



ENVIRONMENTAL FOUNDATION OF JAMAICA

Preserving the future... today!



**2010-2011
ANNUAL REPORT**



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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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CHAIRMAN'S MESSAGE

This year has been a busy one for the Environmental Foundation of Jamaica (EFJ). At the end of 2012, the Foundation's initial source of funding - the 1993 Enterprise of the Americas Initiative (EAI) Agreement will come to an end. Preparations are well underway to re-design a new EFJ to fit its 21st century skin. For example, I am proud, on behalf of the Board, to have been involved with completing the process of seeding the EFJ's endowment fund. This is a critical part of ensuring a future for the EFJ, and this has been and will continue to be the focus of the Board and Staff through 2012.

This year, the EFJ awarded just over J\$74.5m to 24 new grantees and another J\$4.8m to 25 discretionary grants. This is in addition to continued support to existing multi-year projects from previous years. The Programme Team at the EFJ is second to none in managing and organizing the Foundation's grant portfolio and ensuring that weak grantees are strengthened and that grants are closed in a timely manner. I have watched them over the years tackle various issues and hone their skills all in support of the success of the EFJ, their grantees and the management and Board of Directors.

There were also a number of special events that highlight our achievements for the year. In October 2010, then Child Advocate for Jamaica, Ms. Mary Clarke presented our Child Sector Public Lecture for the year. It was entitled "Jamaica's Children in Care/Custody: Who is Responsible" and brought to light many issues surrounding the needs of the Children in the Justice System in Jamaica. In April

2011, the Foundation hosted its 2nd Earth Day Expo which brought together EFJ projects and this year had an added benefit of rewarding the best school exhibits and showcasing their work.

On a much bigger scale, the EFJ created a Pavilion at the Jamaica Conservation and Development Trust (JCDDT) Green Expo in June 2011. The Pavilion allowed 19 EFJ Grantees to display their projects under the EFJ banner and to top off all the positive feedback received, we were awarded with the best NGO display for the Expo. The Foundation was pleased to invest once again to ensure the return of Green Expo as a staple of National Environmental Awareness Week. This year, the Expo shared the Week with the Jamaica Institute of Environmental Professionals' (JIEP's) Biannual Conference on the Environment, another major event sponsored by the EFJ that highlighted and sensitized the public to the myriad of environmental issues.

Let me make sure and acknowledge the EFJ Team, led by CEO Karen McDonald Gayle who was officially appointed this year, after ably serving in the post for the previous year. She was supported by Mr. Barrington Lewis on the Management Team and we were proud that he was also recognized publicly by a national paper for his work with the Foundation. The EFJ staff members have all also stayed with the Foundation during this time that the Board has recognized as one of uncertainty. We have had no resignations, and we are proud of their work, service and dedication to the EFJ.

Within one month of the last Annual General Meeting, the Foundation mourned the passing of



our Vice Chairman and Child Director, Mr. Carlton Levy. Mr. Levy was a giant among men in many ways and I want to acknowledge his dedicated and committed service to the Foundation over his 4 years with us. It is also why I end as I did last year, by thanking my fellow members of the Board: Mr. Stephen Hodges, who we were happy to have re-appointed and was promoted to my Vice-Chair; Mr. Richard Troupe, the Honourable Secretary; Mr. Albert Walker, Treasurer; Mr. Sean Osner, US Government Representative; Mr. Peter Knight, Government of Jamaica Representative; Professor Ishenkumba Kahwa, outgoing UWI Representative and newly appointed rep Mrs. Susan Ffolkes-

Goldson; Mr. Cebert Hines, new Child Director; and Dr. David Smith our newest NGO Representative.

Thank you all for your service and dedication as well as your confidence in me to continue as Chairman for another year. It will be another year of work together with the staff as Team EFJ to aim high and think big. See you in 2012!

Prof. Dale Webber
CHAIRMAN



BOARD MEMBERS



Prof. Dale Webber
Chairman
NGO Representative



Mr. Stephen Hodges
Vice Chairman/ Chair Grant
Mgt. Committee
NGO Representative



Mr. Albert Walker
Treasurer/Chair Finance
Committee
NGO Representative



Mr. Richard Troupe
Secretary/Chair
Membership Committee
NGO Representative



Mr. Sean Osner
United States Government
Representative



Mr. Peter Knight
Government of Jamaica
Representative



Prof. Ishenkumba Kahwa
Chair, HR, Compliance &
Representative of the
University of the West
Indies



Mr. Cebert Hines
Child Survival Director
NGO Representative



Dr. David Smith
NGO Representative



STANDING COMMITTEES

Executive Committee

Prof. Dale Webber	Chairman, NGO Representative
Mr. Stephen Hodges	Vice Chairman, Child Survival Director
Mr. Albert Walker	Treasurer, NGO Representative
Mr. Richard Troupe	Secretary, NGO Representative

Mrs. Karen McDonald Gayle	Chief Executive Officer
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Finance and General Purposes Committee

Mr. Albert Walker	Treasurer, NGO Representative
Prof. Dale Webber	Chairman, NGO Representative
Mr. Stephen Hodges	Vice Chairman, Child Survival Director
Mr. Peter Knight	Representative of the Government of Jamaica
Mr. Sean Osner	Representative of the Government of the United States of America

Mrs. Karen McDonald Gayle	Chief Executive Officer
Mr. Barrington Lewis	Finance & Administration Manager

Grant Management Committee

Mr. Stephen Hodges	Committee Chair, NGO Representative
Prof. Ishenkumba Kahwa	Representative of the University of the West Indies,
Mr. Anthony McKenzie	Alternate Representative - Government of Jamaica
Mr. Sean Osner	Representative of the Government of the United States of America
Mr. Ceibert Hines	Child Director, NGO Representative
Mr. Richard Troupe	NGO Representative
Dr. David Smith	NGO Representative

Mrs. Karen McDonald Gayle	Chief Executive Officer
Mr. Barrington Lewis	Finance & Administration Manager

Human Resources, Compliance and Compensation Committee

Prof. Ishenkumba Kahwa	Committee Chair – UWI Representative (retired May 2011)
Dr. Dale Webber	Chairman NGO Representative

Mrs. Karen McDonald Gayle	Chief Executive Officer
Mr. Barrington Lewis	Finance & Administration Manager

Membership Committee

Mr. Richard Troupe	Committee Chair, NGO Representative
Mrs. Amsale Maryam	Association of Development Agencies
Ms. Marcia Creary	Jamaica Institute of Environmental Professionals
Mrs. Winsome Wilkins	Council of Voluntary Social Services

Mrs. Karen McDonald Gayle	Chief Executive Officer
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EFJ MEMBERS OF STAFF



Front Row L-R: Asha Bobb Semple, Marcia Dolphy, Leonard Reid, Paulette Westcarr, Karen McDonald Gayle, Charmaine Webber
Back Row L-R: Audrey Kirkland, Leighton Cornwall, Marcia Johnson, Barrington Lewis, David Beckford, Sydonnie Rothery

Executive Office

Mrs. Karen McDonald Gayle	Chief Executive Officer
Ms. Sydonnie Rothery	Executive Secretary

Finance Department

Mr. Barrington Lewis	Finance & Administration Manager
Mrs. Marcia Dolphy	Coordinator, Accounting Services
Mr. Leighton Cornwall	Senior Accounting Clerk

Human Resources and Administration

Ms. Marcia Johnson	Human Resources & Administration Officer
Ms. Audrey Kirkland	Receptionist
Ms. Paulette Westcarr	Office Attendant
Mr. David Beckford	Messenger
Mr. Leonard Reid	Gardener

Programme Department

Ms. Asha Bobb-Semple	Programme Coordinator (Environment)
Ms. Charmaine Webber	Programme Coordinator (Child)



ORGANISATIONAL ARRANGEMENTS

Attorneys

Myers, Fletcher & Gordon
Park Place
21 East Street
Kingston

Auditors

PricewaterhouseCoopers
Scotiabank Centre
Corner of Duke & Port Royal Streets
Kingston

Commercial Bankers

National Commercial Bank Jamaica Limited
Private Banking Branch
The Atrium
32 Trafalgar Road
Kingston 10

Investment Managers

BPM Financials Limited
First Global Financial Services Limited
National Commercial Bank Jamaica Limited
Scotia DBG Investments Limited
RBTT Bank Jamaica Ltd.

Endowment Fund Trustees

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



MESSAGE FROM THE BOARD OF TRUSTEES

Prepared by Chairman Jeanne Robinson, O.D.

In considering the establishment of the EFJ Endowment, Directors from the early nineties during the first years of the EFJ's operations spent many thoughtful meetings reviewing the protocols that guide the debt reduction agreement between the Jamaican and US Governments. This was to determine if there was a legal case for creating a Trust Deed to establish and govern an endowment fund for the EFJ. At that time this was seen as pivotal, as inflows from the debt reduction arrangements would terminate in 2012. It is still a critical need.

After many meetings and discussions with the Governing Parties, the EFJ was given the green light to proceed with creation of an Endowment fund in perpetuity, which would ensure the EFJ a long-standing and sustained source of funding. Attorneys-at-Law, Myers Fletcher and Gordon, prepared the Trust Deed which was finally approved by all parties and the EFJ Board nominated three founding Trustees, Earl Jarrett, C.D., Prof. Elsa Leo-Rhynie, C.D. and Jeanne Robinson, O.D. as well as the sitting Chair and Hon. Secretary from the Board of the EFJ. All signed the Trust Deed on the 23rd day of September 2004.

