



*Environmental Foundation
of Jamaica*

Preserving the Future... Today!

ANNUAL REPORT | 20 17





2016-2017 ANNUAL REPORT

MISSION STATEMENT

The mission of the Environmental Foundation of Jamaica (EFJ) is to be a major funder of environmental protection and child survival initiatives in the interest of sustainable development.

VISION

To be the regional leader in funding and influencing policy for environmental management & conservation, as well as child survival and development.

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.

TABLE OF CONTENTS

BOARD AND
STAFF

... 3-4

FUNDRAISING
COMMITTEE

37-38

ORGANISATIONAL
ARRANGEMENTS

... 5

PUBLIC
RELATIONS
COMMITTEE

39-40

STANDING
COMMITTEES

... 6

HUMAN RESOURCES AND
COMPLIANCE
COMMITTEE REPORT

... 40

CHAIRMAN'S
MESSAGE

... 7-8

EFJ ENDOWMENT
TRUST REPORT

... 41

SECRETARIAT
REPORT

... 9

FINANCE
COMMITTEE
REPORT

42-43

GRANT
MANAGEMENT
COMMITTEE

... 9-34

AUDITED FINANCIAL
STATEMENTS

44 - 78

STRATEGIC
PLANNING
COMMITTEE

35-37

LIST OF
MEMBERS

... 79

EFJ BOARD MEMBERS



PROF. DALE WEBBER
CHAIRMAN/TERM MEMBER



MRS. ELEANOR JONES
VICE CHAIR/TERM MEMBER



MR. IAN WATSON
TREASURER/TERM MEMBER



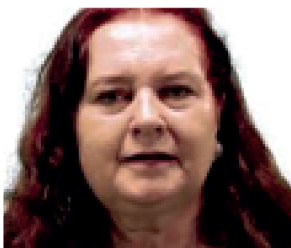
MS. MARILYN HEADLEY
GOVERNMENT OF JAMAICA
PERMANENT MEMBER



MS. DENISE HERBOL
GOVERNMENT OF UNITED
STATES OF AMERICA
PERMANENT MEMBER



MRS. JENNIFER SCOTT
BOARD SECRETARY



MRS. EMMA LEWIS
GOVERNMENT OF JAMAICA
INSTITUTIONAL REPRESENTATIVE



MRS. DONNA BLAKE
THE NATURE CONSERVANCY
PERMANENT MEMBER



MRS. WINSOME WILKINS
CHILD REPRESENTATIVE
TERM MEMBER



DR. MICHAEL WITTER
TERM MEMBER



DR. DAVID SMITH
TERM MEMBER

EFJ MEMBERS OF STAFF



MR. BARRINGTON LEWIS
CHIEF EXECUTIVE OFFICER



MS. ALLISON RANGOLAN
CHIEF TECHNICAL DIRECTOR



MR. LEIGHTON CORNWALL
SENIOR ACCOUNTANT / HR
OFFICER



MS. CHARMAINE WEBBER
PROGRAMME OFFICER



MR. MARK CONSTABLE
PROGRAMME OFFICER



MS. SYDONNIE ROTHERY
ADMINISTRATIVE ASSISTANT



MS. AUDREY KIRKLAND
RECEPTIONIST / CLERICAL
ASSISTANT



MS. PAULETTE WESTCARR
OFFICE ATTENDANT



ORGANISATIONAL ARRANGEMENTS

ATTORNEYS

Myers, Fletcher & Gordon
Park Place
21 East Street
Kingston

Mrs Laleta Davis Mattis
2 Staten Close
Kingston 8

AUDITORS

PricewaterhouseCoopers
Scotia Bank Centre
Corner of Duke & Port Royal
Streets
Kingston

COMMERCIAL BANKERS

National Commercial Bank Jamaica
Limited
Private Banking Branch
124 - 126 Constant Spring Road
Kingston 10

INVESTMENT MANAGERS

BPM Financials Limited
1 A Holborn Road
Kingston 10.

NCB Capital Markets Limited
The Atrium
32 Trafalgar Road
Kingston 10.

ENDOWMENT FUND TRUSTEES NEW TRUSTEES TO BE APPOINTED

STANDING COMMITTEES

EXECUTIVE COMMITTEE

Prof. Dale Webber
Mrs. Eleanor Jones
Mr. Ian Watson
Mrs. Jennifer Scott
Mr. Barrington Lewis
Ms. Allison Rangolan

STRATEGIC PLANNING COMMITTEE

Dr. Michael Witter
Mrs. Eleanor Jones
Ms. Marilyn Hadley
Mrs. Donna Blake
Mr. Barrington Lewis
Ms. Allison Rangolan

FINANCE AND GENERAL PURPOSES COMMITTEE

Mr. Ian Watson
Prof Dale Webber
Mrs. Donna Blake
Mrs. Winsome Wilkins
Mr. Robert Stephens
Mr. Barrington Lewis
Mr. Leighton Cornwall

FUNDRAISING COMMITTEE

Dr. David Smith
Prof. Dale Webber
Mrs. Emma Lewis
Mr. Barrington Lewis
Ms. Allison Rangolan

