Treasurer, NGO Representative
Ms. Nicole Foga	Chair, Compliance and Human Resources Committee, Secretary, NGO Representative
Dr. Leary Myers	Representative of the Government of Jamaica
Mr. James Harmon	Representative of the Government of the United States of America
Mr. Carlton Levy	Child Survival Director
Mrs. Joan Grant Cummings	Chief Executive Officer
Mr. Kurt Hollingsworth	Financial Manager

Grant Management Committee

Prof. Susan Walker	Committee Chair, UWI Representative
Dr. Leary Myers	Representative of the Government of Jamaica
Ms. Yvonne Coore Johnson	Representative of the Government of the United States of America
Mr. Carlton Levy	Child Survival Director
Mrs. Gina Sanguinetti Phillips	NGO Representative
Mrs. Joan Grant Cummings	Chief Executive Officer
Mrs. Karen McDonald Gayle	Programme Manager

Compliance and Human Resources Committee

Ms. Nicole Foga	Committee Chair, Secretary/Director, NGO Representative
Mr. James Rawle	Board Chairman, NGO Representative
Mrs. Joan Grant Cummings	Chief Executive Officer
Mrs. Andrea Jarrett	Human Resources and Administration Manager
Mr. Kurt Hollingsworth	Financial Manager



Membership Committee

Mrs. Sheila Grant	Committee Chair, NGO Representative
Mrs. Winsome Townsend	Representative of the Government of Jamaica
Prof. Wilma Bailey	Representative of the University of the West Indies
Mrs. Gina Sanguinetti Phillips	NGO Representative
Representative	Association of Development Agencies
Representative	National Environmental Societies Trust
Representative	Council of Voluntary Social Services
Mrs. Joan Grant Cummings	Chief Executive Officer
Mrs. Karen McDonald Gayle	Programme Manager
Mrs. Elecia Myers	Coordinator, Technical Support and Services

Endowment Fund Trustees

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

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Commercial Bankers

National Commercial Bank Jamaica Limited
Private Banking Branch
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Investment Managers

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



CHAIRMAN'S MESSAGE

The EFJ pressed forward with the implementation of its five year Strategic Plan throughout the 2006-2007 year. Consequently, the year was characterized by robust grant disbursements, improvements in our grant making procedures and policies, the successful formation of new partnerships, strengthening the capacity of grantees and members, public education and outreach initiatives, developing employee expertise and fiscal prudence.

We are pleased to report that during the year under review the EFJ disbursed 158 grants totaling \$232.2M. More than 55% of these grant funds went either to rural grantees or grantees with rural programmes. The Discretionary Grants Programme was extended, with disbursement being \$6.7M, increasing our responsiveness to the ongoing needs of grantees particularly in the areas of organizational development, education and training.

The Foundation's programmatic approach to grant making was enhanced through the acquisition and implementation of the GIFTS grant making software. This software which is integrated with the Foundation's financial management system provides enhanced visibility and allows the organization to better capture information, generate reports and monitor grants thereby creating a more efficient and effective grant making process for the benefit of our stakeholders.

Collaboration with other donors to better leverage EFJ resources for the benefit of grantees was a prevailing theme in the year under review. We continued our work with the Bernard van Leer Foundation through Phase Two of their "Kingston Inner City Child Support Project", executed an agreement with the Global Environment Facility (GEF) - Small Grants Programme (SGP) and extended our collaboration with the Commonwealth Foundation and the Inter American Development Bank (IDB). Through these strategic partnerships members and grantees gained access to new funding and development opportunities.

We responded to members' needs not only through grant making but also through the hosting of a workshop for members entitled "Partnerships and Possibilities: Collaborating for Change".

In furthering our strategic objective of developing public awareness in the child sector, the EFJ's second Annual Public Lecture focused on the child. The Lecture was presented by Professor Elsa Leo-Rhynie and entitled "*Social Toxins and Our Children: Can the Pollution be stopped?*" Over 450 persons were in attendance. We continued to support other public education activities such as the Jamaica Foundation for Children's Annual Children's Expo and several international days of action on the environment.

During 2006-2007, the EFJ proceeded with the training and development of the staff of the EFJ. The year witnessed not only the implementation of a Performance Review Tool linked to staff development, but also the training of staff in leadership and management and the upgrading of skills to improve customer service. The Foundation also co-sponsored international training for a staff member through participation in a six



weeks course in “Sustainable Coastal Management”, held in Sweden, in order to improve our technical capacity in the area. Additionally, the staff complement was augmented by the recruitment of a new Programme Manager with a mandate to focus on monitoring and impact assessment.

Impact Assessment is a critical issue for us as we move forward. Over the years, we have focused on how grantees have managed projects and achieved their specific targets, in other words the success of the grant. We are moving to the next level where we will be seeking to assess the Foundation's *overall impact* in a specific area, and also the *sustainability* of the grant activity.

All grants awarded in the EFJ's March 2007 Call will be pilot testing some newly developed “Universal” Indicators for use in the EFJ Impact Assessment.

More recently the Foundation embarked on a process of reviewing and adapting an *Organisational Capacity Assessment Tool* to evaluate the progress of NGOs that are members as well as larger grantees. This is critical as the NGO sector has recurring issues of capacity development and this tool, which is designed to also be self-administered, can monitor NGO progress over a long-term period.

In previous years we reported on the establishment of the “Go Green Loan Facility”, a partnership arrangement between the Foundation, The Development Credit Authority (DCA) of the United States Agency for International Development (USAID) and the RBTT Bank Jamaica Limited, with the EFJ providing 40 % (US\$2M) of a US\$5M loan pool, targeted at small and medium sized enterprises in the hotel/tourist and manufacturing sectors. The facility was aimed at providing inexpensive financing to sectors for environmental related projects. After more than two years of operation the uptake of loans under the facility was well below expectations and, as a result, the Board took the decision to withdraw the unused balance of the Foundation's contribution to the pool and invest it in higher yielding instruments. USAID also terminated the Development Credit Authority guarantee for the facility.

We were able to improve our internal business processes and build staff competencies while remaining compliant with the administrative expense requirements of the Foundation's governing agreement. For the period under review, administrative expenses were \$54.1M or 23.25% of grant disbursements, which is below the maximum 25% stipulated by the Agreement.

It is important to note that the investment portfolio balance decreased by 12.5% to J\$825.4M during the year, indicative of the sustained high level of Grant-making activity in a macroeconomic environment of declining yields in financial instruments. In response to the declining portfolio balance and the need to sustain grants in the child and environment sectors, the EFJ emphasized prudent fiscal management while exploring second generation funding and the diversification of the investment pool to increase revenue.

The EFJ remained committed to participation in international activities which will better enable it to accomplish its strategic objectives and, as such, continued to participate in the Annual General Meeting and Conference of the Latin American and Caribbean Network of Environmental Funds (RedLAC), attended the



Annual Council on Foundations (COF) conference and actively participated in the International Committee of the COF through membership of the EFJ Board Secretary. In addition, the EFJ participated in a pan-Commonwealth Conference on Climate Change and Disaster Management by the Government of the Seychelles and the Commonwealth Foundation.

During the year, there were several changes on the Board, including the appointment of Mr. Franklin McDonald as NGO Director and the resignation of NGO Director Mrs. Sheila Grant due to illness. We are appreciative of Mrs. Grant's leadership as Chair of the Membership Committee and we wish her all the best.

As always, I thank the members of the Board and the Foundation staff for their hard work, diligence and commitment over the past year. During the past year the EFJ adhered to the strategic plan and remains on track towards accomplishing its vision of being a leader in the child and environment sectors.

I have all the confidence that with the support of the Governing parties, members, grantees, fellow donors, board members and staff we will achieve this vision.

JAMES E. D. RAWLE
October 2007



GRANT MANAGEMENT

Over the last year, EFJ's Programme Department has continued to improve its role and efficiency in not only issuing grants, but in ensuring that the grants are monitored and evaluated properly. In addition to improved technology and software for project monitoring, the department began to work on the development of universal indicators to facilitate recording and reporting of the national impact of the grants programme. There will also be more focus on the monitoring of grant activities to ensure the achievement of the positive national impacts we are looking for. This will be achieved by moving to a system of one call per year, in addition to continuing a strong discretionary grants programme.

The Genesis Academy



EFJ has supported special needs children, including the work of the Genesis Academy.

For this Financial Year (2006 - 2007), the EFJ advertised two (2) calls in October 2006 and March 2007 and also continued to review discretionary grants for requests under J\$200,000 throughout the year.

The Themes were as follows:

For the October 2006 Call:

Environment:

- **Waste Management**
 - Waste Water Recycling and Reuse
 - Solid Waste Recycling
 - Hazardous Waste Management
- **Watershed and Coastal Zone Management**
 - Upper Watershed reforestation
 - Beach Management
 - Coastal Habitat Protection

Child Survival and Development:

- **Early Childhood Interventions**
 - Training of Professionals
 - Enrichment Programmes
 - Early stimulation & training of parents



For the March 2007 Call:

Environment:

- **Biological Diversity** with a focus on
 - Habitat Conservation and Management
 - Endemic/Endangered Species Conservation and Management
- **Alternative Energy Systems** with emphasis
 - Hybrid Systems (wind, solar, biogas)
- **Community Green Spaces**

Child Survival and Development:

- **Children in Challenging Circumstances** with a focus on:
 - Abandoned and Institutionalised Children
 - Abuse and Violence Prevention
 - Adolescents-at-Risk
- **Children With Special Needs** with a focus on:
 - Development Programmes/Therapies
 - Accommodations and Facilities
 - Equipment

The sub-committee of the EFJ Board responsible for review and recommendations on grant management and approval is the Grant Management Committee (GMC). The GMC met seven (7) times for the year, reviewing 275 proposals from both calls and recommended 63 proposals to the EFJ Board valued at \$178,464,770.37.