Under the Trust Deed, the EFJ agreed to transfer a minimum of J\$50,000,000.00 to the Board of Trustees. Between September 2004 and June 2009, the Trustees held four meetings which generated several recommendations which were then submitted to the EFJ Board for review, approval and action. Unfortunately with many critical issues and proverbial fires at the EFJ at any given time, the transfer was delayed.

It is therefore with some satisfaction that we say "better late than never" and welcome the recent discussions between the Board and Management of

the EFJ and the Trustees culminating in the hand over of J\$85,000,000.00 to the Trustees at the EFJ's upcoming Annual General Meeting on December 7, 2011 to seed the Endowment. Chairman Dale Webber's efforts, enthusiasm and understanding of the EFJ's need for sustainability are commendable. We know that he and the EFJ Board and Management will leave no stone unturned in securing new funds for this amazing and strong Jamaican Foundation. With approval of the Board, decisions were taken that in view of lost time and nearness of 2012, it was critical to fund the EFJ Endowment. The Trustees wish to express their sincere thanks and appreciation to Prof. Webber and members of the Board for their action and generosity.

Whether or not an endowment is a magic solution to the problem of sustainability and sustainable philanthropy, we recognize that best practices of hundreds of other foundation endowments in many parts of the world have demonstrated that Trustees committed to prudent stewardship of endowment funds do provide value for money. In the case of the EFJ endowment, the funds donated to the EFJ are to be used solely for the continuation of the original mission of the EFJ.

In closing it is important to note that the EFJ Trustees play a critical role in serving Jamaica's environmental and child survival and development needs. We are cognizant and honoured by the trust and confidence that the EFJ Board and Members have afforded us and look forward to playing a role in the growth and blossoming of the 2nd generation of the Environmental Foundation of Jamaica.



GRANT MANAGEMENT COMMITTEE REPORT

At the beginning of the new Financial Year on August 1, 2011, the Environmental Foundation of Jamaica (EFJ) had 229 active grants, including our new grants approved. The Grant Management sub-committee (GMC) met two (2) times for the financial year and recommended the award of twenty four (24) grants from the seventy eight (78) applications received in the 2011 EFJ Call for Proposals. This year, the Call for Proposals was opened from February 6 to April 8, 2011. More information on the new grant awards are provided later in this section.

Discretionary Grants

A total of J\$4,760,125.42 was approved by the Discretionary Grants Committee for twenty-five (25) grants (14 Child Sector and 11 Environment) grants of J\$200,000 or less. The Foundation continues to utilize these grants to accommodate critical out-of-call and low-budget requests that fit within the EFJ theme areas of focus for the relevant Financial Year.

The Discretionary Grants were approved in the following thematic areas:

- Children in Challenging Circumstances; Special Needs and Disabilities and Early Childhood (including counselling/intervention, Exposition, attendance at critical events) – 14 grants
- Public Education and Environmental Awareness in Biodiversity and Climate Change (scholarships, attendance at critical events) - 11 grants

2011 Call for Proposals

Under the Call for Proposals for 2011, the themes were reviewed in conjunction with EFJ and Jamaican stakeholders and were as follows:

ENVIRONMENTAL MANAGEMENT AND NATURAL RESOURCES CONSERVATION:

Biodiversity Conservation and Management with a focus on:

Protected Areas - Coastal/Marine Forests:

Collection of baseline data on coastal/marine forests by community based or non-governmental organizations in marine protected areas and or fish sanctuaries

Community Environmental Management with a focus on:

Recycling:

- i. Support for collection and processing of non degradable waste and recycling of biodegradable waste for income generation
- ii. Development of innovative recycling technologies/technological solutions for small-scale use and income generation/savings

Water Harvesting Systems:

- i. Entombment of springs OR
- ii. Rehabilitation of small water systems (for household use) in isolated communities



- iii. Establishment/Rehabilitation of small water systems to support sustainable agricultural practices in isolated communities for income generation

CHILD SURVIVAL AND CHILD DEVELOPMENT

Children with Special Needs and Disabilities with focus only on:

Climate Change Adaptation

Disaster Risk Reduction:

- i. Hazard mapping of vulnerable communities with special emphasis on climate related disasters
- ii. Small scale disaster risk reduction projects for vulnerable communities

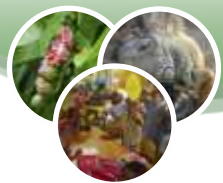
- i. Provision of specialized equipment, ie: wheel chair, and therapy equipment and materials.
- ii. Building adjustments ie; Ramp to enable wheelchair access.

Comparative Approval and Disbursement Rates

	# of Proposals Received	# of Proposals Approved	New Grant Funding Approved (J\$Millions)	Amount Disbursed (J\$Millions)
1993-2000	913	421	321.05	242.09
2000/2001	106	40	92.46	59.1
2001/2002	76	45	69.82	97.57
2002/2003	80	52	112.4	100.5
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	178.17	232.7
2007/2008	503	141	282.53	226.32
2008/2009	200	43	136.25	197.39
2009/2010	149	36	131.24	185.49
2010/2011	78	24	62.19	151.86
Grand/Historic Total (1993-2011)	3521	1238	2492.41	2419.41

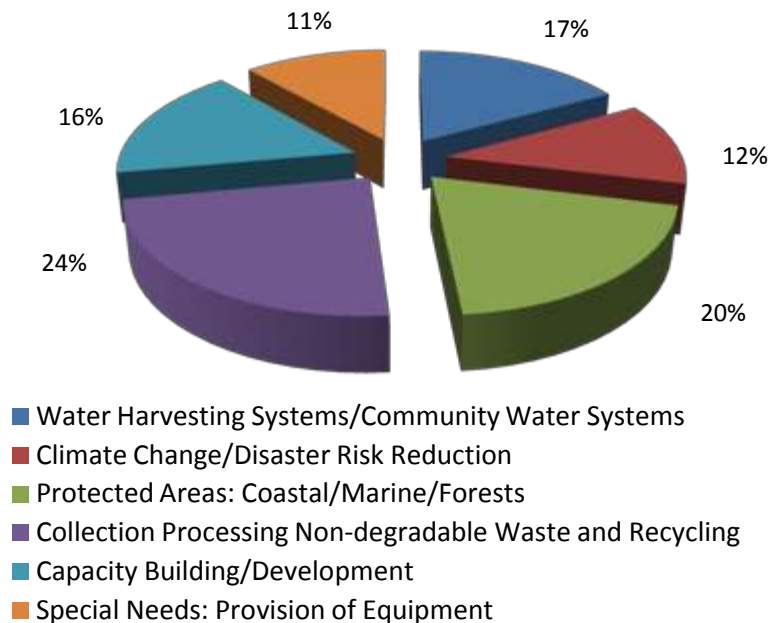
Comparative Grants Approved by Themes and Year of Award 2009/10 – 2010/11

Fund Source	Number of Grants Approved 2009/2010	Value of Grants Approved 2009/2010	Number of Grants Approved 2010/2011	Value of Grants Approved 2010/2011
Environment (PL480)	24	\$103,595,177.00	20	J\$ 54,041,696.00
Child Development (AID)	9	\$27,664,000.00	4	J\$ 8,150,000.00
Total	36	\$131,259,177.00	24	J\$ 62,191,696.00



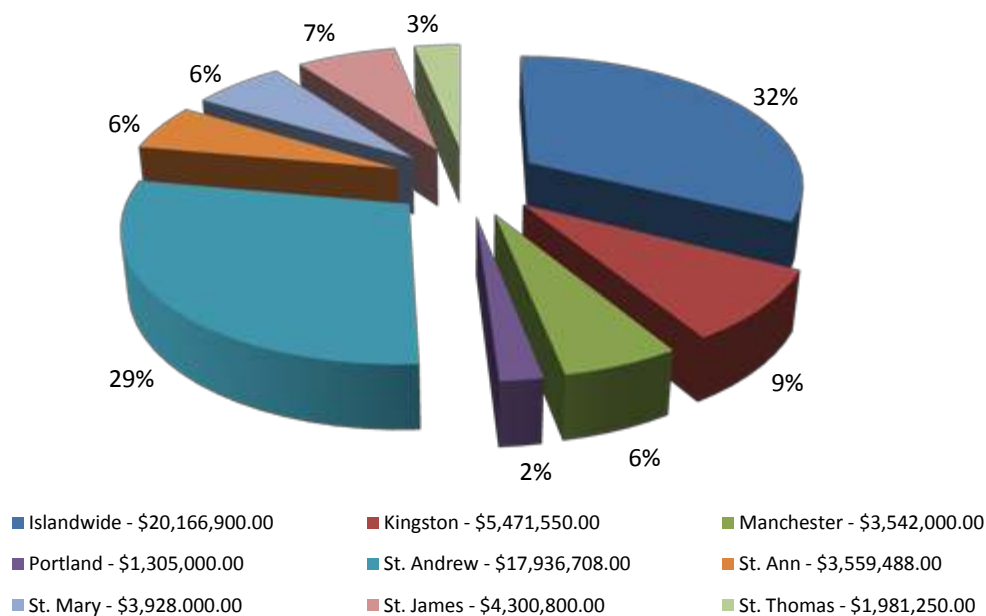
EFJ Grant Approvals by Thematic Areas – Call 2011

Approvals in Thematic Areas PL and AID



EFJ Grant Approvals by Parish – Call 2011

Approvals by Parish





Partnerships and Opportunities for Institutional and National Development

GEF Small Grants Programme (SGP)

The Environmental Foundation of Jamaica serves three major roles with the Global Environment Facility (GEF) Small Grants Programme (SGP) in Jamaica. Firstly, the SGP is implemented by the UNDP but the EFJ is contracted to serve as their National Hosting Institution (NHI) so they are housed in EFJ's offices. This has made sharing of information and networks an easy process. Our second role is as a member of the National Steering Committee that oversees the local activities and

grant awards of the Programme. This has also led to many successes, especially in our third area of partnership – that of co-funder of SGP grants. For the review period, the EFJ provided co-funding support to a Community Based Adaptation (CBA) project of the SGP as detailed below:

- Project Title: “Climate Change Adaptation in the communities of Moore Town & Bellevue, Rio Grande Watershed”; Grantee – Portland Environmental Protection Association (PEPA)

Many of the past SGP co-funded projects have been producing successful results. See example below:

The Global Environment Facility Small Grants Programme (GEF SGP) has awarded the JMITF USD40,000 in grant funding and an additional USD10,000 in co-funding from the Environmental Foundation of Jamaica.