GRANT MANAGEMENT COMMITTEE

Mrs. Eleanor Jones
Dr. Michael Witter
Dr. David Smith
Ms. Loy Malcolm
Mr. Norman Harris
Mr. Damian Lyn
Mr. Barrington Lewis
Ms. Allison Rangolan
Ms. Charmaine Webber
Mr. Mark Constable

PUBLIC RELATIONS COMMITTEE

Mrs. Emma Lewis
Mr. Barrington Lewis
Mrs. Indi McClymont Lafayette
Ms. Petre Williams Raynor
Ms. Francine Black

HUMAN RESOURCES, COMPLIANCE AND COMPENSATION COMMITTEE

Mrs. Jennifer Scott
Prof. Dale Webber
Mr. Barrington Lewis

MEMBERSHIP COMMITTEE

Mrs. Winsome Wilkins
Mr. Barrington Lewis
Ms. Allison Rangolan



CHAIRMAN'S MESSAGE

In the closing paragraphs of the Chairman's Message in last Annual Report I said: "...

What will happen in the new fiscal year?

Well, we are happy to report that in addition to opening a Call for Proposals for the SCCAF the EFJ will have a new Call for Proposals for the Forest Conservation Fund. It means that the EFJ is picking up right where it left off - prior to the merger - and getting back into full grant making mode. The NGO community has been anxiously awaiting our return.

We are cognisant of the changing landscape we operate in and so we will be responsive and proactive in our approach. A new Strategic Plan is being crafted, new staff will be hired, there will be a focus on stakeholders' needs and capacity building, sustainable and strategic grant making will be undertaken, and finally, an importantly, a focus on public relations and fundraising. It promises to be an exciting new chapter for the merged EFJ and we look forward to you being with us as it unfolds. ..."

I am very pleased to report on those items referenced above and more.

Three Calls for Proposals were conducted during the fiscal year; two under the Special Climate Change Adaptation Fund (SCCAF) and one under the Forest Conservation Fund (FCF). The first SCCAF Call (Call 2016) had twenty nine (29) projects being awarded J\$132.94 million dollars. The second Call (Call 2017) closed in April 2017 and ultimately 51 projects were allotted J\$228.85 million in grant funding.

The FCF's Call closed November 30, 2016 and 32 grant applications were received. While the SCCAF projects mainly had durations of less than twelve (12) months the FCF offers multiyear grants. Thirteen (13) projects were awarded J\$86.03 million.

In sum, 2016/2017 saw 93 projects being awarded \$447.82 million, I am sure you will agree that the EFJ came back with a bang! The Grant Management Committee report (below) will give greater details on some of the projects.

Another significant achievement during the year was the completion of the Strategic Plan 2017 to 2020. The Board has agreed that this plan will be a "living" and "dynamic" document with constant review and update. That being said, the Strategic Plan is centred on three main pillars:

- ☑ **Influencing policy, capacity building and stakeholders' sustainability**
- ☑ **Fundraising, sustainability and public awareness**
- ☑ **Continued Streamlining of operational activities**

These focal areas have all been linked to some of the Vision 2030 goals advocated by the Government of Jamaica. In deciding on these three areas, a careful review was done of the last Strategic Plan (2013 - 2015) to identify the factors that influenced the activities that were implemented, and those that were not. Three key inputs in the matrix had to be addressed: (i) the selection of a Chief Executive Officer (CEO) - to drive the implementation of the new Strategic Plan (the critical support staff had to be engaged as well) (ii) the development of a Fundraising Plan, and (iii) adequate resources pledged for the successful implementation of all activities.

Key performance indicators for the plan were carefully outlined, and while focal areas are defined, it is noteworthy that the focal areas do not have to be implemented sequentially but can be implemented concurrently. Further, the vast majority of the targets should be achieved in the first twenty-four months of the plan.

So what has been done to date?

- ☑ **We have appointed the new CEO, Mr. Barrington Lewis. Ms. Allison McFarlane has been appointed Chief Technical Director and Mr. Leighton Cornwall rejoins the staff as the Senior Accountant.**
- ☑ **The Board has committed the adequate resources to attain key goals over the period of the Strategic Plan**
- ☑ **A Fundraising Plan has been drafted and a Public Relations campaign is underway in earnest.**

As referenced above the Strategic Plan 2017 – 2020, will focus on **“Fundraising, sustainability and public awareness”** as one of the three important pillars. At a Board meeting in April 2016 we appointed a Fundraising Sub Committee, led by Dr, David Smith, which was challenged to provide leadership in the quest for raising funds. Developing a Fundraising Plan was one of the first outcomes from this committee.

From that plan the Fundraising Committee has set itself a twofold target; to raise funds to have continuous grants being awarded and to add to the corpus of the EFJ’s Endowment Trust. The goal of the Fundraising committee is to raise approximately US\$40 million dollars within the next five to ten year period. We will engage the services of a consultant during the fiscal year 2018/2019 to assist us in meeting our goals.