Comparative Grants Approved by Themes and Year of Award 05/06 - 06/07

Themes	Number of Grants Approved 2005/2006	Value of Grants Approved 2005/2006	Number of Grants Approved 2006/2007	Value of Grants Approved 2006/2007
Environment	46	\$163,653,284.00	31	\$ 93,144,698.00
Child Survival & Development	31	\$ 81,653,562.28	32	\$ 85,320,071.37
Total	77	\$245,288,846.28	63	\$178,464,760.37



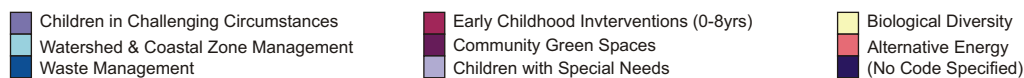
Comparative Approval and Disbursement Rates

	Received	Approved	Amount Approved (J\$M)	Amount Disbursed (J\$M)
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	40.32
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
2004/2005	394	148	334.25	390.1
2005/2006	305	77	245.29	274.74
2006/2007	275	63**	178.47	232.27
TOTAL	2591	993	1880.50	1650.95

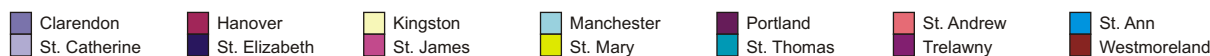
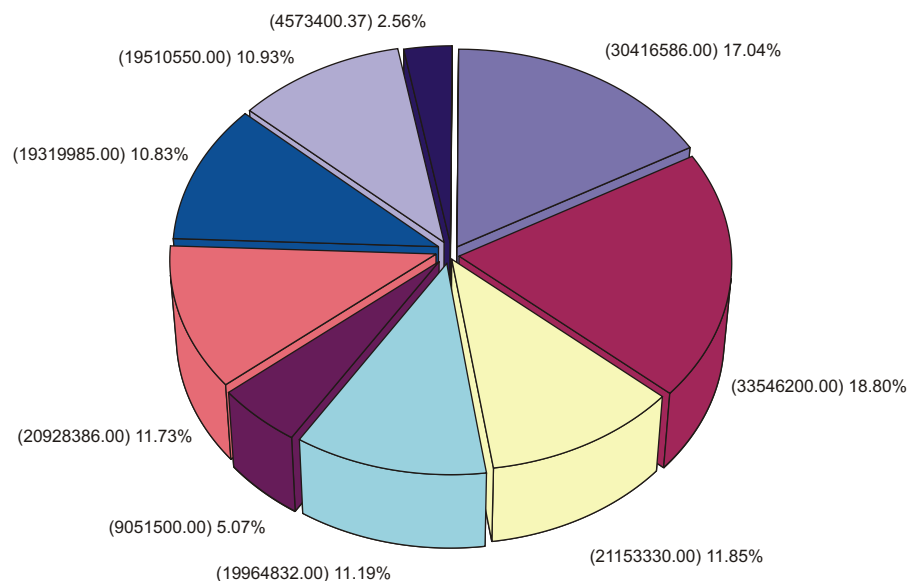
**Since approval of the Grants, two Grantees have requested that their proposals be withdrawn.

The Foundation also continued its Discretionary Grants Programme for its first full year. The Discretionary Grants committee, comprised of the GMC Chairperson, the EFJ Chief Executive Officer and Programme Manager, reviewed 58 proposals outside of the call and recommended for approval 45 grant awards for a total of \$6,708,105 of grants of \$200,000 or less. The Programme has exceeded all expectations as a mechanism for the delivery of small costs, low maintenance, impactful grants out of the Call Process. In the last year, the Foundation was able to provide a number of critically useful discretionary grants to assist in various programmes. Below is a grouping of the types of grants issued:

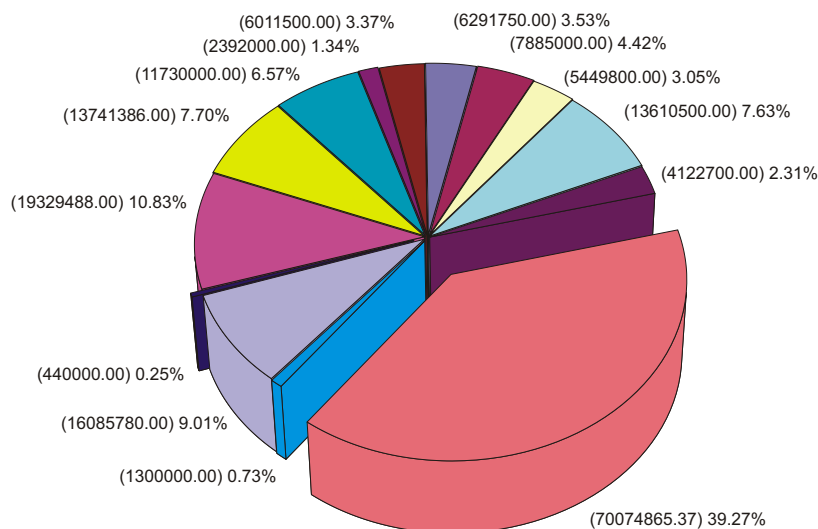
- *Child Institutions - Infrastructure (6 grants totalling \$1,035,000)*
- *Child Sector - Activities (5 grants totalling \$669,000)*
- *Environmental Entities - Infrastructure (2 grants totalling \$364,065)*
- *Environmental Stewardship Activities (8 grants totalling \$1,384,500)*
- *Community Governance Activities (17 grants totalling \$2,230,000)*
- *Travel (Local/International Conferences) (7 grants totalling \$1,025,540)*



Approvals By Thematic Areas (Grant Amount)
October 2006 & March 2007 Call for Proposals



Approvals By Parish (Grant Amount)
October 2006 & March 2007 Call for Proposals





Project Highlights

The New Horizon Christian Outreach Ministries (NHCOM) Solar Powered Greenhouse and Bioponic Operations

This project reflected another successful marriage between the Foundation's focus areas of environment and one of the themes under the child sector, Adolescents-at-Risk. The NHCOM use their 2.5 acres property, to teach young “at risk” youth good agricultural and “survival” skills while imparting a healthy Christian attitude and stewardship level, towards animals, plants and environment. The EFJ assisted in providing solar equipment to generate electricity for power and heating water. The group recently graduated its first batch of 35 HEART-qualified graduates and the next class of 40 has already begun in earnest.

Dudley Grant Memorial Trust's Early Childhood Resource Centre



The EFJ has supported the Dudley Grant Memorial Trust's Early Childhood Resource Centre in St. Thomas

The Jeffrey Town Farmers Association Vermicomposting, Soil Conservation and Watershed Reforestation Project

The Jeffrey Town Farmers' Association in the northern parish of St. Mary is one of the major success stories among EFJ grantees. The group was the 2006 winner of the Michael Manley Foundation Environmental Award for Community Self-Reliance for their work in utilising their limited resources in a number of innovative and creative alternative livelihoods focused on income-generating (mainly farming) and community (radio station and multi-media centre) activities in their community. The EFJ assisted them with appropriate and sustainable methodologies/approaches to:

- Reduce soil loss through application of appropriate soil management techniques;
- Reforestation of sections of the surrounding communities that are parts of the upper Rio Cobre and White River Watersheds; and
- Organic Farming, where applicable, aimed at substituting inorganic fertilizers with more environmentally friendly alternatives. Of particular note is the use of local raw materials such as ackee by-products to produce organic fertilizers.

The association comprises of over 50 farmers and has hosted community field days for other farmers in and around the area. The Foundation is proud of the work of the group, in particular its multiplier effect. The level of sensitization and respect from the local community is tangible and the group continues to host a successful Breadfruit Festival annually.



UWI, Department of Chemistry Project to Remove Asbestos from Succaba Pen, Old Harbour

The EFJ was also proud to assist the University of the West Indies' Chemistry Department in their project to remove and safely dispose of asbestos pipe debris from a closed asbestos factory that had remained in the Succaba Pen community for over 30 years. Residents of the over 500 households in the area had been living with the public health hazard of tonnes of asbestos materials that were being used for housing foundations, roadways, flowerpots, culverts, roofing, gateposts, and even to fill a pond in the area. The activity saw a number of impressive partnerships, including one with the residents, many of whom were trained and hired over a 3-month period to assist with the safe removal of this waste. The University also worked with the National Housing Development Corporation (NHDC) and as a result of the clean up, the settlement will be regularised to ensure land ownership for the residents who had endured the condition over many years.

Succaba Pen Clean Up



EFJ supported the UWI Department of Chemistry in the clean up of asbestos from the Succaba Pen area.

College of Agriculture Science and Education (CASE) Demonstration of Alternative Energy Hybrids for Small Farmers in Jamaica

The project successfully demonstrated two small-scale renewable energy hybrid systems in solar and biogas on the CASE Tutorial Farm. The systems now serve in the research and development programme of the College as well as a demonstration for students and the wider farming community, showing affordable alternative systems supporting agriculture. The alternative energy operations have not only resulted in savings in electricity costs for the Institution, but they also now *supply* power to the national grid from the EFJ-sponsored wind turbine. The bio-fuel produced powers a refrigerator and lamps for both light and heating for the farm activities, independent of the municipal supply. The EFJ expects that use of the technology will demonstrate alternative energy possibilities for farms or households in isolated areas, or with a desire to use less fossil fuel.

Support towards the improvement and registration of Early Childhood Institutions

The EFJ supported the Early Childhood Commission's national plan for “*a comprehensive delivery of early childhood programmes and services*”. The Foundation is committed to playing its part in this process and



was able to supply infrastructural items such as fencing, learning materials, playground equipment, and requisite furniture to 10 rural Jamaican Early Childhood Institutions islandwide. In all, this year alone, over 526 children in 14 communities have benefited from more equipped classrooms and improved school surroundings.