Project Description: Establishing the Caribbean Maritime Institute as a learning centre for renewable energy in producing wind energy and potable drinking water. Simple slow speed wind generators that produce 1 to 2 KW of power will be used to run the reverse-osmosis (RO) system that will be used to convert sea water to fresh water. The wind generator will be constructed using locally obtained materials, some of which are recycled. These include used 45-gallon metal drums and PVC pipes that will be used to construct the wind turbines. Batteries will also be provided to increase potable water supplies if necessary.



Benefits of the Project: The system is designed to produce fresh water from normally unused sources of water for potable supply. Rainwater, brackish water and sea water will be treated and purified on-site to minimize distribution losses and increase the efficiency of the water resource system. Additionally, renewable energy sources will be used to run reverse-osmosis devices for producing the potable water. Alternative energy education is a distinct part of the school's plan and this project will help to build the capacities of the community and particularly the Engineering students who will be trained as they work on the fabrication of components and measure wind velocity and direction for sighting of the unit. The system is intended to be scalable for easy replication in other schools, households and communities.

Source: UNDP Jamaica website
(<http://www.jm.undp.org/node/393>)



The Inter American Foundation (IAF)

The EFJ was awarded a 2-year, US\$400,000 from the IAF to provide funding for grassroots groups undertaking projects in environmental and natural resource conservation and child survival and development. At least 14 sub grantees will receive up to \$25,000 in IAF funding and between \$25,000 and \$75,000 in EFJ funding. This collaboration is expected to benefit 5,000 Jamaicans. The Inter-

American Foundation (IAF) is an independent agency of the United States government dedicated to improving the well-being and civic engagement of the organized poor in Latin America and the Caribbean. The IAF makes grants directly to grassroots groups throughout the region.

Through the 2011 Call for Proposals, the following grants were identified for IAF/EFJ co-funding support:

Grantee	Project Title	Total Grant Award (EFJ+IAF)
Action Vibes Youth Club	Water Solution System for Sustainable Farming Catchment Reservoir	J\$820,000.00
Christiana Potato Growers Co-op Association	The Utilization of Rainwater Harvesting for the Irrigation of Potatoes	J\$5,257,000.00
Jamaica Conservation & Development Trust	Water Harvesting and Supply System at Holywell	J\$2,697,946.00
Mafoota Agricultural Cooperative Society	Mafoota Water Harvesting /Irrigation Project	J\$3,801,600.00
St. Ann Hi-Tech Farmers Group Ltd.	St. Ann Hi-Tech Farmers Group Water Harvesting & Conservation Project	J\$3,528,976.00
Trinityville Development Area Benevolent Society	Rehabilitation of Mount Vernon Water Supply System	J\$3,962,500.00
Capoeira Alafia	Diffusing the Time Trash Bomb Project (DTB): Solid Waste Recycling and Product Development in Jamaica	J\$4,738,300.00
Rise Life Management Services Project	Inner-city Youth Recycling for Income Generation	J\$3,598,870.00

Counterpart Contributions/Leveraged Funds

For the last 2 years, the EFJ has recorded over 100% in its ratio of leveraged funds, or the funds matched - in cash or kind - by partners. After a record 163% last financial year, the Foundation again was able to maximise each EFJ dollar for \$1.15 despite the lower funding levels recorded for this year.

EFJ Partnerships for National and Regional Environmental Management

The EFJ has also been playing an ambassadorial role for its members and grantees in national and regional policy-making discussions and fora such as the International Union on Conservation of Nature (IUCN) where the Foundation serves as Vice Chair of the Caribbean Sub-Regional Committee, the Network of Environmental Funds for Latin America and the Caribbean (RedLAC), the Government of Jamaica's Partnership for Transformation team, the Civil Society Consulting Group (ConSOC) for the Inter American



Development Bank (IDB) in Jamaica, and the National Vision 2030 Thematic Working Groups on (i) Climate Change and Disaster Risk Resilience and (ii) Environment and Natural Resources Management/Sustainable Urban and Rural Development.

Project Highlights: Environmental Conservation and Natural Resources Management

Community Water Systems

The EFJ continues to support Jamaica's national progress towards Millennium Development Goal 7 by increasing access to safe drinking water. The EFJ has focused on rehabilitating and supporting isolated

rural communities that have small water systems that have fallen in disrepair. The Foundation challenges communities to leverage counterpart funding from their local representatives and public sector agencies such as Health and Water Ministries.

EFJ's focus on Water over the last financial year has resulted in improvements in small community water systems mainly for domestic use. Kilmarnock and New Works Community Development Committees each received funding to repair a total of 4 catchment tanks with storage capacities of at least 300,000 gallons of water. These improvements will provide potable water to a combined total of 3000 persons from 4 communities in rural Westmoreland.

Sustainable Livelihoods

EFJ has focused on greenhouse farming as a sustainable livelihood under the Watershed and Coastal Zone Management themes. Greenhouse



New Works catchment and storage tanks



Kilmarnock community water system



farming reduces the damage to watersheds through protection of soil from open field farming practices and consequently reduces the incidence of soil erosion. In addition, it promotes protection of

biodiversity and lessens the incidence of deforestation while at the same time increasing production yields. EFJ has not only supported these grants through our CALL for Proposals but also



Left: Mafoota Agricultural Society Limited - One of two greenhouses which have resulted in 5 hectares of land protected in the Great River Watershed area in St. James and a 40% increase in household income due to increase yields in production.

Right: Mile Gully Producers Marketing Organization

greenhouse farming project resulted in the installation of a 3000 square foot greenhouse with accompanying irrigation system including a catchment pond and two water tanks. Thus far at least 25 farmers have benefited directly through training in greenhouse farming as well as from increased crop production in the greenhouse.



through our Memorandum of Understanding with the GEF Small Grants Programme.

Environmental Education

EFJ continues to pay special attention to environmental education whether through stand alone projects or integrated in projects addressing various other themes such as biodiversity conservation, recycling, climate change adaptation among others.

The **Jamaica Conservation and Development Trust (JCDDT)** and the **Jamaica Institute of Environmental Professionals (JIEP)** are two organizations who over the past year have shared knowledge on the environment through a national

level Exposition and Conference respectively under the common theme Balancing National Development and Environmental Protection.

The Green Expo 2011 event increased awareness of the environment and provided information on the work of public sector, private sector and non-governmental organizations in the environment field. Over 2000 persons (including 1323 children) attended the Expo and over 51 exhibitors showcased environmental work and environmental products.

The JIEP 5th Biennial Conference provided a forum to discuss issues under various topics including National Development; Environmental Issues Affecting National Development and featured presentations from a diverse number of stakeholders.



The EFJ Pavilion allowed 19 EFJ Grantees to showcase their work at Green Expo 2011

Project Highlights: Child Survival and Development Programme

EFJ provided support in the sector through NGOs, impacting children in the areas of Children in Challenging Circumstances, Institutionalized Children and Special Needs and Disabilities across Jamaica. In an environment with limited funding, EFJ urged organisations to collaborate through their efforts and resources in order to maximise their outputs. One such collaboration took place in the Disability Sector to enhance and improve the lives of children with developmental disabilities.

Special Needs and Disabilities

The Jamaican Association on Intellectual Disabilities in collaboration with other agencies in the Disability sector provided opportunities for children with special needs and disabilities to enhance their growth and development. Over 250 parents and staff of the organisations were beneficiaries in occupational therapy skills and direct therapeutic interventions were made with forty-five children with varying developmental disabilities.



Smart Board in use by student and new shelving with books in Library at Alpha Boys School



EFJ provided support to **Alpha Boys School** to renovate and furnish their library for over 130 boys at the school, ages 7 to 18 years. Through the improved facility and acquisition of reading/learning materials, the boys will have access to materials that will assist to improve their reading skills.



EFJ continues its support of programmes for children at risk through counselling, intervention and educational programmes. These include:

- **Children First Agency**, located in Spanish Town, trained over **279** children and young persons in mediation, dispute resolution and violence prevention skills, **32** of which were trained as peer educators. Over **785 persons in the communities** were sensitised which includes **385 children and 3 sensitisation meetings** were held with surrounding communities.



Dramatization at Information Health Fair

- **Agency for Innerscity Renewal (AIR)** located in Trench Town is working with children from four inner city Basic Schools to prevent and militate against crime induced violence in children. Counselling sessions were held with parents and children and over **72 children** were referred for counselling. Teachers were also trained to recognize the signs when children are

traumatized. The Agency is also establishing a permanent centre where children can be evaluated and treated.