The Fundraising, Grant Management and Strategic Planning Committees will work closely with the Public Relations Committee to enhance the corporate image of the EFJ. The EFJ’s website, maximizing the use of social media and online marketing techniques, public service announcements, articles, etc. will all be a part of the new thrust. This will be aimed at different audiences: International funding sources and donors (including multilaterals and bilaterals); corporate and private foundations; and local funding sources and partnerships (through the Ministry of Economic Growth and Job Creation). The underlying objective is to raise awareness of EFJ’s work through past and current grants and support, highlighting the key role EFJ has played and continues to play in Jamaica’s sustainable development.

Undoubtedly we are playing our part in the sustainable development of the Jamaican society, we endeavour to continue doing so using all the tools at our disposal. The next fiscal year will mark 25 years of operations and we intend to showcase our impact then.



Prof. Dale Webber
CHAIRMAN

SECRETARIAT REPORT

The EFJ cadre of staff continues to undertake yeoman service given our resource constraints. Below the various sub-committees apprise us of what happened for fiscal year 2016/2017.

GRANT MANAGEMENT COMMITTEE REPORT

A total of ninety two (92) new grant awards arising from three Calls for proposals were made by the EFJ for the fiscal year under review. With the organisation ramping up the grant making activities we share some of the significant happenings below.

FUNDING SOURCE: Tropical Forest Conservation Act (Forest Conservation Fund) FCF Call for Proposals

A Call for Proposals to award grants under the Forest Conservation Fund (FCF) was opened alongside the first Call for proposals for the Special Climate Change Adaptation Fund in October 2016. The EFJ Secretariat felt it would be beneficial to handle the processes for a Call most effectively by having the two Calls running simultaneously.

The thematic areas advertised under the FCF were as follows:

Alternative Livelihood:

Building the climate resilience of forest reserve buffer zone communities by expanding or improving existing alternative livelihood initiatives e.g. ecotourism, beekeeping, agro-forestry, etc.

Natural Disaster Risk Reduction:

In coastal communities by mangrove rehabilitation and coastal forest education.

Watershed Conservation:

Increasing ground water resources and catchment levels for drought mitigation through agro-forestry and other soil and water conservation techniques.

Reforestation:

Improving forest ecology through forest threat (forest fires, invasive species removal, droughts, etc.) mitigation and planting seedlings and/or direct seeding in forest reserves.

The Call for Proposals closed on November 30, 2016 and yielded 32 requests. Nineteen (19) proposals totaling J\$192,373,870.45 were shortlisted. Thirteen (13) projects located in five (5) parishes - Trelawny (2), Hanover (3), Portland (2), Clarendon (5), and St. Andrew (1) - were approved for funding in the amount of J\$86.03 million.

These projects will see full commencement in the upcoming fiscal year (2017/2018).

During the fiscal year the Forest Conservation Fund had four (4) projects continuing from the prior year. We highlight the projects being implemented below:

Implementing Organization: Discovery Bay Marine Laboratory, UWI (DBML)

Project Title: Phase 2: Critical Coastal Area Restoration Project

Priority Area/Site: Long Bay/Lilliput, Bogue Lagoons, (Galleon Beach) mangroves, Airport Runway Lagoon roadway, Falmouth-West

Objectives:

- (a) Design, execute and manage restoration plans in five (5) project sites which involve the continuation of mangrove nurseries in Port Royal and Discovery Bay at the Marine Laboratories with a maximum of 15,000 plants.
- (b) Train stakeholders within project locations in the value of wetlands, restoration processes and monitoring processes for the entire duration of the project.
- (c) Increase in mangrove and coastal forest area in Jamaica.
- (d) Document and disseminate best practices in restoration techniques suitable for use in Jamaica and improve coastal restoration monitoring protocols.

Achievements:

- ☑ The troughs at the mangrove nursery at the Discovery Bay Marine Laboratory are at 100% capacity.
- ☑ At the Bogue site in Montego Bay, approximately 825 m² have been completed in partnership with Sandals Foundation and monitoring is ongoing. Discussions are being held with land owner regarding rehabilitation works. An application for a beach licence has been submitted to the National Environment and Planning Agency to install a fence at the airport runway site which will enable them to put a physical structure in place as well as to lay sand to prevent solid waste from damaging the mangrove seedlings.
- ☑ The Long Bay (Lilliput) site benefitted from mangrove rehabilitation works. This work was preceded by extensive scoping, baseline vegetation surveys, soil cores and a topographic survey to determine optimal substrate levels and a rehabilitation design. Based on the results from the topographic survey the slope of the majority of the raised/filled area (southern area) was calculated to be 8.08 % as compared to the natural tidal mangrove area (2-3%). An approximate value of the fill to be removed in the study area was estimated at 930m² -which is the equivalent of 45 truckloads of material. All rehabilitation works have now been completed at the Lilliput location.



Long Bay mangroves during rehabilitation works



View of Long Bay mangroves post-rehabilitation works



Long Bay mangroves and earthen drain with leveling and clearing works



Long Bay site during manual leveling works

Implementing Organization: Jamaica Conservation and Development Trust (JCDDT)

Project Title: Capacity Building for Forest Conservation and Sustainable Livelihoods Phase 2

Priority Area/Site: Southern Parts of the Blue and John Crow Mountains including the Yallahs Watershed

Objectives:

- (a) To increase the level of awareness and knowledge regarding forest conservation and sustainable livelihoods in 20 communities within the Buffer Zone of the Blue and John Crow Mountains National Park (BJCMNP).
- (b) To strengthen JCDDT's ability to sustain its management of the BJCMNP by generating income and increasing the number of community members supporting forest conservation.