S.T.E.P. Centre Project for Communication and Oral-Motor Therapy for Verbal and Non-Verbal Children

A focal point area in EFJ grant making within the Child Survival and Child Development Sector is the support to programmes geared towards children with disabilities. In this regard the STEP Programme deserves special mention. The Special Training and Empowerment (STEP) Programme provides young people with training in management, information technology, youth development and youth issues. The EFJ assisted in a project to increase the skills of people who work with children with multiple disabilities in the area of speech, communication and oral motor function. The project also focussed on teaching parents to recognize how their children communicate, through subtle signals as well as more basic sounds.

The Centre has 18 children (with multiple disabilities) enrolled and the project has significantly benefited the children and parents who were involved, as Individual Therapy Programmes were incorporated within each child's Individual Education Plan to allow for a more targeted and wholesome intervention. Parents were included through parent conferences and one on one consultation with child, parent and therapist. With the provision of support for therapists and SPL tools there have been notable improvements in the children's ability to communicate both verbally and non-verbally. Furthermore six workshops were held with a total of 130 attendees including representatives from similar organisations and practitioners in the field to disseminate techniques and raise awareness amongst professionals. The Centre is now better equipped and continues to enrol children with disabilities.

Capacity Development - NGO Strengthening

The EFJ continued to support NGO organizational development and sustainability

During the year the Association of Development Agencies (ADA) and UWI, collaborated on a project, funded by the EFJ to deliver training areas:

- Advocacy & Negotiation Skills - (39 participants)
- Project Cycle Management - Cycles I - (68 participants)
- Basic Proposal Writing - (47 participants)
- Cycle II - Monitoring & Evaluation - (39 participants)



In all, one hundred and twenty-five (125) persons from seven (7) ADA Member Agencies and fifty-five (55) partnering communities were trained.

Three (3) workbooks on the Capacity Building courses were also distributed as part of the project to all ADA Member Agencies and other NGOs (approximately 20,000 persons) by our network and via the Internet. The project resulted in participants achieving one credit through the UWI School of Continuing Studies.

The Foundation, through a grant to United Way, provided Technical Assistance to NGOs through the provision of Consultancy support for various institutional strengthening strategies and hosting of proposal writing workshops. Approvals and ongoing monitoring of Capacity building related grants and initiatives were also undertaken during this period.

Project Management

The Programme Department at the EFJ reports to the Grant Management Committee of the Board. In 2006/07, the department had a number of challenges and successes.

Early in the year, the Foundation converted to the new Grants Management Software, MicroEdge GIFTS®. GIFTS is specifically designed to meet the needs of foundations, corporate giving programs, bank trust companies, government funding agencies and other grant-making organizations. It is one of the most widely used solutions by grant makers world wide as it streamlines and simplifies every aspect of grant award and administration by centrally locating detailed and summary information relating to all programs, it provides a consolidated history that can be easily accessed and analysed. The program has already allowed for tremendous improvements in data analysis and queries as well as in a team approach to project management. With the addition of the GIFTS software and a new Programme Manager, the Programme Department has begun the process of ensuring all active grants are current and continue to be relevant and that all outstanding reports are recorded. This process is a valuable component of our grant management strategy as we seek to more effectively evaluate the impact of our projects, improve our documentation and be more effective and efficient in our interaction with grantees and other partners. For the EFJ this is critical in the drive to contribute to the process of determining and analysing the impact of NGO environment and child sector activities on Jamaica's national development.



Grant Awards

PL480 GRANTS - Environmental Conservation & Management

Theme: Alternative Energy Systems

Organization	Project Name	Amount Approved
Dallas Castle Community Development Council	The Application of Solar Electrical System and Utilisation of Biodigester Technology at the Dallas Castle Agroprocessors Production Facility	\$4,609,000.00
University of the West Indies (Bursary)	Alternative Energy Systems	\$6,698,000.00
St. Peter & St. Paul School	Green School Energy Efficiency Program	\$3,600,000.00
Irwin High School	Irwin High School - Solar Energy	\$880,000.00
Mango Valley Visionaries	Demonstration and Use of Solar Energy and Biodigester Technology at the Mango Valley Pride Agroprocessing Facility	\$5,141,386.00
Total		\$20,928,386

Theme: Coastal Habitat Protection

Organization	Project Name	Amount Approved
Fletcher's Grove/ Mount Pelier Circuit of Baptist Churches	Expansion of Coastal Zone Solid Waste Management Initiative in Sandy Bay, Hanover	\$2,885,000.00
Total		\$2,885,000.00



Theme: Endemic & Endangered Species Conservation and Management

Organization	Project Name	Amount Approved
Dolphin Head Trust	Towards Sustainable Operations of Biodiversity Conservation Initiatives	\$4,500,000.00
Total		\$4,500,000.00

Theme: Habitat Conservation and Management

Organization	Project Name	Amount Approved
Portland Environmental Protection Association	Mangrove Habitat Conservation and Endemic Specie Protection Programme	\$2,732,700.00
University of Technology, Jamaica: Faculty of Health & Applied Science	DNA Fingerprinting of Jamaica Endemic Medicinal Plant	\$5,535,630.00
St. Thomas Environmental Protection Agency	The Great Morass, Bowden Morass and Associated Coastal Areas: Community Awareness Campaign	\$2,405,000.00
St. Thomas Emancipation and Cultural Foundation	The Great Morass Park and Trails St. Thomas	\$4,980,000.00
Total		\$15,653,330.00

Theme: Hazardous Waste Management

Organization	Project Name	Amount Approved
UWI, Department of Chemistry	Asbestos Removal from Succaba Pen, Old Harbour - PHASE 2	\$6,429,385.00
Total		\$6,429,385.00



Theme: Solid Waste Recycling

Organization	Project Name	Amount Approved
Hope Pastures Citizens Association	Greening of Hope Pastures Community	\$1,376,100.00
Jamaica Environment Trust	Developing Community Support for Recycling Programmes in Jamaica (**withdrawn)	\$1,383,500.00
Jeffery Town Farmers Association Limited	The Jeffrey Town Farmers Association Vermicomposting, Soil Conservation and Watershed Reforestation Project	\$6,000,000.00
Total		\$8,759,600.00

Theme: Upgrade/Establishment of Community Parks

Organization	Project Name	Amount Approved
Melrose Mews Citizens Association	Establishment of Melrose Mews Multipurpose Community Park	\$2,309,500.00
Kiwanis Club of St. Georges	Promoting social interaction and Aesthetic appreciation through Development of Community Green Space	\$1,390,000.00
Lluidas Vale Community Development Committee	Lluidas Vale Park	\$430,000.00
Jamaica Baptist Union	The Salters Hill Historical Community Heritage Park and Nature Trail	\$2,530,000.00
Falmouth Gardens Citizens Association	The Restoration of Falmouth Gardens Park	\$2,392,000.00
Total		\$9,051,500.00



Theme: Upper Watershed Reforestation

Organization	Project Name	Amount Approved
Lions and Leo Clubs of Mona	Reforestation of 25 Hectares of Degraded Forest Reserve in Wallenford and Rose Hill	\$6,246,625.00
LA Zin Farmers Association	Institutional Strengthening and Capacity Building for La Zin Farmers Association	\$2,819,147.00
South St. James Social & Economic Development Trust	Great River Watershed Reforestation and Blue Hole Nature Park Resuscitation	\$3,666,000.00
Negril Area Environmental Protection Trust	Reforestation of the Upper Orange River Watershed	\$2,951,500.00
Total		\$15,683,272.00

Theme: Waste Water Recycling and Reuse

Organization	Project Name	Amount Approved
Elsie Bemand Home Trust	Upgrading of Sewage and Wastewater Disposal System	\$1,071,000.00
Negril Coral Reef Preservation Society	Water Hyacinth: The Answer to Negril's Nutrient Pollution	\$3,060,000.00
Total		\$4,131,000.00



Theme: Scholarship

Organization	Project Name	Amount Approved
Peter Edwards	Marine Policy PhD. Graduate Degree, Coral Reef Resource Economic Valuation	\$1,396,560.00
LaToya Wilmot-Brown	MSc. and Cerification in Audiology at the University of Southampton, UK	\$500,000.00
Suzanne Davis	Doctor of Philosophy in Geography and Environmental Studies	\$264,577.00
Daveia Angus	Urban and Regional Planning	\$160,000.00
UWI, Biotechnology Centre	Tuition Grant for Students in Natural Product Development of Pharmaceutical and Nutraceutical Herbs	\$1,000,000.00
Total		\$3,321,077.00

Theme: Capacity Building

Organization	Project Name	Amount Approved
Jamaica Institute of Environmental Professionals	Staging of Third Biennial Conference on Environment May 14 - 16, 2007	\$2,302,088.00
Total		\$2,302,088.00



AID DEBT GRANTS – Child Survival & Development

Theme: Abandoned and Institutionalized Children

Organization	Project Name	Amount Approved
Anderson's Children's Home	Anderson's Facilities Enhancement Project	\$1,138,750.00
Mount Olivet Boys Home (United Church)	Using Recreational Activities to Curb Violent and Disruptive Behaviour and Enhance Childhood Development	\$1,541,000.00
Sunbeam Children's Home	Sunbeam Life Enrichment Programme - Providing Academic and Social Development Opportunities to Mal-adjusted Boys	\$4,045,300.00
Total		\$6,725,050.00

Theme: Abuse and Violence Prevention

Organization	Project Name	Amount Approved
Hope For Children Development Company	An Ounce of Prevention - Better than a Pound of Cure	\$5,449,800.00
Hope Wellness Centre	Pre Adolescent Resiliency Programme	\$4,495,600.00
Family and Parenting Centre	Assessing and Treating Traumatized Children from Schools in Montego Bay and its Environs	\$5,182,488.00
Home of Charlottes Children Foundation (HCCF)	Continued Support and Development for Children Who are Exposed to Violence (**withdrawn)	\$715,000.00
Total		\$15,842,888.00