- **Sir Arthur Lewis Institute of Social and Economic Studies** hosted its 6th Annual Caribbean Child Research Conference under the theme “Promoting Child Rights with Equity: Our Children in Post-Independence Times”. The two-day Conference had over **800 persons**, (mostly students) in attendance. Participants span from other Caribbean countries including Barbados, Trinidad and Suriname. The highlight of the Conference was the presentation of research papers by students at the Secondary level and an essay competition for students at primary level. Prior to the conference workshops were held with students and teachers across the island to sensitize them to issues related to child rights and research methodology.

Project Highlights: EFJ 2011 Publications

During the past year the Child and Environment sectors benefited from the publications of two manuals made possible through partnership with EFJ.

Through the Dudley Grant Memorial Trust EFJ provided support for the illustration and printing of the Children’s CD story book entitled “The Reggae Band Rescues Mama Edda Leatherback”. The book is geared towards creating awareness among children 0 – 8 years on the importance of effective waste management practices.

The Jamaica Baptist Union also received support for the printing of the Environmental Stewardship Series Manual, which addresses the importance of the environment from a faith based perspective, and highlights and showcases how environmental factors impact on the quality of human life.



The EFJ supported the production of the latest In the Early Childhood "Shaggy Parrot" Books. The book was designed and tested for Children Through a grant to the **Dudley Grant Memorial Trust**



The EFJ supported the development and production of the **Jamaica Baptist Union's** Environmental Stewardship Series Manual which highlights the many synergies between the Christian Faith and Sound Environmental Management.

Project Highlights: Discretionary Grants

Community Counselling & Restorative Justice Centre

The Community Counselling & Restorative Justice Centre (CCRJC) is an outreach arm of Northern Caribbean University and offers services in the areas of Intervention; counselling and mediation. The programme is also geared towards youth empowerment in the Mandeville area and surrounding communities and has impacted **over 200 youths and parents** in the schools and communities.



Cross Keys High School Youth Empowerment



Albion Youth and Parent Empowerment Training Seminar



May Day Youth Empowerment



Grant Awards List 2011

PL 480 GRANTS ENVIRONMENTAL CONSERVATION & MANAGEMENT

Theme: Water Harvesting Systems/Community Water Systems

<i>Organization</i>	<i>Project Title</i>	<i>Amount Approved</i>
Action Vibes Youth Club	Water Solution System for Sustainable Farming- Catchment Reservoir	\$410,000.00
Christiana Potato Growers Co-op Association	The Utilization of Rainwater Harvesting for the Irrigation of Potatoes	\$3,132,000.00
Jamaica Conservation & Development Trust	Water Harvesting and Supply System at Holywell	\$1,348,973.00
Mafoota Agricultural Cooperative Society Limited	Mafoota Water Harvesting /Irrigation Project	\$1,900,800.00
St. Ann Hi-Tech Farmers Group Ltd.	St. Ann Hi-Tech Farmers Group Water Harvesting and Conservation Project	\$1,764,488.00
Trinityville Area Development Benevolent Society	Rehabilitation of Mount Vernon Water Supply System	\$1,981,250.00
Total		\$10,537,511.00

Theme: Climate Change/Disaster Risk Reduction

<i>Organization</i>	<i>Project Title</i>	<i>Amount Approved</i>
Annotto Bay Health & Env. Assn.	Annotto Bay Disaster Risk Reduction/Climate Change Adaptation Project (2011)	\$1,305,000.00
Jamaica Conservation & Development Trust	Hazard Mapping and Reforestation for Disaster Risk Reduction in the Blue Mountains	\$2,420,000.00
Jeffrey Town Farmers Association Limited	Reducing the Disaster Risk Potential in Jeffrey Town through Soil Retention Techniques	\$1,882,000.00
St. Ann Parish Dev. Committee	Runaway Bay Disaster Risk Mapping and Assessment	\$1,795,000
Total		\$7,402,000.00



Theme: Protected Areas: Coastal/Marine Forests

Organization	Project Title	Amount Approved
Caribbean Coastal Area Management Foundation Limited	Jamaica Fish Sanctuaries Monitoring and Baseline Surveys	\$3,955,900.00
Port Royal Marine Laboratory, UWI Department of Life Sciences	Baseline Surveys of Vulnerable and Impacted Mangrove Forest around Jamaica	\$5,471,550.00
UWI, Department of Geography and Geology (Marine Geology Unit)	A Historical Air Photo Database for the Jamaica Coastline	\$2,861,000.00
Total		\$12,288,450.00

Theme: Collection Processing Non-degradable Waste and Recycling

Organization	Project Title	Amount Approved
Grupo Cativeiro Capoeira Ja./Capoeira Alafia	Diffusing the Time Trash Bomb Project (DTB): Solid Waste Recycling and Product Development in Jamaica	\$4,738,300.00
Protect the Environment Trust	Plastic Recovery and Recycling Programme in Montego Bay	\$2,400,000.00
Rise Life Management Services	Inner-city Youth Recycling for Income Generation Project	\$1,799,435.00
St. Mary Parish Development Committee	Plastic Bottle Recovery in Select Schools in St. Mary	\$2,046,000.00
St. Patrick's Foundation/St. Patrick's Rangers	St. Patrick's Rangers Empowering Youth to Create Healthy Communities through Recycling & Proper Waste Disposal	\$3,630,000.00
Total		\$14,613,735.00

Theme: Capacity Building/Development

Organization	Project Title	Amount Approved
CARIMAC	EFJ Documentary "EFJ: Impact"	\$3,200,000.00
United Way of Jamaica	Technical Assistance Support Fund for Project Development and Implementation	\$6,000,000.00
Total		\$9,200,000.00



AID GRANTS CHILD SURVIVAL AND DEVELOPMENT

Theme: Special Needs and Disabilities: Provision of Equipment

<i>Organization</i>	<i>Project Title</i>	<i>Amount Approved</i>
Jamaican Association on Intellectual Disabilities	Provision of Specialized Equipment and Disability Accessible infrastructure for Children with Disabilities	\$900,000.00
The S.T.E.P. Centre	Empowering Movement for Children with Disabilities Through The Design of Affordable and Appropriate Assistive Devices	\$4,000,000.00
UWI, Centre for Disability Studies	Creating Greater Access for Children with Disabilities in Primary Schools	\$2,250,000.00
Total		\$7,150,000.00

Theme: Capacity Building/Development

<i>Organization</i>	<i>Project Title</i>	<i>Amount Approved</i>
U.W.I., Sir Arthur Lewis Institute for Social and Economic Studies	Caribbean Child Research Conference through Research	\$1,000,000.00
Total		\$1,000,000.00

SUMMARY

Environmental Conservation & Management	(20)	\$54,041,696.00
Child Survival and Development	(4)	\$8,150,000.00
TOTAL 24 Projects	(24)	\$62,191,696.00



FINANCE COMMITTEE REPORT

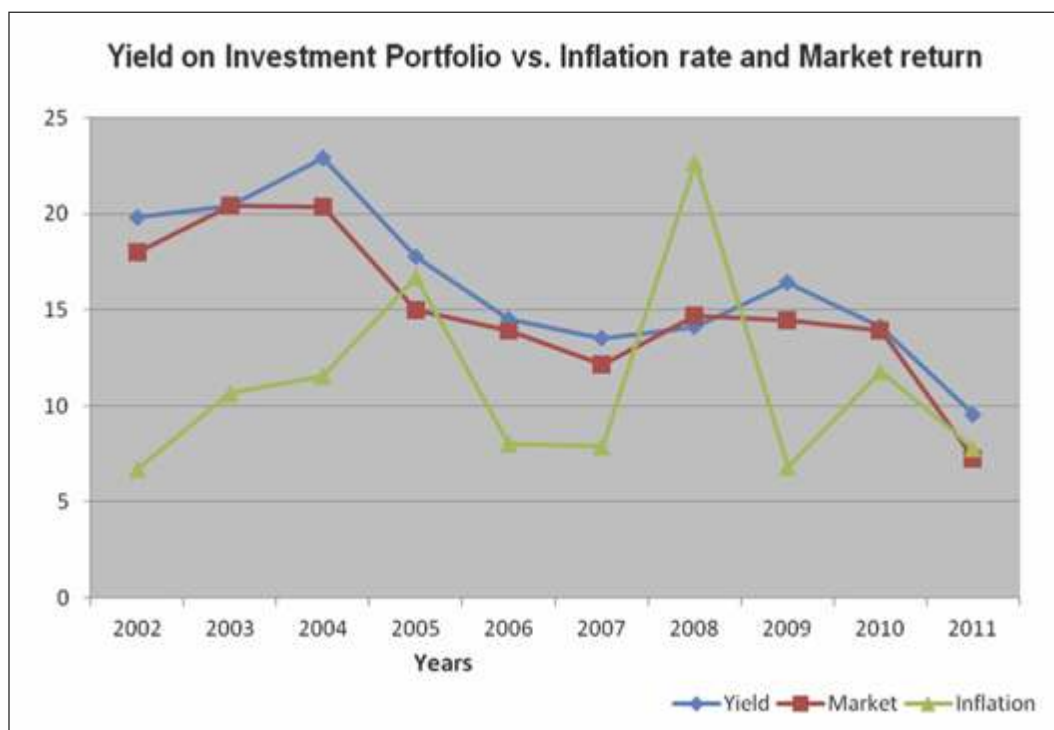
Investment Portfolio and Investment Income

During financial year 2010/2011 the Environmental Foundation of Jamaica's portfolio of investments continued to decline. Starting with approximately \$405.67 million in the portfolio this amount was reduced to approximately \$199.31 million at the financial year end; a total withdrawal of \$206.36 million.