Achievements:

- ☑ The level of awareness and knowledge regarding forest conservation and sustainable livelihoods has increased through
 - o town square meetings - held in 20 communities,
 - o meetings/presentations with all of the 50 targeted schools on Climate Change - impacting approximately 1,706 students.
 - o A teacher training workshop was also held in Port Antonio with teachers from 30 schools.
 - o First Aid/CPR trainings have been held and all Park Rangers re-certified & 9 community members certified. In-house training was also conducted with Rangers and community youth.

- ☑ Additional cabin repairs were conducted at Holywell. Repairs were done to the Visitors' Centre and new exhibits implemented with funding from another source and the input of UTECH students under the Community Service Programme. The Ranger Station work completed with funds from the Tourism Product and Development Company project. A Marketing Plan has also been prepared.



Presentation by JCDT representative to students at the Trinityville Primary School



Meeting with members from the community of Irish Town

Implementing Organization: Discovery Bay Marine Laboratory, UWI (DBML)

Project Title: Northern Limestone Forest Conservation Project

Priority Area/Site: Pristine Coastal Limestone Forest Adjacent to North Coast Highway Tourism Corridor

Objectives:

- (a) Construction of a: (1) Coastal Forest Interpretive/Visitor Facility with gazebos, canteen and eco-friendly restroom facilities; (2) Small boat dock area to facilitate loading of glass bottom boat for visitor tours; and (3) a 2 metre wide, raised and 300 metre long boardwalk through the forest trail with labeled plants including common and scientific names and uses.
- (b) To put in place suitably caged faunal displays (for recovering/displaced species) in terrestrial vivaria and marine aquaria to showcase the biodiversity of Jamaican coastal forests and marine ecosystems.
- (c) To have trained and qualified staff possessing skills and a knowledge base of coastal forest and marine ecosystems.

Achievements:

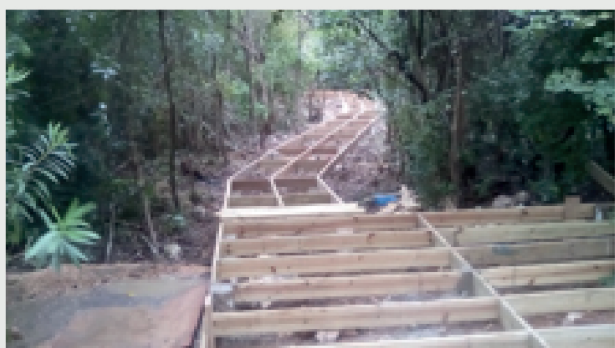
A decision was made in 2016 to change the scope of the project due to constraints in the budget that was previously approved. The costs for specific line items such as those associated with the architectural drawings were underestimated. To remedy the situation the project was separated into two phases: one phase for the work necessary for the terrestrial aspects and the other phase for work associated with the marine environment. Since 2016 the project has been solely focused on erecting the boardwalk, supporting structures and the associated display fittings (lights and signage). Photos 7 to 10 show the work completed in 2016.



Artist's impression of the FCF funded Northern Limestone Forest Interpretative Centre



Commencement of boardwalk construction



Covering of the boardwalk track.



Entrance to the boardwalk

The project was successfully completed in January 2017 with the boardwalk and supporting structures all in place and functioning. A subsequent launch of the project took place in June 2017. The public now has controlled access to the facilities through school and community tours.



EFJ's Chief Executive Officer, Barrington Lewis and Director for the Centre for Marine Sciences UWI, Prof. Mona Webber cutting the ribbon



Attendees participating in a tour of the forest along the boardwalk



Attendees viewing the specimens along the boardwalk

Implementing Organization: Jamaica Conservation and Development Trust (JCDDT)

Project Title: Reforestation and Sustainable Agriculture for Soil Stabilization in the Blue Mountains

Priority Area/Site: Southern Parts of the Blue and John Crow Mountains including Yallahs Watershed

Objectives:

- (a) Reforestation of 17 hectares and removal of 10 hectares of invasive species.
- (b) Maintain 10 hectares of previously reforested land and 17 hectares of newly reforested lands.
- (c) Improve and increase soil conservation practices on farms in the target communities of Cascade, Woodford, Cedar Valley and Westphalia by repairing greenhouses, providing native, hardwood and fruit trees for agroforestry on farm lands and conduct training sessions on agroforestry and sustainable farming techniques. Also, to use pineapple plants to contour farmlands and locations specifically prone to soil erosion and land slippage.