Theme: Adolescents-at-Risk

Organization	Project Name	Amount Approved
Longville Park Parents Support Group	Longville Park Joint Communities Youth at Risk Workshop	\$768,000.00
Rural Family Support Organization	The Roving Caregivers and Male Adolescent Programmes	\$4,385,000.00
Caribbean Youth Summit Association	Manning Boys Home Upliftment Programme	\$493,700.00
Ewarton Community Development Action Committee (ECODAC)	The Ewarton Life Skills Training/Youth at Risk Project	\$2,201,948.00
Total		\$7,848,648.00

Theme: Development Programmes/Therapies

Organization	Project Name	Amount Approved
Jamaica Down's Syndrome Foundation	Establishment of A Support Group for Jamaican Families with Children with Down's Syndrome: Addressing their Many and Varied Medical and Psycho-Social Problems.	\$1,376,000.00
Genesis Academy	Strengthening the Assessment and Therapy Intervention provision for Mentally Challenged Students.	\$5,482,800.00
UWI, Faculty of Medical Sciences	Development of Training Programme in Speech Therapy, Occupational Therapy and Audiology at the UWI, Mona Campus	\$6,295,750.00
St. James Programme - Rural Services for Children with Disabilities	Expansion of Assessment and Early Intervention Services - St. James	\$6,356,000.00
Total		\$19,510,550.00



Theme: Early Stimulation Activities & Training Parents and Caregivers

Organization	Project Name	Amount Approved
University of Technology, Jamaica: Faculty of Health & Applied Science	Study on Nutritional Education of Parents from Low Income Interventions (0-8yrs) Communities	\$1,135,200.00
Jamaica Association For the Deaf Assessment Project II	Hearing Awareness and Interventions (0-8yrs)	\$6,700,000.00
Dudley Grant Memorial Trust	St. Thomas Early Childhood Resource Centre and Poor Communities Across the Parish	\$4,345,000.00
Total		\$12,180,200.00

Theme: Enrichment Programmes to Benefit Children

Organization	Project Name	Amount Approved
Clifton Basic School	Basic School Refurbishing Programme to Enhance and Facilitate Quality Learning	\$500,000.00
Pal-Mair Basic School	Education and Playing Equipment for the Early Childhood Institutions in Northwest Manchester	\$3,000,000.00
Greenvale Anglican Basic School & Day Care Centre	Enrichment Programmes for Children 0-6 Years at Basic School and Day Care Centre	\$600,000.00
Cedar Grove Learning Centre	Upgrading of the Cedar Grove Learning Centre to Meet ECC Requirements	\$400,000.00



Christ Church (Anglican) Childhood Education Centre	Early Creative Techniques for Stimulation of Children at Christ Church Early Childhood Centre in Vineyard Town	\$846,000.00
Linton Park Basic School	Learning Enrichment Programme for the Linton Park Basic School	\$500,000.00
Mile End Basic School	Seating for Students/Teachers- Appropriate Environments Lead to more Focused Students	\$300,000.00
Exchange Basic School	Early Childhood Intervention Project for the Exchange Basic School	\$500,000.00
Jamaica Christian Boys Home	A Reliable Motor Vehicle to Transport Children To and From School - Phase II	\$1,346,735.37
Parottee Citizens Association Benevolent Society	Parottee Basic School Early Childhood Stimulation Activity Project	\$440,000.00
Enfield Community Development Committee	Construction of Basic Schools in Epsom & Juno Pen, St. Mary	\$2,600,000.00
Total		\$11,032,735.37



Training of Professionals in field

Organization	Project Name	Amount Approved
Manchester Early Childhood Parish Board	Early Childhood Teacher/Practitioner Training Project (Phase 1)	\$5,760,000.00
Council of Voluntary Social Services	National Volunteer Centre	\$5,920,000.00
Total		\$11,680,000.00

Summary

Environmental Conservation & Management	(31)	\$93,144,698.00
Child Survival & Development	(32)	\$85,320,071.37
Total – 63 Projects	(63)	\$178,464,769.37

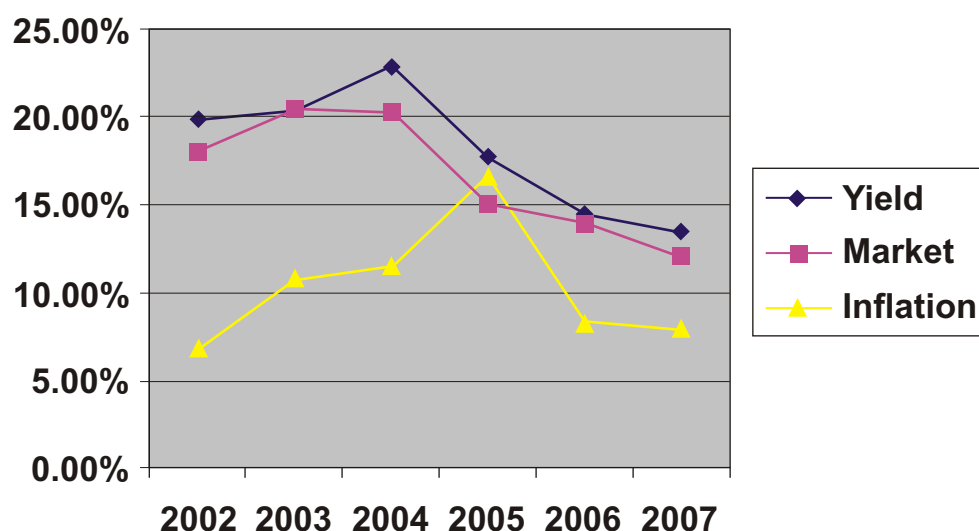


FINANCE COMMITTEE REPORT

Investment Portfolio and Investment Income

At the end of the 2006-2007 fiscal year, the Foundation's investment portfolio was valued at J\$825.4M compared to J\$944.3M at the close of the 2005-2006 fiscal year, reflecting a decrease of J\$118.9M. Total disbursements for the year of J\$289.9M (grants, investment advisors fees and transfers to administration) exceeded the J\$128.5M inflows (investment income and GOJ deposits to the fund) by J\$161.4M.

Net income earned from investments during the year was J\$103M, representing a weighted average yield on funds invested for the year of approximately 13.52% (2006: 14.5%). The rate of return continued to exceed the average Government of Jamaica secured half year fixed income instrument (repo) yield of 12.14% (2006, 13.9%), and represents a 5 percentage point excess over the Consumer Price Index of 7.9% for the period August 2006 to August 2007 (point to point). The trend for the portfolio yield continues to outstrip market and inflation as demonstrated by the following graph.





The decline in the yield on the portfolio was due to the following factors:

1. 72% of the portfolio currently held in fixed income instruments was impacted by the continued tight monetary policy and the resultant decreasing rates of return on fixed instruments.
2. 22% of the portfolio was invested in long-term, reduced yield investments to provide discounted financing facilities for the New Financial Options.
3. The equity portion of the portfolio appreciated by 17.9% during the financial year, out performing the local stock market performance for the period (JSE market index advanced by 9.5% for the period).

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

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

	Balance at 31 July 2007	% age of Total	Balance at 31 July 2006	% age of Total
Barita Portfolio Management Ltd.	250,998,000.00	30.41%	264,368,000.00	28.00%
Scotia Investments	282,634,000.00	34.24%	327,846,000.00	34.72%
National Commercial Bank	12,089,000.00	1.46%	41,906,000.00	4.44%
First Global Financial Services	96,207,000.00	11.66%	133,285,000.00	14.12%
RBTT Bank Jamaica Limited	133,484,000.00	16.17%	126,852,000.00	13.43%
Unquoted Equities	50,000,000.00	6.06%	50,000,000.00	5.30%
	825,412,000.00		944,257,000.00	

Asset Allocation (before IFRS Fair Value Adjustment)

	Balance at 31 July 2007	% age of Total	Balance at 31 July 2006	% age of Total
GOJ Secured Fixed Income	597,118,000.00	72.34%	729,425,000.00	77.25%
Quoted Equity	44,810,000.00	5.43%	37,980,000.00	4.02%
RBTT Loan Facility	133,484,000.00	16.17%	126,852,000.00	13.43%
Unquoted equity	50,000,000.00	6.06%	50,000,000.00	5.30%
	825,412,000.00		944,257,000.00	



During the year under review, the Committee continued discussions with the Foundation's Investment Managers regarding the asset allocation, in light of the sustainability challenges facing EFJ in the coming years. These discussions continue with a view to changing the composition of the portfolio, so as to increase income, while preserving value.

Administrative Expenses

The administrative expenses of J\$54M for the year amounted to 23.25% of grant disbursements. This represents compliance with the administrative expense ceiling prescribed in the Governing Agreement at no more than 25% of grant disbursements. Continued close monitoring and management of costs have resulted in administrative expenses for 2007 being 1.8% below the 2006 amount of J\$55M.

New Financial Products

“Go Green Loan Facility” - RBTT Bank Jamaica Limited:

In 2005 we reported the establishment of the “Go Green Loan Facility”, a partnership arrangement between the Foundation, the Development Credit Authority (DCA) of the United States Agency for International Development (USAID) and RBTT Bank Jamaica Limited, with the EFJ providing 40% (US\$2M) of a US\$5M loan pool, targeted at small and medium sized enterprises in the hotel/tourist and manufacturing sectors. The facility was aimed at providing inexpensive loans to private sector environmental projects. However, the uptake of loans under the facility continued to be well below expectations and as a result the Board took the decision to discontinue participation in the facility in July 2007. The unused portion of the pool was therefore withdrawn and invested in higher yielding instruments. USAID also terminated the DCA guarantee facility in this particular scheme for the same reason of rate of uptake.