Net income earned from investments was J\$29.60 million representing a weighted average yield on funds invested of approximately 9.53% (2010: 14.11%). The rate of return was above the average yield on Government of Jamaica (GOJ) one hundred and eighty day (180-day) fixed rate treasury bills which had an average yield of 7.22% (2010, 12.35%). It should be noted that the return

on 180-day Treasury bills at the as at July 2010 was 8.73% and at year end (July 2011) 6.44%. With this continued lowering of interest rates the Foundation is not anticipating a significant amount of income from the balance of the portfolio for financial year 2011/2012. [Since the 2009/2010 the Foundation has been using Treasury bills rates as the proxy benchmark for performance as there has been an active move towards realigning the portfolio to short term assets to meet cash flow requirements.]

The weighted average yield on the investment portfolio was 1.73 percentage points above the Consumer Price Index (CPI) of 7.80% for the period August 2010 to July 2011 (point to point). This means there was a positive real return on the portfolio (the prior year had a 2.31% real growth). The graph below depicts the historical performance of the Foundation over the last ten years.





Outside of investment income of \$29.60 million from the portfolio of assets, inflows from the Government of Jamaica (under the existing debt swap) were \$11.70 million in US AID Debt fund payments. Total outflows from the America's Fund were J\$192.29 million and comprised Grant disbursements of \$151.86 million, investment advisors fees of \$2.20 million and transfers to the administration account of \$38.23 million.

Equity investments

The Foundation's equity investment portfolio was valued at \$37.32 million at the end of the financial year compared to the prior year's \$32.87 million. The equity investments are held in mainly blue chip securities that have maintained their value over the year and continue to make timely dividend payments. The following tables indicate the current allocation of the investment portfolio:

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

	Balance 31 July 2011	% age of Total	Balance 31 July 2010	%age of Total
Barita Portfolio Management Ltd.	105,922,000.00	53.14%	251,395,000.00	61.97%
Scotia Investments	70,677,000.00	35.46%	116,138,000.00	28.63%
National Commercial Bank	13,920,000.00	6.98%	13,277,000.00	3.27%
First Global Financial Services	8,790,000.00	4.41%	8,249,000.00	2.03%
RBTT Bank Jamaica Limited	0.00	0.00%	16,615,000.00	4.10%
	199,309,000.00		405,674,000.00	

Asset Allocation (before IFRS Fair Value Adjustment)

	Balance 31 July 2011	% age of Total	Balance 31 July 2010	%age of Total
GOJ Secured Fixed Income	161,992,000.00	81.28%	356,185,000.00	87.80%
Quoted Equity	37,317,000.00	18.72%	32,874,000.00	8.10%
RBTT Loan Facility	0.00	0.00%	16,615,000.00	4.10%
Unquoted equity	0.00	0.00%	0.00	0.00%
	199,309,000.00		405,674,000.00	



Grant Disbursements

Grant disbursements totaled \$151.86 million compared to the budgeted \$174.77 million. Of the total disbursement 77% (or \$117.02 million) was for PL480 grants and the remaining 23%(or \$38.84 million) for Aid Debt grants. The disbursement level was below the target for two main reasons:

- Approximately \$30.96 million was budgeted for the InterAmerican Foundation co-funded Grants and disbursements were made for \$14.90 million a shortfall of \$16.06 million, and
- Some grantees, for various reasons, were not able to meet their original disbursement projections.

For comparative purposes prior year grant disbursements were \$185.49 million.

Administrative Expenses

Administrative expenses totaled J\$40.05M or 26.37% of grant disbursements. This compares with Administrative Expenses for the prior year of \$46.32M. While the Foundation exceeded its targeted administrative ratio (of 25%) by 1.37% it was able to cut overall expenditure by 13.54% while maintaining the same levels of efficiency and effectiveness.

Summary of Inflows under the Enterprise for the Americas Agreement (EAA)

A total of US\$136,192.00 was received in Aid Debt Inflows under the EAA during the financial year 2010 2011. In cumulative terms the Foundation has received 99.54% of the payments under this agreement. (The full amount of PL480 funds had already been received.)

STATUS OF INFLOWS UNDER THE ENTERPRISE FOR THE AMERICAS AGREEMENT AS AT JULY 31, 2011 (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	12,193,851.00	99.20%
Total		21,489,744.00	21,391,559.00	99.54%



**STATUS OF INFLOWS UNDER THE ENTERPRISE FOR THE AMERICAS AGREEMENT AS AT
JULY 31, 2011 (US\$) *Continued***

Funding Source	Expiry	Amount Due US\$		Amount Collected US\$	
		Current Yr	To Date	Current Yr	To Date
	Date				
Fund 1 - PL480	Sep 2001.	0	9,197,708	0	9,197,708
Fund 2 - AID Debt	Sep 2012.	136,192	12,193,851	136,192	12,193,851
Total		136,192	21,391,559	136,192	21,391,559

AUDITED FINANCIAL STATEMENTS



Environmental Foundation of Jamaica
(A foundation limited by guarantee)

Financial Statements
31 July 2011



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

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31 July 2011

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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 31, which comprise the statement of financial position as of 31 July 2011, the statement of changes in the Americas' Funds, and statement of cash flows 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 with the requirements of 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.

Auditors' 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm



**Members of Environmental Foundation of Jamaica
Independent Auditors' Report
Page 2**

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position the foundation as of 31 July 2011, and of its financial performance and 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.

Chartered Accountants
14 October 2011
Kingston, Jamaica



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Changes in the Americas' Funds

Year ended 31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Fund I \$'000	Fund II \$'000	2011 \$'000	2010 \$'000
USAID debt funds received					
For the year (US\$136,000)		-	11,704	11,704	17,414
Investment income earned		24,422	5,414	29,836	60,693
Foreign exchange losses		(182)	(52)	(234)	(253)
		24,240	17,066	41,306	77,854
Unrealised gains on available-for-sale investments		4,646	1,533	6,179	25,393
		28,886	18,599	47,485	103,247
Less:					
Project grants disbursed	5	(117,023)	(34,838)	(151,861)	(185,493)
Transfers to administration	6	(21,556)	(16,675)	(38,231)	(41,651)
Investment advisers' fees	9	(1,726)	(470)	(2,196)	(3,422)
		(140,305)	(51,983)	(192,288)	(230,566)
Deficit for year		(111,419)	(33,384)	(144,803)	(127,319)
Fund balance at beginning of year		251,943	160,295	412,238	539,557
Fund balance at end of year		140,524	126,911	267,435	412,238



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Financial Position

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Non-Current Assets			
Property, plant and equipment	10	18,699	22,958
Available-for-sale investments	11	179,273	382,491
		<u>197,972</u>	<u>405,449</u>
Current Assets			
Other assets	13	12,943	10,326
Short term investments	11	24,285	21,526
Cash and bank	14	46,481	4,609
		<u>83,709</u>	<u>36,461</u>
Current Liabilities			
Bank overdraft	14	-	20,353
Accounts payable and accrued charges		4,759	3,273
Managed funds	15	7,026	5,286
		<u>11,785</u>	<u>28,912</u>
Net Current Assets		<u>71,924</u>	<u>7,549</u>
		<u>269,896</u>	<u>412,998</u>
Equity			
Administration fund- expenses recoverable	6	(16,238)	(22,198)
Capital reserves	16	18,699	22,958
Americas' funds		267,435	412,238
		<u>269,896</u>	<u>412,998</u>

Approved on behalf of the Board of Directors on 14 October 2011 and signed on its behalf by:

Dale Webber

Director

Albert Walker

Director



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Cash Flows

Year ended 31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities		
Deficit for the year	(144,803)	(127,319)
Adjustments for -		
Decrease in amount due to Administration Fund	5,960	1,990
Fair value adjustments on available-for-sale investments	(4,249)	1,657
Interest income	(27,878)	(61,117)
	<u>(170,970)</u>	<u>(184,789)</u>
Changes in operating assets and liabilities:		
Other assets	(2,617)	(558)
Accounts payable and accrued charges	1,486	(796)
Managed funds	1,740	265
Cash used in operating activities	<u>(170,361)</u>	<u>(185,878)</u>
Cash Flow From Investing Activities		
Available-for-sale investments	201,251	87,425
Investment- Walkerswood Partners Limited	-	5,000
Interest received	34,094	62,230
Cash provided by investing activities	<u>235,345</u>	<u>154,655</u>
Increase/(decrease) in cash and cash equivalents	64,984	(31,223)
Cash and cash equivalent at beginning of year	5,782	37,005
CASH AND CASH EQUIVALENT AT END OF YEAR	<u><u>70,766</u></u>	<u><u>5,782</u></u>
Represented by:		
Cash and bank	46,481	4,609
Short term investments	24,285	21,526
Bank overdraft	-	(20,353)
	<u><u>70,766</u></u>	<u><u>5,782</u></u>



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Environmental Foundation of Jamaica (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 standards, interpretations and amendments and has concluded that none is relevant to its operations.



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published 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 were not effective at the year end date, 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:

- **IAS 24 (revised), 'Related party disclosures' (effective for accounting periods beginning on or after 1 January 2011).** The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of this amendment is not expected to have a significant impact on the financial statements of the Foundation.
- **IFRS 9, 'Financial instruments' (effective for accounting periods beginning on or after 1 January 2013).** IFRS 9 addresses classification and measurement of financial assets and is available for early adoption immediately. IFRS 9 replaces the multiple classification and measurement models in IAS 39 'Financial instruments: Recognition and Measurement' with a single model that has only two classification categories: amortised cost and fair value. IFRS 9 represents the first milestone in the IASB's planned replacement of IAS 39. Management is currently assessing the timing and impact of the adoption of this standard by the Foundation.