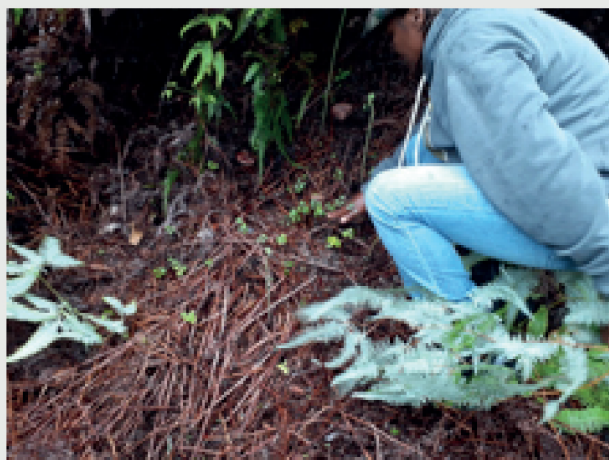
Achievements:

- ✓ Having completed 17 hectares of reforestation which was burnt by wild fire and is now being reforested by Jamaica's Forestry Department, JCDDT received approval to increase their thrust to remove invasive species from the forest, conduct analysis of bird monitoring data and the establishment of a volunteer ranger corps.
- ✓ One (1) acre of the invasive species net fern otherwise known as umbrella fern was removed.
- ✓ 0.5 acres of *Pittosporum undulatum* (Wild Coffee) was removed (121 saplings and 40 mature trees) in 2017.

A consultant was contacted with the view of commencing work on the bird monitoring data analysis and the career placement officers from the University of Technology and University of the West Indies were contacted to initiate the internship and volunteer ranger programme.



JCDDT representative pointing to a seedling planted in an area cleared of invasive ginger (*Allipinia Allughas*)



Native seedlings reemerging in an area cleared of invasive species.

FUNDING SOURCE: SPECIAL CLIMATE CHANGE ADAPTATION FUND (SCCAF)

The Adaptation Programme and Financing Mechanism (AP&FM) for the Pilot Programme for Climate Resilience (PPCR) Jamaica (the Programme) is being executed by the Government of Jamaica (GOJ) through the Ministry of Economic Growth and Job Creation (MEGJC) which has been assigned with thematic responsibility for climate change. The MEGJC is implementing the Programme through its Project Executing Unit (PEU) – a division in the Ministry. The Planning Institute of Jamaica (PIOJ) is responsible for the overall coordination, in accordance with its role as focal point for the Climate Investment Funds (CIF) programme.

The general objective of the AP&FM Project for PPCR Jamaica is to generate information on approaches to address climate challenges and help mainstream climate change in development planning and processes, and disseminate results across sectors.

The programme is structured in three components:

Component I: Mainstreaming Climate Change Adaptation Measures. The objective of this component is to assist the mainstreaming of climate change into development plans and planning processes and demonstrate adaptation measures in a vulnerable watershed.

Component II: Creation of Financial Mechanisms. The objective of this component is to create innovative climate financing mechanisms to help support implementation of climate resilience within Micro, Small and Medium Size Enterprises (MSMEs) and Community Based Organizations (CBOs).

Component III: Knowledge Management. The objective of this component is to develop a knowledge management programme for the entire Jamaica PPCR.

It is **Component II** that is the primary focus of the Environmental Foundation of Jamaica's (EFJ) involvement. Component II involves the setting up and operation of (i) a Line of Credit, and (ii) a Special Climate Change Adaptation Fund (SCCAF) where loans and/or small grants, respectively, will be made available to micro, small, and medium enterprises (MSMEs), non-government organizations (NGOs) and community based organizations (CBOs), particularly in the agriculture and tourism sectors.

The EFJ was selected to be the Fund Administrator for the SCCAF and a Fund Administrator Agreement (FAA) was signed with the EFJ on July 28, 2016.

During the 2016/2017 reporting period, two Calls for Proposals have been conducted, which resulted in 80 grants awarded \$361.79 million. The first Call (Call 2016) saw 29 proposals receiving grant awards of J\$132.94 million in February 2017, while the second (Call 2017) - which closed April 2017 - had 51 grant awards valued at J\$228.85 million. On grant beneficiary subsequent withdrew their proposal. Each grant was subject to a \$5 million cap.

Prior to grant awards being made, the Call for Proposals is extensively advertised in the print, electronic and social media. Proposal writing sessions are conducted in at least three different geographical regions (each Call). Between Call 2016 and Call 2017 there was a 31% increase in attendance at the proposal writing sessions which ultimately led to an increase in the number of proposals received. However, while there was an increase in the number of attendees from the western section of the island there was a major concern about the number of projects being submitted and (after review) awarded to that section of the island. Likewise, there was concern about the eastern parishes, and in fact to address this problem, a proposal writing session was held in Portland during Call 2017.