Investment Walkerswood Partners Limited (WPL):

Dividend payments which became due in February 2007 on the equity investment in Walkerswood Partners Limited (WPL) were not paid as the company has reported that they are experiencing severe financial difficulties. WPL has acknowledged the debt and have requested an extension of time to pay, as they reorganize. However, our Auditors have made a provision in the accounts for impairment of this dividend receivable balance (totaling J\$ 9,375,000.00 as at 28.02.2007), as in their opinion the recoverability of this receivable is in doubt.



STATUS OF INFLOWS UNDER THE ENTERPRISE FOR THE AMERICAS AGREEMENT AS AT JULY 31, 2007 (US\$)

Funding Source	Expiry Date	Total Expected Inflows US\$	Actual Inflows US\$	% Received
Fund 1 - PL480	Sep 2001.	9,197,708.00	9,197,708.00	100.00%
Fund 2 - AID Debt	Sep 2012.	12,292,036.00	11,286,240.00	91.82%
Total		21,489,744.00	20,483,948.00	95.32%

Funding Source	Expiry Date	Amount Due US\$		Amount Collected US\$	
		Current Yr	To Date	Current Yr	To Date
Fund 1 - PL480	Sep 2001.	0	9,197,708	0	9,197,708
Fund 2 - AID Debt	Sep 2012.	370,865	11,286,240	370,865	11,286,240
Total		370,865	20,483,948	370,865	20,483,948

Note - Resolution of Buck Securities Issue:

Between November 1993 to October 1998, Buck Securities Merchant Bank (Buck Securities) acted as Fund Managers for the Foundation. In January 1999 Buck Securities was put into liquidation. The EFJ then filed suit to recover J\$15M owed plus J\$3M in interest related to the investments managed by Buck Securities but not returned.

In 2002 the Foundation successfully recovered J\$11M representing all the cash held by the liquidator at that time.

In order to recover the remainder of the monies owed, the Foundation pursued further legal action and in June 2007 the Court of Appeal awarded the EFJ Eight Million One Hundred and Sixty Eight Thousand Seven Hundred and Thirty Seven Dollars and Eighty cents (J\$8,168,737.80) representing the sum of Six Million Five Hundred and Four Thousand Nine Hundred and Seventy Dollars and Twenty Seven cents (J\$ 6,504,970.27) with interest thereon at the rate of 3% per annum from January 28th 1999 to the date of payment. This brought closure to the recovery of the J\$15M originally invested.



Environmental Foundation of Jamaica
(A foundation limited by guarantee)

Financial Statements
31 July 2007



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

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Year ended 31 July 2007

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PricewaterhouseCoopers
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Duke Street
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Kingston Jamaica
Telephone (876) 922 6230
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Environmental Foundation of Jamaica, set out on pages 1 to 27, which comprise the balance sheet as of 31 July 2007 and the statement of changes in the Americas' Funds and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Environment Foundation of Jamaica
(A foundation limited by guarantee)
Independent Auditors' Report
Page 2

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the foundation as of 31 July 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Act, in the manner so required

PricewaterhouseCoopers

Chartered Accountants

26 October 2007
Kingston, Jamaica



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Changes in the Americas' Funds

Year ended 31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Fund I \$'000	Fund II \$'000	2007 \$'000	2006 \$'000
USAID debt funds received (US\$370,865) for year		-	25,457	25,457	28,363
Investment income earned		70,073	31,131	101,204	117,713
Foreign exchange gain		1,361	455	1,816	8,137
		<u>71,434</u>	<u>57,043</u>	<u>128,477</u>	<u>154,213</u>
Impairment of dividends receivable – Walkerswood Partners Limited		(9,375)	-	(9,375)	-
Unrealised losses on available-for- sale investment		<u>(12,151)</u>	<u>(951)</u>	<u>(13,102)</u>	<u>(32,377)</u>
		<u>49,908</u>	<u>56,092</u>	<u>106,000</u>	<u>121,836</u>
Less:					
Project grants disbursed	5	(143,778)	(88,496)	(232,274)	(274,744)
Transfers to administration	6	(33,668)	(18,938)	(52,606)	(55,334)
Investment advisers' fees	9	<u>(3,527)</u>	<u>(1,487)</u>	<u>(5,014)</u>	<u>(5,980)</u>
		<u>(180,973)</u>	<u>(108,921)</u>	<u>(289,894)</u>	<u>(336,058)</u>
Deficit for year		(131,065)	(52,829)	(183,894)	(214,222)
Fund balance at beginning of year		<u>657,103</u>	<u>411,526</u>	<u>1,068,629</u>	<u>1,282,851</u>
Fund balance at end of year		<u>526,038</u>	<u>358,697</u>	<u>884,735</u>	<u>1,068,629</u>



Environmental Foundation of Jamaica

(A foundation limited by guarantee)


Balance Sheet

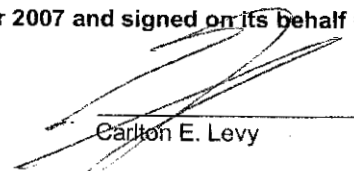
31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2007 \$'000	2006 \$'000
Non-Current Assets			
Property, plant and equipment	10	37,328	35,403
Investment – Walkerswood Partners Limited	11	50,000	50,000
Available-for-sale investments	12	687,902	759,127
		<u>775,230</u>	<u>844,530</u>
Current Assets			
Other assets	14	27,311	38,223
Dividend receivable – Walkerswood Partners Limited	11	-	9,375
Short term investments	12	109,606	177,042
Cash and bank		15,988	31,839
		<u>152,905</u>	<u>256,479</u>
Current Liabilities			
Bank overdraft		8,297	-
Accounts payable and accrued charges		6,973	7,155
Managed funds	15	17,481	15,814
		<u>32,751</u>	<u>22,969</u>
Net Current Assets			
		<u>120,154</u>	<u>233,510</u>
		<u>895,384</u>	<u>1,078,040</u>
Equity			
Administration fund- expenses recoverable	6	(26,679)	(25,992)
Capital reserves	16	37,328	35,403
Americas' funds		884,735	1,068,629
		<u>895,384</u>	<u>1,078,040</u>

Approved on behalf of the Board of Trustees on 26 October 2007 and signed on its behalf by:


James E.D. Rawle Chairman/Treasurer


Carlton E. Levy Director



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Cash Flows

Year ended 31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

	2007 \$'000	2006 \$'000
Cash Flows from Operating Activities		
Deficit for the year	(183,894)	(214,222)
Adjustments for -		
Increase in amount due to Administration Fund	(687)	(4,142)
Fair value adjustments on available-for-sale investments	(4,140)	(21,797)
Interest income	(101,204)	(117,713)
	<u>(289,925)</u>	<u>(357,874)</u>
Changes in operating assets and liabilities:		
Other assets	20,288	29,481
Accounts payable and accrued charges	(182)	(299)
Managed funds	1,667	10,080
Cash used in operating activities	<u>(268,152)</u>	<u>(318,612)</u>
Cash Flow From Investing Activities		
Available-for-sale investments	82,392	311,546
Loans receivable	-	1,215
Interest received	103,362	130,390
Cash provided by investing activities	<u>185,754</u>	<u>443,151</u>
(Decrease)/increase in cash and cash equivalents	(82,398)	124,539
Cash and cash equivalent at beginning of year	<u>199,695</u>	<u>75,156</u>
CASH AND CASH EQUIVALENT AT END OF YEAR	<u><u>117,297</u></u>	<u><u>199,695</u></u>
Represented by:		
Cash and bank	15,988	31,839
Short term investments	109,606	167,856
Bank overdraft	(8,297)	-
	<u><u>117,297</u></u>	<u><u>199,695</u></u>



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

The Foundation is limited by guarantee and was incorporated in Jamaica on 18 November 1992. The Foundation 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 foundation in accordance with agreement terms and the Foundation's memorandum and articles of association.

The main objectives of the Foundation 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 Foundation pursues its objectives mainly through the granting of funds to organisations, 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.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in Note 4.

Interpretations and amendments to published accounting standards effective in the current financial year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial period. The Foundation has assessed the relevance of all such new interpretations and amendments and has adopted the following IFRS, which are relevant to its operations.

IAS 39 (Amendment)
IFRIC 4

The Fair Value Option
Determining whether an Arrangement contains a Lease



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Interpretations and amendments to published accounting standards effective in the current financial year (continued)

The adoption of IAS 39 (Amendment) and IFRIC 4 has not resulted in substantial changes to the Foundation's accounting policies. In summary:

- **IAS 39 (Amendment) – The Fair Value Option**, changes the definition of financial instruments classified at fair value through profit and loss and restricts the ability to designate financial instruments as part of this category. The Foundation believes that this amendment should not have a significant impact on the classification of financial instruments, as it currently does not classify any of its instruments at fair value through profit and loss and if it intends to do so in the future, it should be able to comply with the amended criteria.
- **IFRIC 4 - Determining whether an Arrangement contains a Lease**, IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The foundation assessed the impact of IFRIC 4 and concluded that there are no transactions to which this applies.

There was no impact on the America's Fund at 1 August 2006 from the adoption of any of the above-mentioned standards.

Interpretations and amendments to published accounting standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not yet effective, and which the Foundation has not early adopted. The Foundation has assessed the relevance of all such new standards, interpretations and amendments, and has determined that the following may be relevant to its operations, and has concluded as follows:

- **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures** (effective from 1 January 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Foundation assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Foundation will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.