(b) Grant funds

Grant funds received by the Foundation under the Enterprise of the Americas Initiative Framework Agreement are recorded when received and credited directly to the 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) Dividend income is recognised when the right to receive payment is established.



Environmental Foundation of Jamaica

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Notes to the Financial Statements

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Foreign currency translations

Functional and presentation currency

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates. The financial statements are presented in Jamaican dollars, which is the Foundation's functional and presentation currency.

Translation and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the year end 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 year end 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% - 12.5%
Motor vehicles	20%
Computers	25%
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

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Notes to the Financial Statements

31 July 2011

(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 year end 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 year end 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 year end date, the following items were classified as financial liabilities: bank overdraft, accounts payable and accrued charges and managed funds.

(h) Cash and cash equivalents

Cash and cash equivalents are carried at the year end 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 maturity dates of less than 90 days, net of bank overdrafts.

(i) Accounts payable

Accounts payable are stated at historical cost.



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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 - expenses recoverable, is recoverable from the Americas' Funds. While funds received for administration expenses, which are unexpended, are referred to as Administration Fund - 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.

(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.



Environmental Foundation of Jamaica

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Notes to the Financial Statements

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management

The Foundation's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Foundation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Foundation's financial performance.

The Foundation's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Foundation regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Foundation's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

The Foundation takes on exposure to credit risk, which is the risk that a party will cause a financial loss for the Foundation by failing to discharge its contractual obligations. Credit risk is a very important risk for the Foundation's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Foundation's cash and investment activities. The Foundation structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

Credit review process

Management performs ongoing analyses of the ability of borrowers and other counterparties to meet repayment obligations.

(i) Investments

The Foundation limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

(ii) Cash

Cash transactions are limited to high credit quality financial institutions. The Foundation has policies that limit the amount of credit exposure to any financial institution.

Maximum exposure to credit risk

The Foundation's maximum exposure to credit risk at year end was as follows:

	2011 \$'000	2010 \$'000
Investment securities	166,241	371,143
Cash and bank	46,481	4,609
Other assets	4,355	2,384
	<u>217,077</u>	<u>378,136</u>



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Exposure to credit risk for investment securities

The following table summarises the Foundation's credit exposure for investment securities at their carrying amounts, as categorised by issuer:

	2011 \$'000	2010 \$'000
Government of Jamaica Securities	141,956	349,617
Corporate	24,285	21,526
	<u>166,241</u>	<u>371,143</u>

(b) Liquidity risk

Liquidity risk is the risk that the Foundation maybe unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions.

Liquidity risk management process

The Foundation's liquidity management process includes:

- (i) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (ii) Optimising cash returns on investment; and

The maturities of assets and liabilities are important factors in assessing the liquidity of the Foundation and its exposure to changes in interest rates and exchange rates.



Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2011

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the Foundation's financial liabilities at year end based on contractual undiscounted payments was as follows:

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	Total \$'000
2011				
Accounts payable and accrued charges	606	1,050	3,103	4,759
Managed funds	45	1,405	5,576	7,026
	651	2,455	8,679	11,785
2010				
Bank overdraft	20,353	-	-	20,353
Accounts payable and accrued charges	906	1,583	784	3,273
Managed funds	-	-	5,286	5,286
	21,259	1,583	6,070	28,912

Assets available to meet all of the liabilities and to cover financial liabilities include cash and short term investments.



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3. Financial Risk Management (Continued)

(c) Market risk

The Foundation takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Foundation's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Foundation manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Foundation further manages this risk by discussing with Fund Managers the projected exchange rates and divert into Jamaican dollar investments where adverse exchange rate movements are expected.

Concentrations of currency risk:

The table below summarises the Foundation's exposure to foreign currency exchange rate risk at 31 July.

	2011		
	Jamaican \$ J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Available-for-sale investments	179,273	-	179,273
Short term investments	24,285	-	24,285
Cash and bank	40,642	5,839	46,481
Other assets	4,355	-	4,355
Total financial assets	248,555	5,839	254,394
Financial Liabilities			
Accounts payable and accrued charges	4,759	-	4,759
Managed funds	7,026	-	7,026
Total financial liabilities	11,785	-	11,785
Net financial position	236,770	5,839	242,609



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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Currency risk (continued)

Concentrations of currency risk (continued)

	2010		
	Jamaican \$ J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Available-for-sale investments	372,820	9,671	382,491
Short term investments	21,526	-	21,526
Cash and bank	559	4,050	4,609
Other assets	2,384	-	2,384
Total financial assets	397,289	13,721	411,010
Financial Liabilities			
Bank overdraft	20,353	-	20,353
Accounts payable and accrued charges	3,273	-	3,273
Managed funds	5,286	-	5,286
Total financial liabilities	28,912	-	28,912
Net financial position	368,377	13,721	382,098



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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the effect on surplus or deficit arising from changes in foreign currency rates, primarily with respect to the US dollar. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 1% (2010 – 5%) depreciation and a 0.5% (2010 – 5%) appreciation of the Jamaican dollar against the US dollar, which represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity was primarily as a result of foreign exchange gains and losses on translation of US dollar-denominated investments. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	% Change in Currency Rate 2011	Effect on the Americas' Funds 2011 \$'000	% Change in Currency Rate 2010	Effect on the Americas' Funds 2010 \$'000
Currency:				
USD	+5%	29	+5	686
USD	-1%	(58)	-5	(686)



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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the Foundation to fair value interest risk.

The following table summarises the Foundation's exposure to interest rate risk. It includes the Foundation's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
	2011						
Assets							
Available-for-sale investments	50,260	-	67,509	10,657	13,530	37,317	179,273
Short term investments	22,074	2,211	-	-	-	-	24,285
Cash and bank	46,461	-	-	-	-	20	46,481
Other assets	-	-	-	-	-	4,355	4,355
Total financial assets	118,795	2,211	67,509	10,657	13,530	41,692	254,394
Liabilities							
Accounts payable and accrued charge	-	-	-	-	-	4,759	4,759
Managed funds	-	-	5,576	-	-	1,450	7,026
Total financial liabilities	-	-	5,576	-	-	6,209	11,785
Total interest repricing gap	118,795	2,211	61,933	10,657	13,530	35,483	242,609



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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk (continued)

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
	2010						
Assets							
Available-for-sale investments	165,559	-	14,810	138,039	31,209	32,874	382,491
Short term investments	13,277	8,249	-	-	-	-	21,526
Cash and bank	4,092	-	-	-	-	517	4,609
Other assets	-	-	-	-	-	2,384	2,384
Total financial assets	182,928	8,249	14,810	138,039	31,209	35,775	411,010
Liabilities							
Bank overdraft	20,353	-	-	-	-	-	20,353
Accounts payable and accrued charge	-	-	-	-	-	3,273	3,273
Managed funds	-	-	5,286	-	-	-	5,286
Total financial liabilities	20,353	-	5,286	-	-	3,273	28,912
Total interest repricing gap	162,575	8,249	9,524	138,039	31,209	32,502	382,098



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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Foundation's statement of changes in the Americas' Funds.

The sensitivity of the statement of changes in the Americas' Funds is the effect of the assumed changes in interest rates on net deficit based on non trading financial assets. The sensitivity of changes in the Americas' Funds is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

Change in basis points:

- 100

+ 50

Effect on the
Americas' Funds
\$'000

1,583

(553)

Change in basis points:

- 200

+ 200

Effect on the
Americas' Funds
\$'000

3,313

(9,651)

(d) Capital management

The Foundation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide benefits for stakeholders. There were no changes to the Foundation's approach to capital management during the year.

Based on the EAI Agreement, the Foundation is allowed to draw funds from the Americas Fund to cover administrative expenses. These expenses should not exceed 25% of grants disbursed (See Note 6).



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3. Financial Risk Management (Continued)

(e) Fair values of financial instruments

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

The following table provides an analysis of financial instruments held as at the date of the statement of financial position that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2011				
Investments classified as available-for-sale –				
Quoted equities	37,317	-	-	37,317
Government of Jamaica bonds	-	141,956	-	141,956
	37,317	141,956	-	179,273
2010				
Investments classified as available-for-sale –				
Quoted equities	32,874	-	-	32,874
Government of Jamaica bonds	-	349,617	-	349,617
	32,874	349,617	-	382,491

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1.

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.



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4. Critical Accounting Judgement and Key Source of 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 not made any significant judgements that would cause a significant impact 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 not made any significant estimate that would cause a significant impact on the amounts recognised in the financial statements.