FIGURE 1 - MAP SHOWING DISPERSION OF THE 79 SCCAF PROJECTS PER PARISH



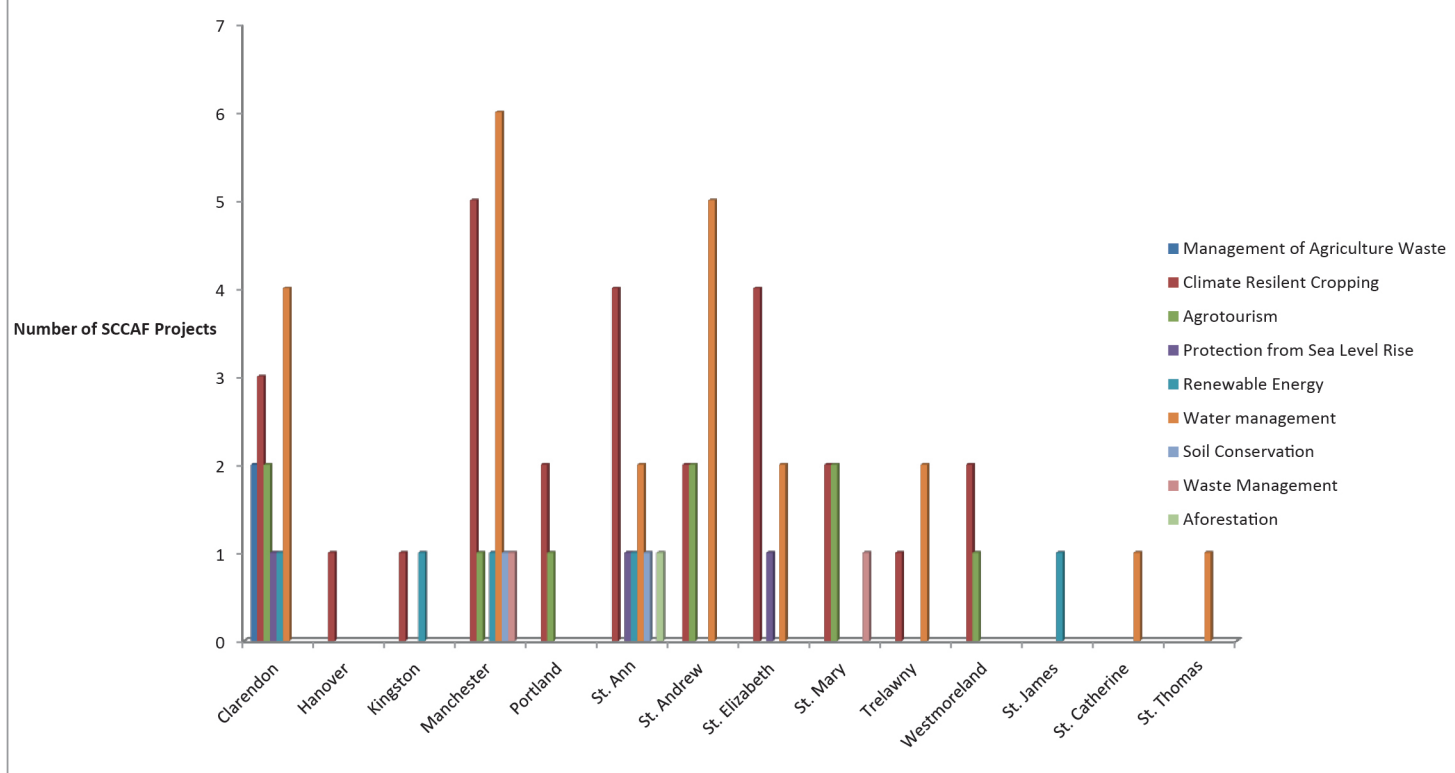
map source: http://www.my-island-jamaica.com/jamaica_parishes.html

With approximately 39% of the proposals being awarded grant funding the following parishes were below the islandwide average:

- Hanover
- Kingston
- St. Andrew
- St. Catherine
- St. James and
- St. Thomas

Collectively, of the 80 projects awarded 5 parishes received 72.5 % of the grants - Manchester - 20% (16 projects), Clarendon - 16.25% (13 projects), St Andrew - 13.75% (11 projects), St Ann - 12.5% (10 projects) and St. Elizabeth - 10% (8 projects). Interestingly as well 18 projects each (45% in totality) were awarded under two thematic areas - Water management and Climate resilient cropping systems. Anecdotal evidence suggests a correlation between these themes and the parishes that were awarded.

SCCAF Project Themes by Parishes



Of the projects that have been awarded in Call 2016, eight (8) have been successfully completed and a further, thirteen (13) more projects are 50% or more closer to completion. While the 8 completed projects are from different thematic areas we can report that these projects have:

- ☑ Provided direct employment for 182 individuals
- ☑ Directly trained at least 209 persons
- ☑ Resulted in over 150,000 gallons of water in storage facilities
- ☑ Seen 6,000 square feet in greenhouse cultivation
- ☑ Seen 5 acres of land under cultivation
- ☑ Installed 64 solar panels along with 5 solar pumps
- ☑ Protected a 4.21 km area for fish
- ☑ Established 5 coral nurseries and over 1,000 pieces of growing

Highlights of SCCAF Projects Successfully Completed

GRANTEE RESPONSIBLE: Central Jamaica Social Development Initiative

PROJECT TITLE: Agro-Processing for Sustainable Economic Development (APSED): Red Peas Expansion Project.

Purpose of the project: This project is designed to progressively increase red pea production and minimize imports; to reduce unemployment and poverty among at risk youths, adults and other vulnerable groups (women); to increase youth participation in agriculture; and to create agri-preneurial opportunities and improve food security. Primary objectives are to mobilize and engage 10 youth farmers for red pea production and training in agri-preneurship; to secure 10 acres of arable agricultural lands for increased red pea cultivation; to establish a solar irrigation system for climate change adaptation and mitigation; to renovate and expand the packaging house for processing, packaging and marketing; to expand, improve and promote the brand Home Grown Produce and its products in the local market; and to procure machines, materials and equipment for the initiative.