Environmental Foundation of Jamaica

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Notes to the Financial Statements

31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Interpretations and amendments to published accounting standards that are not yet effective (continued)

The Foundation has concluded that the following standards and interpretations, which are published but not yet effective, are not relevant to its operations:

- IFRIC 8, Scope of IFRS 2 (effective for annual periods beginning on or after 1 May 2006).
- IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006).
- IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009).
- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 March 2006).
- IFRIC 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006).
- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007).
- IFRIC 12, Services Concession Arrangements (effective for annual periods beginning on or after 1 January 2008).
- IFRIC 13, Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008).
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008. Earlier application is permitted).

(b) Grant funds

Grant funds received by the Foundation 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) Loan and rental income are recognised on the accrual basis and included in the Americas' Funds.
- (iii) Dividend income is recognised when the right to receive payment is established.



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) 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 unrealised foreign exchange difference on unsettled foreign currency monetary assets are recognised in the Americas' Funds.

(e) Employee benefits

(i) Pension scheme

The Foundation participates in a defined contribution scheme, which is administered by trustees. The foundation's contribution is fixed, once the contributions have been paid, the foundation 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.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its remaining useful life. Annual depreciation rates are as follows:

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

Freehold land is not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged as administrative 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.



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2007

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The Foundation classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date.

Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. At the balance sheet date, the following financial assets were classified as available for sale: investments, other assets, short term investments and cash and bank.

Financial liabilities

The Foundation's financial liabilities are initially measured at cost, and are subsequently measured at amortised cost using the effective interest method. At the balance sheet date, the following items were classified as financial liabilities: bank overdraft and accounts payable and accrued charges.

(h) 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, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts.

(i) Accounts payable

Accounts payable are stated at historical cost.

(j) 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. While funds received for administration expenses, which are unexpended, are referred to as deferred income.

(k) Capital reserves

The cost of property, plant and equipment 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 lives of the relevant assets.



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2. Summary of Significant Accounting Policies (Continued)

(l) Americas' funds

As outlined in note 1, the EAI Agreement provides for the establishment of a special Americas' Fund to be administered by the Foundation 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.

(m) 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.

(n) Provisions

Provisions are recognised when the Foundation 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.

(o) Comparative information

Where necessary, comparative figures have also been reclassified to conform with changes in presentation in the current year. In particular, comparatives have been adjusted to take into account the adoption of revised accounting standards (Note 2 (a)).

3. Financial Risk Management

(a) Financial risk factors

The Foundation'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 foundation by applying procedures to identify, evaluate and manage these risks, based on guidelines set by the Board of Directors.

(i) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation had net foreign currency assets of US\$738,000 at 31 July 2007 (2006 – US\$643,000) in respect of transactions arising in the ordinary course of business.



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3. Financial Risk Management (Continued)

(a) Financial risk factors (continued)

(i) Market risk (continued)

Currency risk (continued)

The Foundation manages its foreign currency risk by discussing with Fund Managers the projected exchange rates and divert into Jamaican dollar investments where adverse exchange rate movements are expected.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Foundation is exposed to debt securities price risk because of investments held by the Foundation and classified on the balance sheet as available-for-sale.

(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 Foundation 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) Liquidity risk

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

(b) Fair value

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.

- (i) The amounts included in the financial statements for other assets, accounts payable and accrued charges and Bernard van Leer Fund reflect their approximate fair values because of the short-term maturity of these instruments.
- (ii) 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.



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4. Critical Accounting Judgement and Key Source of Estimation Uncertainty

The management of the Foundation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Foundation's accounting policies

In the process of applying the Foundation's accounting policies, the management has made no significant judgements on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Foundation's accounting policies, the management has made no significant judgements on the amounts recognised in the financial statements.

5. Project Grants Disbursed

	Fund I \$'000	Fund II \$'000	Total \$'000
Projects' disbursements (net)	143,778	86,496	232,274

Disbursements allocated as follows:

3D Projects	-	8,332	8,332
Accompong Maroon Council	637	-	637
Association of Clubs	-	1,814	1,814
Association of Development Agencies	3,890	-	3,890
Banks Basic School	-	30	30
Best Care Foundation	-	44	44
Bread of life ministries	120	-	120
BREDS – The Treasure Beach Foundation	2,044	-	2,044
C & D Day Care	-	200	200
Caribbean Academy of Sciences	185	-	185
Cedar Grove Learning Centre	-	118	118
Centre for Population Community and Social Change	-	996	996
Children First Agency	-	2,025	2,025
Christ Church Early Childhood Education Centre	-	462	462
Church Teachers College	-	80	80
Citizens Advice Bureau/RJR Basic School	-	25	25
Clifton & Mount Peace Citizens Assoc.	-	1,543	1,543
Clifton Basic School	-	600	600
Coalition for Community Participation in Governance	200	-	200
Cockpit Citizens Association	907	-	907
College of Agriculture Science & Education	4,340	-	4,340
Combined Disabilities Association	-	69	69
Community Organisation for Management and Sustainable Development	150	-	150
Cornerstone Ministries	6,000	-	6,000
Sub total carried forward	18,473	16,338	34,811



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Balance brought forward from (page 11)	18,473	16,338	34,811
Council for Voluntary Social Services	504	-	504
Council for Voluntary Social Services	-	2,565	2,565
Dolphin Head Trust	5,850	-	5,850
Dudley Grant Memorial Trust	-	6,707	6,707
Edwin Allen High School	1,876	-	1,876
Elsie Bemand Home Trust	1,071	-	1,071
Enfield Community Development Committee	-	2,600	2,600
Exchange Basic School	-	500	500
Fletcher's Grove/Mount Pelier Circuit of Baptist Churches	474	-	474
Friends of Cornwall Regional Hospital	4,000	-	4,000
Friends of the Sea	2,291	-	2,291
Friends of the Sea/Hills United Development	886	-	886
Fyffes Pen Community Centre Management	-	1,167	1,167
Fyffes Pen Primary School PTA	-	973	973
Goldsmith Villa Youth & Community Project	180	-	180
Gravel Hill Basic School	-	588	588
Greenvale Anglican Basic School	-	217	217
Half Moon Bay Fisherman's Cooperative Society	1,659	-	1,659
Hanover Lay Magistrate Association	120	-	120
Home of Charlotte's Children Foundation	-	3,401	3,401
Hope for Children Development Company	-	2,493	2,493
Hope Pastures Citizens Association	1,163	-	1,163
International School of Jamaica	1,465	-	1,465
Irish Town, Redlight & Middleton Community Development Association Limited	229	-	229
Irwin High School	6,123	-	6,123
Jamaica Conservation Development Trust	10,681	-	10,681
Jamaica Environment Trust	3,706	-	3,706
Jacks Hill Community Council	-	742	742
Jamaica Aids Support for Life	-	1,863	1,863
Jamaica Association for the Deaf	-	4,039	4,039
Jamaican Association on Mental Retardation	-	5,200	5,200
Jamaican Association on Mental Retardation	1,110	-	1,110
Jamaica Baptist Union	572	-	572
Jamaica Christian Boys Home	-	3,365	3,365
Jamaica Foundation for Children	-	161	161
Jamaica Hotel & Tourist Association	672	-	672
Jamaica Institute of Environmental Professionals	3,693	-	3,693
Sub total carried forward	66,798	52,919	119,717



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Sub-total brought forward (page 12)	66,798	52,919	119,717
Jamaica Institute of Engineers Foundation	2,075	-	2,075
Jamaica National Children's Home	-	358	358
Jamaica Society for the Blind	-	3,108	3,108
Janice Blake	-	190	190
Jeffery Town Farmers Association	3,118	-	3,118
Joint Board of Teacher Education	-	1,381	1,381
Joint Board of Teacher Education	200	-	200
Karla-Gae Sterling	207	-	207
Kiwanis Club of Mandeville	120	-	120
La Zin Farmers Association	2,788	-	2,788
Lay Magistrates Association -- Clarendon Chapter	120	-	120
Lay Magistrates Association -- Kingston Chapter	120	-	120
Lay Magistrates Association -- St Andrew Chapter	120	-	120
Lay Magistrates Association -- St Thomas Chapter	120	-	120
Linton Park Basic School	-	500	500
Fidelity Motors c/o Lions and Leo Club	2,117	-	2,117
Lisa Playfair	-	900	900
Local Initiative Facility for the Urban Environment	2,508	-	2,508
Majesty Gardens Basic School	-	716	716
Manchester Early Childhood Parish Board	-	586	586
Members in Christ Assemblies	-	200	200
Michael Manley Foundation	3,250	-	3,250
Mile End Basic School	-	300	300
Moneague College	200	-	200
Moneague Primary and Junior High School	103	-	103
Multicare Foundation	-	1,237	1,237
National Environmental Societies Trust	200	-	200
National Homecoming -- Portland Chapter	120	-	120
National Initiative for Street Children	-	249	249
National Wildlife Foundation	2,294	-	2,294
Natural History Society of Jamaica	2,659	-	2,659
Sub-total carried forward	89,237	62,644	151,881