5. Project Grants Disbursed

	Fund I \$'000	Fund II \$'000	Total \$'000
Projects' disbursement (net)	117,023	34,838	151,861

Disbursements allocated as follows

3-D Projects/Community Based Rehabilitation Agency	-	525	525
Agency for Innercity Renewal	-	2,500	2,500
Alpha Boys Home	-	500	500
Annotto Bay Health and Environment Association	628	-	628
Association of Development Agencies	4,915	-	4,915
Bowden Pen Farmers Association	450	-	450
Caribbean Coastal Area Management Foundation Limited	7,126	-	7126
Caribbean Institute of Media and Communication	4,377	-	4,377
Children First Agency	-	1,500	1500
Church of the Open Bible	-	200	200
Clarendon Peace and Justice Centre	-	255	255
Cockpit Country Local Forestry Management Committee	43	-	43
Construction Resources Development Centre	6,047	-	6,047
Council of Voluntary Social Services	400	2,700	3,100
Sub total carried forward	23,986	8,180	32,166



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Balance brought forward from (page 19)	23,986	8,180	32,166
Derrick Gayle	60	-	60
Discovery Bay Marine Laboratory	200	-	200
Douglas Castle Production and Marketing Organisation	353	-	353
Dudley Grant Memorial Trust	-	200	200
Earthbound Jamaica	201	-	201
Ewarton Watershed & Farmers Co-operative Society	946	-	946
Family and Parenting Centre	-	5,423	5,423
Fletcher's Grove/Mount Pelier Circuit of Baptist Churches	502	-	502
Foundation For Environmental and Economic Development Inc.	4,500	-	4,500
Glengoffe Community Development Committee and Benevolent Society	765	-	765
Golden Grove Cluster	-	690	690
Greater Portmore Joint Council	-	200	200
Jamaica Association for the Deaf	-	1,000	1,000
Jamaica Christian Boys Home	-	104	104
Jamaica Conservation and Development Trust	6,572	-	6,572
Jamaica Environment Trust	14,347	-	14,347
Jamaica Institute of Environmental Professionals	3,700	-	3,700
Jamaican Association for Mental Retardation	-	3,266	3,266
Joy Town Community Development Foundation	-	2,547	2,547
Karla Dockery	-	200	200
Kilmarnock Community Development Committee	140	-	140
Lawrence Tavern Primary School	-	237	237
Lions and Leo Club of Mona	157	-	157
Local Initiative Facility for the Environment	2,204	-	2,204
Manchester 4H Advisory Council	750	-	750
Manchester Early Childhood Parish Board	-	586	586
Members in Christ Assemblies	-	130	130
Mona Informatix Limited	3,408	-	3,408
Sub total carried forward	62,791	22,763	85,554



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Balance brought forward from (page 20)	62,791	22,763	85,554
National Environmental Education Committee	300	-	300
Natural History Society of Jamaica	171	-	171
Negril Area Environment Protection Trust	342	-	342
Negril Chamber of Commerce	1,250	-	1,250
New Horizon Christian Outreach Ministries	7,610	-	7,610
New Works Community Development Committee	615	-	615
Northern Caribbean University	1,010	200	1,210
Oracabessa Foundation	518	-	518
Oxford Women in Progress	3,898	-	3,898
Portland Environment Protection Association	100	-	100
Protect the Environment Trust	3,024	-	3,024
Returnees for Youth	-	181	181
Rise Life Management Services	-	4,237	4,237
Rowlandsfield Community Development Committee	1,258	-	1,258
S Corner Clinic	-	2,660	2,660
Sashion Thomas	90	-	90
Shortwood Teachers College	414	-	414
Sir Arthur Lewis Institute of Social and Economic Studies	-	1,500	1,500
St. Andrew High School for Girls	775	-	775
St. Ann Parish Development Committee	848	-	848
St. Catherine High School	-	200	200
St. Mary Charities	1,411	-	1,411
St. Mary Parish Development Committee	1,303	-	1,303
St. Patrick's Foundation	1,815	-	1,815
St. Thomas Environmental Protection Association	3,229	-	3,229
Trinityville Area Development Committee Benevolent Society	461	-	461
United Way of Jamaica	5,000	-	5,000
University of Technology Faculty of Science Sports	2,669	-	2,669
UWI Department of Physics	426	-	426
UWI Biotechnology Centre	2,688	-	2,688
UWI Centre for Environmental Development	200	-	200
UWI Centre for Marine Sciences	496	-	496
UWI Department of Life Sciences	3,852	-	3,852
Sub total carried forward	108,564	31,741	140,305



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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Balance brought forward from (page 21)	108,564	31,741	140,305
UWI Department of Geography & Geology	200	-	200
UWI Environmental Management Unit	2,295	-	2,295
UWI Faculty of Medical Sciences	-	3,098	3,098
UWI Faculty of Pure & Applied Sciences	200	-	200
UWI Marine Geology Unit	1,004	-	1,004
UWI Port Royal Marine Laboratory	2,879	-	2,879
Vision Learning Centre	-	270	270
Western St Thomas Educational Development Consortium	2,133	-	2,133
Woodford Community Action Group	-	186	186
YPM Youth Centre	-	200	200
Total disbursements	117,275	35,495	152,770
Refunds			
BREDS - The Treasure Beach Foundation	4	-	4
Guys Hill High School	6	-	6
Kiwanis Club of Providence	-	657	657
Negril Environmental Protection Trust	4	-	4
UWI Department of Life Sciences	238	-	238
Total refunds	252	657	909
Net Disbursements	117,023	34,838	151,861



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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 over expended balance is deferred expenses recoverable to the Foundation and is comprised as follows -

	2011 \$'000	2010 \$'000
Grant funds transferred from Americas' Funds (Page 1)	38,231	41,651
Less: Cost of property, plant & equipment purchased, transferred to capital reserves (Note 10)	(199)	(973)
Add: Cost of property, plant & equipment disposed, released from capital reserves (Note 10)	2,390	1,546
	40,422	42,224
Other income	3,521	1,701
	43,943	43,925
Released from capital reserves (Note 10)	4,458	5,619
Released to capital reserves	(2,390)	(1,230)
Less: Administrative expenses for the year (Note 7)	(40,051)	(46,324)
	5,960	1,990
Balance at beginning of year	(22,198)	(24,188)
Expenses recoverable from America's Fund	(16,238)	(22,198)

Administrative expenses during the year exceeded (2010 – were within) the ceiling of 25% of grants disbursed as permitted and indicated below:

	2011 \$'000	2010 \$'000
25% of net grants disbursed	37,965	46,373
Less: Administrative expenses for the year	(40,051)	(46,324)
(excess)/within ceiling	(2,086)	49

	2011 \$'000	% of Grants disbursed	2010 \$'000	% of Grants disbursed
Administrative expenses	40,001	26.37%	46,324	24.97%



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7. Expenses by Nature

	2011 \$'000	2010 \$'000
Advertising and public relations	558	522
Auditors' remuneration	1,050	1,050
Depreciation (Note 10)	4,458	5,619
Legal and professional fees	66	123
Local and foreign travelling expenses	136	178
Motor vehicle expenses	774	812
Office and general expenses	1,274	1,547
Printing and stationery	820	963
Repairs and maintenance	1,316	1,049
Staff costs (Note 8)	23,659	28,369
Security	1,971	1,904
Utilities	2,800	2,641
Other expenses	1,169	1,547
	<u>40,051</u>	<u>46,324</u>

8. Staff Costs

	2011 \$'000	2010 \$'000
Wages and salaries	19,513	23,757
Payroll taxes – employer's portion	2,099	2,298
Pension costs	864	924
Other	1,183	1,390
	<u>23,659</u>	<u>28,369</u>

The number of persons employed by the Foundation at the year end was 12 (2010 - 12).



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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 -

	2011 \$'000	2010 \$'000
Barita Portfolio Management Limited	1,500	2,507
Scotia Jamaica Investment Management Limited	696	915
	<u>2,196</u>	<u>3,422</u>

10. Property, Plant and Equipment

	2011				
	Freehold Land and Building \$'000	Motor Vehicles \$'000	Computers \$'000	Furniture and Fixtures \$'000	Total \$'000
At Cost -					
At 1 August 2010	24,124	7,834	17,156	6,600	55,714
Additions	-	156	-	43	199
Disposal	-	(2,390)	-	-	(2,390)
At 31 July 2011	24,124	5,600	17,156	6,643	53,523
Depreciation -					
At 1 August 2010	7,997	7,654	12,146	4,959	32,756
Charge for the year	703	196	3,099	460	4,458
Relieved on disposal	-	(2,390)	-	-	(2,390)
At 31 July 2011	8,700	5,460	15,245	5,419	34,824
Net Book Value -					
31 July 2011	15,424	140	1,911	1,224	18,699



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10. Property, Plant and Equipment (Continued)

	2010				
	Building \$'000	Motor Vehicles \$'000	Computers \$'000	Furniture and Fixtures \$'000	Total \$'000
At Cost -					
At 1 August 2009	23,937	9,075	17,461	5,814	56,287
Additions	187	-	-	786	973
Disposal	-	(1,241)	(305)	-	(1,546)
At 31 July 2010	24,124	7,834	17,156	6,600	55,714
Depreciation -					
At 1 August 2009	7,021	8,116	8,673	4,557	28,367
Charge for the year	976	572	3,669	402	5,619
Relieved on disposal	-	(1,034)	(196)	-	(1,230)
At 31 July 2010	7,997	7,654	12,146	4,959	32,756
Net Book Value -					
31 July 2010	16,127	180	5,010	1,641	22,958

11. Available-for-Sale Investments

	2011 \$'000	2010 \$'000
At beginning of year	404,017	510,213
Net disposals	(211,487)	(116,081)
Fair value adjustment	6,179	(1,657)
Accrued interest	4,849	11,542
At end of year (Note 12)	203,558	404,017
Current portion	(24,285)	(21,526)
	179,273	382,491

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 year end date or unless they will need to be sold to raise operating capital.