PEA SHELLING MACHINE



LAND UNDER CULTIVATION



LAND UNDER CULTIVATION

GRANTEE RESPONSIBLE: Frankfield Primary & Infant School P.T.A

PROJECT TITLE: To develop a Life Skill for Children and their Parents by Establishing a Greenhouse

The school caters to the nutritional needs of 316 students between the ages of three to twelve years. Lunch is served daily for 300 students. Seventy five percent of these students are on the PATH Programme, suggesting they may not be receiving vegetables at home.

Purpose of the project: To create a space to grow at least four types of vegetables on a large scale to ensure that students will receive the required daily serving, learn the rudiments of greenhouse technology, be aware of climate change, learn a life skill and learn mathematics and other related skills in a real life situation. This venture would offer opportunities to motivate students, especially boys, and afford the community greater involvement in the life of the school.

PLANNED ACTIVITIES	OUTPUTS
Layout and Erection of Greenhouse and Irrigation System	A three thousand (3,000) square feet greenhouse has been constructed with the installation of all the supporting structures with the exception of the furrows and irrigation system.
Layout and Erection of Concrete Water Tank	A 40,000 gallon water storage tank has been constructed.
Planting and Harvesting Crops	The first crop of sweet peppers was planted and harvested. Approximately twenty pounds (20lbs) of sweet peppers was harvested. Tomatoes, lettuce and cucumbers were also planted. Two hundred pounds (200lbs) of tomatoes were harvested; eighty pounds (80lbs) of lettuce and six hundred and eighty pounds (680lbs) of cucumbers were harvested. Two hundred pounds (200lbs) of tomatoes were harvested; eighty pounds



SITE SELECTED FOR GREENHOUSE



SITE SELECTED FOR STORAGE TANK



EXTERNAL VIEW OF COMPLETED GREENHOUSE



INTERNAL VIEW OF COMPLETED GREENHOUSE



WATER STORAGE TANK CONSTRUCTED

GRANTEE RESPONSIBLE: Rural Water Supply Limited

PROJECT TITLE: Snowdon Primary School Solar Powered Water Supply System

Rural Water Supply Ltd. is a government-owned engineering company which is primarily involved in the designing, planning and implementation of potable water infrastructures. The school has a newly constructed bathroom, but currently the students have to continue using a pit latrine, as there is not enough water to flush the newly constructed flush toilets. Solar power will be used to pump water from the storage tank to the bathrooms.

Purpose of project: The Snowdon Primary School Solar Powered Water Supply System is designed to reduce dependence on fossil fuel, which will increase resilience to climate change, and to increase rainwater storage capacity for the school's population of 137 persons (130 – students and 7 – Members of Staff). The objectives of the Project include the installation of solar panels and one (1) 1.5 hp Pump; to construct one (1) 25,000 Gallon Ferro-cement tank; and to upgrade existing guttering and extend the pipeline to the new tank.

PLANNED ACTIVITIES	OUTPUTS
Construction of Ferro-Cement Tank	A 25,000 gallon ferro-cement water storage tank was constructed and is ready for use. Jobs for 23 persons were created throughout the project.
Installation of Guttering	The gutters have been installed.
Purchase and Installation of Solar Panels and Pump	16 solar panels and a solar pump were installed.



OLD WATER STORAGE TANK



NEW FERRO-CEMENT WATER STORAGE TANK



GUTTERING INSTALLED ON THE SCHOOL BUILDING

GRANTEE RESPONSIBLE: Rural Water Supply Limited
PROJECT TITLE: Garden Hill District Rainwater Harvesting System

Purpose of the project: The Gordon Hill District Rainwater Harvesting System is designed to rehabilitate the existing rainwater harvesting facility at the Gordon Hill Primary School and supply potable water to both the school and approximately 600 residents in the community. Currently the residents are forced to travel long distances to obtain water from questionable sources. This is especially challenging for the women, children and the elderly (vulnerable groups). The objectives of the project include: increasing water storage capacity for the community and the school by constructing a 25,000 Gal. ferro-cement tank and repairing the school's existing 7,000 Gal. reinforced concrete tank; repairing approximately 17,280 square feet of the school's roof; upgrading existing guttering and extending the pipeline to a new ferro-cement tank; and providing the residents with access to potable water by installing 1.56 km of 2" PVC distribution pipeline.

PLANNED ACTIVITIES	OUTPUTS
Construction of Ferro-Cement Tank	A 20,000 gallon ferro-cement water storage tank was constructed and is ready for use. Employment was created for 36 persons throughout the project.
Installation of Guttering	Guttering was completed.
Installation of Pipeline	600 ft. of 2 inch pipelines have been laid in the community where stand pipes will be attached. Another 840 ft. of 1 inch pipelines were also laid for the installation of stand pipes.