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Sub-total brought forward (page 13)	89,237	62,644	151,881
Nature Preservation Foundation	133	-	133
Negril Area Environmental Protection Trust	2,163	-	2,163
Negril Education Environment Trust	-	200	200
Nompariel Road Early Childhood Centre	120	-	120
Northern Caribbean University	2,708	-	2,708
Northern Jamaica Conservation Association	629	-	629
Operation Friendship	-	282	282
Pal-Mair Basic School	-	2,230	2,230
PALS Jamaica	-	200	200
Parenting Partners	-	685	685
Parrottee Citizens Association Benevolent Society	-	431	431
Patricia Lewin	145	-	145
Patrick Gardens Citizens Association	-	247	247
Peter Edwards	748	-	748
Port Antonio High School	30	-	30
Portland Environment Protection Association	265	-	265
Reckford JAS Branch	2,804	-	2,804
Rise Life Management Services	-	100	100
Roy Edwards Human Development Centre	-	1,190	1,190
Rural Services for Children with Disabilities	-	5,444	5,444
Salvation Army – Western Division	120	-	120
Sam Sharpe Centre for Child & Adolescent Development	-	1,075	1,075
Scout Association of Jamaica	-	665	665
Shortwood Teachers College	100	-	100
SOS Childrens Village	-	200	200
South St James Economic and Social Development Trust Company Limited	690	280	970
Southern Trelawny Environmental Agency	1,965	-	1,965
Southern Trelawny Environmental Agency	-	608	608
St. Andrew Care Centre	-	915	915
St. Andrew High School – Technical & Environment Committee Board of Management	1,838	-	1,838
St Ann Justices of the Peace Association	120	-	120
St. Christopher's School for the Deaf	-	746	746
St. Elizabeths Lay Magistrate Association	120	-	120
St. Mary Fisherman's Cooperative	150	-	150
St. Mary Lay Magistrates Association	120	-	120
St. Thomas Environmental Protection Agency	199	-	199
St. Thomas Sustainable Development Organisation	-	220	220
Sub-total carried forward	104,404	78,362	182,766



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Sub-total brought forward (page 14)	104,404	78,362	182,766
Stepney Basic School	-	200	200
The S.T.E.P. Centre	-	498	498
Trelawny Association of Volunteer Organisations	120	-	120
Tropical Medicine Research Institute	-	104	104
United Way of Jamaica	3,628	-	3,628
University of Technology - Centre for the Arts	-	617	617
University of Technology – Faculty of Health and Applied Science	-	922	922
University of the West Indies – Dept. of Biotechnology Centre	2,705	-	2,705
University of the West Indies Bursary	4,155	-	4,155
University of the West Indies – Child Development Group Research	-	1,262	1,262
University of the West Indies – Department of Chemistry	14,061	-	14,061
University of the West Indies – Department of Educational Studies	-	2,782	2,782
University of the West Indies – Department of Geography and Geology	1,806	-	1,806
University of the West Indies – Department of Life Sciences	7,872	-	7,872
University of the West Indies – Department of Physics	2,193	-	2,193
University of the West Indies – Section of Child Health	-	1,131	1,131
Waterford SDA Basic School	-	35	35
Western Society for the Upliftment of Children	-	1,350	1,350
Whitehorses, Botany Bay Pamphret Development Society	502	-	502
Windsor Research Centre	1,745	-	1,745
Woman Inc.- MBJ	-	343	343
Women's Resource and Outreach Centre	-	1,207	1,207
Woodford Community Action Group	-	394	394
Yallahs Development Area Committee	2,534	-	2,534
Young People's Movement Youth and Social Club	-	200	200
Youth Opportunities Unlimited	-	98	98
Total disbursements	145,725	89,505	235,230



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Total disbursements brought forward (page 15)	145,725	89,505	235,230
Refunds			
Caribbean Academy of Science	(48)	-	(48)
Irish Town, Redlight and Middleton Community Develop Association Limited	(2)	-	(2)
Jamaica Foundation for Children	-	(7)	(7)
Lisa Playfair	-	(900)	(900)
Multicare Foundation	-	(99)	(99)
Tropical Medical Research Institute	-	(3)	(3)
University of the West Indies – Department of Chemistry	(528)	-	(528)
University of the West Indies – Department of Geography and Geology	(652)	-	(652)
University of the West Indies – Department of Life Sciences	(717)	-	(717)
Total refunds	(1,947)	(1,009)	(2,956)
Net Disbursements	143,778	88,496	232,274



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6. Administration Fund

Amendments to Article VII (2) of the EAI Agreement, (see Note 1) empowers the Foundation'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 Foundation'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 Foundation and is comprised as follows -

	2007 \$'000	2006 \$'000
Grant funds transferred from Americas' Funds (Page 1)	52,606	55,334
Less: Cost of fixed assets purchased, transferred to capital reserves (Note 10)	(6,094)	(10,656)
Add: Cost of property, plant & equipment disposed, released from capital reserves (Note 10)	-	1,643
	46,512	46,321
Other income	2,735	2,925
	49,247	49,246
Released from capital reserves (Note 10)	4,169	3,301
Released to capital reserves	-	(1,579)
Less: Administrative expenses for the year (Note 7)	(54,103)	(55,110)
	(687)	(4,142)
Balance at beginning of year	(25,992)	(21,850)
Expenses recoverable from America's Fund	(26,679)	(25,992)

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

	2007 \$'000	2006 \$'000
25% of net grants disbursed	58,176	68,686
Less: Administrative expenses for the year	(54,103)	(55,110)
Excess	4,073	13,576



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6. Administration Fund (Continued)

	2007 \$'000	2007 % of disbursements	2006 \$'000	2006 % of disbursements
Administrative expenses	54,103	23.25%	55,110	20.06%

7. Expenses by Nature

	2007 \$'000	2006 \$'000
Advertising and public relations	1,218	955
Auditors' remuneration -		
Current year	1,500	1,400
Prior year	-	63
Depreciation (Note 10)	4,169	3,301
Legal and professional fees	2,668	3,414
Local and foreign travelling expenses	650	920
Motor vehicle expenses	994	2,502
Office and general expenses	1,375	1,108
Printing and stationery	661	1,304
Repairs and maintenance	1,520	1,348
Staff costs (Note 8)	33,391	33,825
Security	1,473	1,329
Utilities	2,786	2,614
Other expenses	1,698	1,027
	<u>54,103</u>	<u>55,110</u>

8. Staff Costs

	2007 \$'000	2006 \$'000
Wages and salaries	28,186	28,339
Payroll taxes – employer portion	2,762	2,912
Pension costs	1,076	1,050
Other	1,367	1,524
	<u>33,391</u>	<u>33,825</u>

The number of persons employed by the Foundation at the year end was 17 (2006 - 22).



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9. Investment Advisers' Fees

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

	2007 \$'000	2006 \$'000
Barita Portfolio Management Limited	2,452	2,712
Scotia Jamaica Investment Management Limited	2,562	3,268
	<u>5,014</u>	<u>5,980</u>

10. Property, Plant and Equipment

	2007						
	Building	Motor Vehicles	Computers	Freehold Land and Building Improvements	Furniture and Fixtures	Capital Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost -							
At 1 August 2006	18,000	10,521	6,033	5,329	5,620	4,953	50,456
Additions	-	-	-	192	147	5,755	6,094
At 31 July 2007	<u>18,000</u>	<u>10,521</u>	<u>6,033</u>	<u>5,521</u>	<u>5,767</u>	<u>10,708</u>	<u>56,550</u>
Depreciation -							
At 1 August 2006	1,350	2,953	5,139	2,561	3,050	-	15,053
Charge for the year	450	2,169	348	648	554	-	4,169
At 31 July 2007	<u>1,800</u>	<u>5,122</u>	<u>5,487</u>	<u>3,209</u>	<u>3,604</u>	<u>-</u>	<u>19,222</u>
Net Book Value -							
31 July 2007	<u>16,200</u>	<u>5,399</u>	<u>546</u>	<u>2,312</u>	<u>2,163</u>	<u>10,708</u>	<u>37,328</u>



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10. Property, Plant and Equipment (Continued)

	2006						Total \$'000
	Building \$'000	Motor Vehicles \$'000	Computers \$'000	Freehold Land and Building Improvements \$'000	Furniture and Fixtures \$'000	Capital Work in Progress \$'000	
At Cost -							
At 1 August 2005	18,000	7,547	5,553	4,730	5,347	266	41,443
Additions	-	4,617	480	599	273	4,687	10,656
Disposal	-	(1,643)	-	-	-	-	(1,643)
At 31 July 2006	18,000	10,521	6,033	5,329	5,620	4,953	50,456
Depreciation -							
At 1 August 2005	900	2,940	4,633	1,928	2,930	-	13,331
Charge for the year	450	1,592	506	633	120	-	3,301
Relieved on disposal	-	(1,579)	-	-	-	-	(1,579)
At 31 July 2006	1,350	2,953	5,139	2,561	3,050	-	15,053
Net Book Value -							
31 July 2006	16,650	7,568	894	2,768	2,570	4,953	35,403

11. Investment – Walkerswood Partners Limited

This investment represents 2,000,000 redeemable cumulative preference 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.

Dividends on the shares are earned at the rate of 7.5% per annum, with a three (3) year moratorium on the payment which ended in January 2007.

Walkerswood Partners Limited has been experiencing severe financial difficulties and as such the recoverability of the dividends receivable is in doubt. As such a provision totaling \$9,375,000 has been made for impairment of the dividend receivable balance.



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12. Available-for-Sale Investments

	2007 \$'000	2006 \$'000
At beginning of year	936,169	1,032,573
Net disposals	(160,758)	(138,316)
Fair value adjustment	4,140	21,797
Accrued interest	17,957	20,115
At end of year (Note 13)	797,508	936,169
Current portion	(109,606)	(177,042)
	<u>687,902</u>	<u>759,127</u>

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.



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13. Investment Securities by Adviser

	Fund I \$'000	Fund II \$'000	Other \$'000	2007 \$'000	2006 \$'000
Available-for-sale investments -					
Barita Portfolio Management Limited					
Securities	159,377	46,811	-	206,188	226,388
Quoted equities	44,810	-	-	44,810	37,980
Scotia Jamaica Investment Management Limited	172,264	110,370	-	282,634	327,846
National Commercial Bank Limited (i)	10,511	1,578	-	12,089	41,906
First Global Financial Services Limited (i)	78,024	11,197	6,986	96,207	133,285
RBTT Bank Jamaica Limited (ii)	79,872	53,612	-	133,484	126,852
	544,858	223,568	6,986	775,412	894,257
Accrued interest	12,365	5,591	-	17,956	20,115
Fair value adjustment	(1,488)	5,628	-	4,140	21,797
	555,735	234,787	6,986	797,508	936,169
Other investments -					
Investment - Walkerswood Partners Limited (Note 11)				50,000	50,000
Total investments				847,508	986,169
Total investments comprised the following -					
Investment - Walkerswood Partners Limited				50,000	50,000
Available-for-sale investment (Note 12)				687,902	759,127
Short term investments (Note 12)				109,606	177,042
				847,508	986,169

(i) Included in available-for-sale investment are monies being held at National Commercial Bank and First Global Financial Services Limited for Jamaica Protected Areas Trust Limited and Northern Jamaica Conservation Association respectively (Note 15).