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12. Investment Securities by Adviser

	Fund I \$'000	Fund II \$'000	Other \$'000	2011 \$'000	2010 \$'000
Available-for-sale investments -					
Barita Portfolio Management Limited					
Securities	40,724	26,378	-	67,102	211,749
Quoted equities	37,317	-	-	37,317	32,874
Scotia Jamaica Investment Management Limited	50,178	17,153	-	67,331	111,896
National Commercial Bank Limited	13,419	24		13,443	12,798
First Global Financial Services Limited (i)	-	-	8,762	8,762	8,249
RBTT Bank Jamaica Limited	-	-	-	-	16,566
	141,638	43,555	8,762	193,955	394,132
Accrued interest	3,728	1,598	28	5,354	11,542
Fair value adjustment	3,177	1,072	-	4,249	(1,657)
Total investments	148,543	46,225	8,790	203,558	404,017

Total investments comprised the following -

Available-for-sale investment (Note 11)	179,273	382,491
Short term investments (Note 11)	24,285	21,526
	<u>203,558</u>	<u>404,017</u>

- (i) Included in available-for-sale investment are monies being held at First Global Financial Services Limited for Northern Jamaica Conservation Association (Note 15).
- (ii) The Board approved the establishment of an endowment fund and has earmarked \$85,000,000 of the investment balance currently held to start the fund. The purpose of the fund is to ensure the longevity of the organisation.



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13. Other Assets

	2011 \$'000	2010 \$'000
Prepayments	53	16
Recoverable taxes (i)	8,535	7,926
Other receivables	4,355	2,384
	<u>12,943</u>	<u>10,326</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.

14. Cash and Bank

	2011 \$'000	2010 \$'000
Cash and bank	46,481	4,609
Bank overdraft	-	(20,353)
	<u>46,481</u>	<u>(15,744)</u>

The Foundation does not have an overdraft facility. The year end bank overdraft balance was due to unresented cheques.

15. Managed Funds

	2011 \$'000	2010 \$'000
Bernard Van Leer Fund (a)	45	45
Northern Jamaica Conservation Association Endowment Fund (b)	5,576	5,241
Inter-American Foundation (c)	1,405	-
	<u>7,026</u>	<u>5,286</u>

(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
Fund balance 1 August 2010 and 31 July 2011	<u>1</u>	<u>45</u>



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15. Managed Funds (Continued)

(b) Northern Jamaica Conservation Association

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 (NJCA). The amount approved and interest earned is as follows:

	2011 \$'000	2010 \$'000
Opening balance of fund	5,241	4,683
Interest earned during the period	335	558
Closing balance of fund	<u>5,576</u>	<u>5,241</u>

The agreement between the Foundation and NJCA was amended in December 2007. The amendment included the restriction of disbursements to interest earned for a period of five years after which the grant will be eligible for renewal. There were no disbursements in the period.

(c) Inter-American Foundation

The Foundation entered into an agreement with the Inter-American Foundation (IAF), effective 9 September 2010, to co-fund and manage grants with a total value of US\$1,932,500.00 over a 2 year period. The agreement requires IAF to provide cash funding for a total of US\$400,000.00, while the Foundation will provide support in the form of cash and kind valued at US\$1,357,500.00. Organisations receiving the grant funding are required to provide the balance of US\$175,000.00, in order to be eligible for the grants. The Foundation will use its regular selection and monitoring procedures for the awarding of these grants. In keeping with the agreement the IAF has provided J\$1,405,000 of these funds which is being held in a separate chequing account until these grant beneficiaries have been selected. The amount received is as follows:

	2011 \$'000	2010 \$'000
Fund Balance 31 July 2011	<u>1,405</u>	<u>-</u>



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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 –

	2011 \$'000	2010 \$'000
Balance at beginning of year	22,958	27,920
Capital assets acquired from administration grant funds (Note 10)	199	973
Disposal of capital assets	(2,390)	(1,546)
Accumulated depreciation on capital assets disposed (Note 10)	2,390	1,230
	<u>23,157</u>	<u>28,577</u>
Less:		
Transfers to administration fund in current year (depreciation)	<u>(4,458)</u>	<u>(5,619)</u>
Balance at end of year	<u>18,699</u>	<u>22,958</u>

17. Commitments

As at 31 July 2011, the Foundation had project grant funds committed and not disbursed of approximately \$100,626,898.42.

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) Key management compensation:

	2011 \$'000	2010 \$'000
Wages and salaries	6,621	8,517
Payroll taxes – employer's portion	668	826
Pension costs	259	303
Other	350	487
	<u>7,898</u>	<u>10,133</u>
Directors' fees	<u>Nil</u>	<u>Nil</u>

(b) Grants disbursed to organisations with directors or senior personnel common to the Foundation:

	2011 \$'000	2010 \$'000
Council of Voluntary Social Services	3,100	9,403
Jamaica Institute of Environmental Professionals	3,700	1,450
Local Initiative Facility for the Urban Environment	2,204	4,528
Natural History Society of Jamaica	171	1,240
United Way of Jamaica	5,000	8,500
University of the West Indies	26,383	25,298
	<u>40,558</u>	<u>50,419</u>

At year ended 31 July 2011, grants approved but not disbursed for University of the West Indies, Council of Voluntary Social Services, United Way of Jamaica and Local Initiative Facility for the Urban Environment totaled \$18,866,000, \$500,000, \$6,000,000 and \$187,000 respectively.



Human Resources, Compliance and Compensation Committee (HRCCC) Report

The HRCCC sub-committee of the Board was chaired by Professor Ishenkumba Kahwa for the majority of the review period. In May 2011, he retired from the Board and the Chairman of the Board has been acting as the committee's chair with support from the new representative from the University of the West Indies, Mrs. Susan Ffolkes-Goldson.

During the review period, there were no major issues regarding Human Resources within the Foundation. During the year, the post of CEO was advertised and the Acting CEO Mrs. Karen McDonald Gayle was selected and appointed on February 1, 2011.

The staff received training courses and demonstrations in the following areas:

- Media Writing (through CARIMAC)
- Interview and Presentation Skills(through CARIMAC)
- Car Insurance and Accident 101 (through Allied Insurance)
- Car Care 101 (through Automotive Art)
- Public Speaking (through CARIMAC)

The staff complement remained at twelve (12) – two (2) in Programme, five (5) in HR & Administration, three (3) in Finance and two (2) in the Executive Office.

No vehicles in the EFJ fleet were handed over during the review period, however, one EFJ secretariat vehicle was written off due to an accident.

Compliance Issues (procurement, tax and statutory payments, reporting schedule adherence)

The EFJ continues to be fully compliant with established standards. For the fiscal year in review, all statutory payments were made in full and on time. Procurement procedures were also adhered to.

In addition, the Pension Fund for the secretariat is in the process of being wound up in compliance with Jamaica's 2004 Pension Reform process.



Membership Committee Report

The Membership committee, chaired by EFJ Board Secretary Richard Troupe met three (3) times in the last year. Their meetings focused on the preparation for member events, in particular the post-AGM Members' Forum and the Proposal Writing Workshops. The post-AGM forum invited presenters, Dr. Peta-Anne Baker (Coordinator, UWI Social Work Programme), and Ms. Deika Morrison (Economist and Philanthropist) to speak to EFJ members on "the role and potential of NGOs in the current economic reality". The members would not let the speakers go, and were all given new ideas on how to manage and merge in a changing reality.

EFJ also offered its annual Proposal Writing Workshops, which are free to EFJ members and also available to other NGO groups. The workshops this year were held at targeted locations across the island: Kingston (SE) (20 attendees), Mandeville (15) and Montego Bay (11). The 46 participants (25 male and 21 female) represented 34 groups. While the training focus was on the EFJ proposal process, other approaches were also presented. EFJ had each participant evaluate the workshop attended. The

results showed that a majority of the participants rated the workshop review as 4 or 5, where 5 was "excellent" and 1 was "poor". Categories included: length of workshop; content; presenter; usefulness; meeting expectations. The lowest rating given for the "overall workshop" was a 4. Participants all found the information and time spent useful to their final project development and design.

The Foundation reviewed and approved the application of the Local Initiative for the Environment (LIFE) and welcomed them as a new member during the 2010-11 reporting period. LIFE has been associated with the EFJ for over thirteen years. They have impacted many Jamaica communities and the EFJ has also worked with them to monitor and mentor EFJ grantees. We are happy that they have joined our membership.



List of EFJ Members, 2010-11

1. 3-D Projects
2. Association of Community Base Organization Ltd. (formerly Association of Clubs)
3. Association of Development Agencies
4. BirdLife Jamaica
5. The Council of Voluntary Social Services
6. Hope for Children Development Company
7. Jamaica Association for the Deaf
8. Jamaican Association of Intellectual Disabilities (formerly Jamaica Association on Mental Retardation)
9. Jamaica Baptist Union Women's Federation
10. Jamaica Cancer Society
11. Jamaica Conservation and Development Trust
12. Jamaica Environment Trust
13. Jamaica Family Planning Association
14. Jamaica Institute of Environmental Professionals
15. Jamaica Save the Children
16. Jamaica Society for the Blind
17. Portland Environment Protection Association
18. Private Sector Organization of Jamaica
19. Professional Development Institute (Girl's Town)
20. S-Corner Clinic
21. Local Initiative Facility for the Environment



TRIBUTE

The Board and Staff of the Environmental Foundation of Jamaica acknowledges and celebrates with admiration the life of service of

Mr. Carlton Edmond Levy, C.D., J.P

February 3, 1935 – December 6, 2010



Mr. Levy passed away at the beginning of his third term as the Child Director and Vice Chairman of the Environmental Foundation of Jamaica . His keen eye for detail and procedure as well as his service to the EFJ over his four (4) years of association with us were invaluable and he will be sorely missed.



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