(ii) The investment held at RBTT Bank Jamaica Limited (the Bank) represents the Foundation's contribution to a partnership loan facility involving the Bank and the Development Credit Authority, a division of the United States Development Agency. The facility provides subsidised loan financing to small and medium private sector companies seeking to implement environmentally sensitive systems in their operations. The facility takes the form of a seven (7) year, revolving loan pool.



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14. Other Assets

	2007 \$'000	2006 \$'000
Prepayments	3,719	1,942
Recoverable taxes (i)	23,073	31,488
Other receivables	519	4,793
	<u>27,311</u>	<u>38,223</u>

- (i) The Foundation 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.

15. Managed Funds

	2007 \$'000	2006 \$'000
Bernard Van Leer Fund (a)	10,445	6,541
Forest Conservation Fund (b)	-	2,749
Northern Jamaica Conservation Association Endowment Fund (c)	7,036	6,524
	<u>17,481</u>	<u>15,814</u>



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Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

15. Managed Funds (Continued)

(a) 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 2006	102	6,541
Funds received during the year	(6)	(438)
Management fees and personnel costs repaid during the year	159	11,017
	<u>255</u>	<u>17,120</u>
Direct Costs		
Personnel	68	4,640
Development and training	8	523
Housing and equipment	12	820
Research	1	36
Other	4	270
	<u>93</u>	<u>6,289</u>
Indirect Costs		
Administration	7	503
	<u>7</u>	<u>503</u>
Net funds	155	10,328
Management fees and personnel costs payable	2	117
Closing balance of fund – 31 July 2007	<u>157</u>	<u>10,445</u>



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15. Managed Funds (Continued)

(b) Forest Conservation Fund

During 2005, the Foundation entered into an agreement with the Jamaica Protected Areas Trust Limited where the Foundation administers a fund that makes grants to recipients to conserve, maintain and restore tropical forest sites in Jamaica. This agreement was terminated in July 2007. The balance on the account represents installments received to date less amounts disbursed as follows:

	\$'000
Opening balance of fund – 1 August 2006	2,749
Funds received during the year	3,803
Personnel cost repaid during the year	(162)
	<u>6,390</u>
Income	
Interest income	24
	<u>6,414</u>
Direct Costs	
Committee meetings	259
Office furniture and equipment	1,598
	<u>1,857</u>
Indirect Costs	
Management and administration fee	2,270
Staff costs	2,287
	<u>4,557</u>
Closing balance of fund – 31 July 2007	<u>-</u>

(c) Northern Jamaica Conservation Association Endowment Fund

The Foundation has decided to manage separately monies approved for the establishment of an Endowment Fund for Seven Oaks Sanctuary for Wildlife. The Endowment Fund, which is not yet established, is to be established by Northern Jamaica Conservation Association. The amount approved and interest earned is as follows:

	2007 \$'000	2006 \$'000
Opening balance of fund	6,524	-
Amount approved	-	6,000
Interest earned during the period	943	524
Amount paid during the period	(431)	-
Closing balance of fund	<u>7,036</u>	<u>6,524</u>



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(expressed in Jamaican dollars unless otherwise indicated)

15. Managed Funds (Continued)

(c) Northern Jamaica Conservation Association Endowment Fund (Continued)

During the year, a decision was made to convert this Fund into a grant. However, the agreement has not yet been signed.

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 –

	2007 \$'000	2006 \$'000
Balance at beginning of year	35,403	28,112
Capital assets acquired from administration grant funds (Note 10)	6,094	10,656
Disposal of capital assets	-	(1,643)
Accumulated depreciation on capital assets disposed (Note 10)	-	1,579
	<u>41,497</u>	<u>38,704</u>
Less:		
Transfers to administration fund in current year (depreciation)	<u>(4,169)</u>	<u>(3,301)</u>
Balance at end of year	<u>37,328</u>	<u>35,403</u>

17. Commitments

As at 31 July 2007, the Foundation had project grant funds committed and not disbursed of approximately \$132,849,015.

18. Pension Scheme

The Foundation 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 contribution 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.



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19. Related Party Balances and Transactions

(a) Balance due from related party:

	2007 \$'000	2006 \$'000
Investment -		
Walkerswood Partners Limited (Note 11)	50,000	50,000
Other assets -		
Dividend receivable – Walkerswood Partners Limited (Note 11)	-	9,375

(b) Key management compensation

	2007 \$'000	2006 \$'000
Wages and salaries	9,614	11,846
Payroll taxes – employer portion	1,014	1,386
Pension costs	249	401
Other	699	659
	<u>11,576</u>	<u>14,292</u>

(c) Grants disbursed to organisations with directors common to the Foundation:

	2007 \$'000	2006 \$'000
Council for Voluntary Social Services (i)	2,565	3,909
Dudley Grant Memorial Trust	-	21,439
Friends of the Sea, net	-	3,023
Jamaica Institute of Environmental Professionals	2,302	-
Local Initiative Facility for the Urban Environment (ii)	1,882	2,888
National Environmental Societies Trust, net	-	2,051
Northern Jamaica Conservation Association	-	6,868
United Way of Jamaica	-	3,238
Walkerswood Community Foundation	-	526

(i) Grant approved for the year ended 31 July 2007 amounted to \$6,120,000 of which \$3,555,000 was not disbursed at year end.

(ii) Grant approved for the year ended 31 July 2007 amounted to \$3,300,000 of which \$1,418,000 was not disbursed at year end.



Membership Committee Report

The Environmental Foundation of Jamaica has on record forty (40) member organizations working in the areas of Child Survival and Development and Natural Resources Conservation and Management. Our members continue to be critical and strategic partners as we seek to significantly impact the Child and the Environment Sectors.

Membership Forum

During 2006-2007, Mrs. Sheila Grant assumed the position of Chair of the Membership Committee and provided strategic direction. The EFJ hosted a Membership Forum on resource leveraging entitled '*Partnerships and Possibilities: Collaborating for Change*'.

The Forum had the following objectives:

- Facilitating collaboration and collective action on the part of the membership in attracting resources to enable implementation of activities critical to national development
- Sharing of lessons learned from Donors (International and Government), Civil Society and Private Sector
- Provision of information on where resources can be accessed
- Information sharing on how entities can make themselves attractive to donors
- Facilitating building of working partnerships between NGOs and state agencies in the identification of, negotiation for and management of resources critical to national development
- Raising an awareness on benefits to be found in NGOs working in partnership to access resources

Discussions at the Forum focused on the realities of the international and national donor landscape in the face of Caribbean and global realities and also NGO/CBO collaboration towards leveraging of resources. Mr. Christopher Sinckler, Executive Coordinator of the Caribbean Policy Development Centre was the keynote speaker and his presentation focused on governance, globalization and the role of civil society in ensuring that

EFJ Membership Forum



Opening Ceremony at the EFJ's Membership Forum on Partnerships held in May 2007.



decisions taken on behalf of the Caribbean are best and relevant. Members indicated that the matters discussed were poignant and relevant to their areas of work and it also provided opportunity for EFJ to facilitate dialogue, feedback and recommendations in an area of critical importance to the NGO sector.

Capacity Building

Members participated in all the capacity building activities of the EFJ, both as participants and workshop leaders.

The Membership Committee remains committed to:

1. Enhancing of the role of members in facilitating systemic changes in the Environment and Child Sectors
2. Strengthening (Capacity Building) of members to have enhanced roles and impact in the areas of EFJ's mandate;
3. Encouragement and facilitation, where necessary, of compliance of members;
4. Facilitation of Donor Partnerships for strengthening of EFJ's mandate and EFJ members.

The EFJ welcomes the ongoing opportunities for dialogue and partnership with its members.



Member Listing

1. 3-D Projects
2. Association of Clubs
3. Association of Development Agencies
4. Big Brothers of Jamaica
5. BirdLife Jamaica
6. Bluefields Peoples' Community Association
7. The Council of Voluntary Social Services
8. Friends of the Sea
9. Geological Society of Jamaica
10. Girls Town Jamaica
11. Hope for Children Development Company
12. Hyacinth Lightbourne Memorial Association
13. Jamaica Association for the Deaf
14. Jamaica Baptist Union Women's Federation
15. Jamaica Cancer Society
16. Jamaica Conservation and Development Trust
17. Jamaica Environment Trust
18. Jamaica Family Planning Association
19. Jamaica Foundation for Children
20. Jamaica Institute of Environmental Professionals
21. Jamaica National Children's Home
22. Jamaica Red Cross Society
23. Jamaica Save the Children
24. Jamaica Society for Agricultural Sciences
25. Jamaica Society for the Blind
26. Jamaican Association on Mental Retardation
27. National Development Foundation of Jamaica
28. National Environmental Societies Trust
29. Natural History Society of Jamaica
30. Negril Coral Reef Preservation Society
31. Northern Jamaica Conservation Association
32. Portland Environment Protection Association
33. Portmore Joint Citizens Association
34. Private Sector Organization of Jamaica
35. Raymond's Citizens Association
36. S-Corner Clinic
37. Unitas of Jamaica Limited
38. Voluntary Organization for the Upliftment of Children (VOUCH)
39. Yallahs Community Development Fund Limited
40. Young Women's Christian Association



Notes



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