**SITE SELECTED FOR WATER
STORAGE TANK**



**OLD LEAKING WATER
STORAGE TANK**



**FERRO-CEMENT WATER STORAGE
TANK CONSTRUCTED**

GRANTEE RESPONSIBLE: Rural Water Supply Limited

PROJECT TITLE: Marlie Hill Primary School Sewage Treatment & Disposal and Rainwater Harvesting Project

Purpose of project: The Marlie Hill Primary School Sewage Treatment & Disposal and Rainwater Harvesting Project is designed to provide the school population of 57 students and 6 members of staff with a flush toilet system to collect, treat and dispose of sewage. Currently the school is without suitable sanitation facilities, operating instead with pit latrines that are in a deplorable condition. The objectives of the Project include: the construction of a bathroom, septic tank and reed bed; the installation of a pipeline from the reed bed to the vegetable garden; the installation of two (2) 2,000 Gal. black tanks; the upgrading of existing guttering and the extension of the pipeline to new tanks; and the repair of the existing reinforced concrete tank.

PLANNED ACTIVITIES	OUTPUTS
Construction of Flush Toilet System, Inclusive of Bathroom, Septic tank and reed bed	The flush toilet system and reed bed are complete. Employment for 46 persons was created throughout the project life.
Install pipeline from reed bed to vegetable garden	The area where the pipeline will be installed was cleared.
Repair Existing Tank	This activity was not done. The Ministry of Education did not give permission for this to be done.
Installation of Guttering	The guttering is complete.



OLD PIT LATRINE



OLD WATER STORAGE TANK



**BATHROOM FACILITIES
CONSTRUCTED CONSTRUCTION**



REED BED UNDER

PROJECT TITLE: Mafoota Agri Cold Storage Facility

GRANTEE RESPONSIBLE: Mafoota Agricultural Cooperative Society

Mafoota Agricultural Cooperative has been in existence for over 25 years, with approximately 20 farmers occupying prime agricultural land in Roehampton, upper St James. This group has very good support from RADA and is sometimes used as a demonstration of good small farming best practices. It is also a major supplier of cash crops to the hotel sector as well as local markets. It has also won numerous awards in the agricultural sector. Over the years it has received donor funding to establish green houses, water harvesting and pumps using alternative energy, training in crop production and marketing. Notwithstanding the support, it still faces the challenges of hazards such as praedial larceny, unpredictable weather, crop failure and the inability to maintain markets, especially in the hotels.

Purpose of the project: The tourism sector requires fresh produce at all times and to meet this need the group had acquired a used cold storage container. However, the storage container was excessively corroded and rusted and repairs were quite costly, resulting in the container being rendered unusable after a short while. The group is seeking a new container, for which they already have a solar electric system. This will enable the group to regain and retain their market in the hotel sector and provide them with an increased income to make their operation more sustainable.

OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Carry out repairs and enhance the working capacity of cold storage facility to meet required standard.	40 foot Reefer container repaired by Geddes Refrigeration and ready for full operation. Repairs successfully completed. Security lighting installed around the building and visibility signs have been erected at the project site and on the main road leading to facility	Persons employed - 8 # of persons trained - 22: 16 males and 6 females (20 ages 41-60) and 2 (ages 61 and above). 44 community members attended meetings. # of persons utilizing training -14 (10 males and 4 females) 100 persons indirectly impacted directly (78 males and 12 females).
Increased awareness of Renewable Energy Technology driven Cold Storage Facility	Four Stakeholders meetings held. Persons were trained in storage of fresh agricultural produce.	
Increase income and employment opportunities	Recordkeeping of sales and improved storage skills practices.	



CONTAINER BEING RENOVATED



**EXTERNAL VIEW OF RENOVATED
CONTAINER**



CONSTRUCTION OF WASH AREA



**COMPLETED WASH TUBS AND
PRODUCE PREPARATION AREA**



PROJECT SITE FENCED WITH SOLAR PANELS ON TOP OF FACILITY



STAKEHOLDERS MEETING WITH COMMUNITY MEMBERS

PROJECT TITLE: Food Security - Greenhouse Farming at Moneague College

GRANTEE RESPONSIBLE: Moneague College

The Moneague College is a multidisciplinary institution spanning Community College, Teacher Training and Career Advancement Programs. Moneague caters to the community at all levels.

Purpose of the project: The College will erect a 3000 sq. ft. greenhouse on the campus adjacent to the food security project, which has been in operation since 2008. Water harvesting will be done via guttering of the building, which will be piped to the greenhouse. All vegetables produced will be utilized on campus, and the excess sold to the Jamaica Defense Force (JDF) Moneague. The organic waste facility donated by EFJ under a previous project will provide all the manure required for the project. Two farm hands from the existing farm will be hired and a full time plant manager to supervise the project. Volunteers from the environmental club and students doing agricultural courses will be deployed to assist in the maintenance of produce. The project coordinator is a trained agriculturalist with experience in designing and running similar programs. The College will collaborate with Schwallenburgh Windalco/JBI Community Council. It will also work with RADA to provide seeds, seedlings and consultancy. Mr. Lester Murray of Adam's Valley farm, one of the largest greenhouse farmers in Manchester, will facilitate students on field trips to the farm and advise the College of market trends.

OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Construction of greenhouse	3,000 sq. ft. greenhouse constructed and fully equipped with timer and irrigation drip lines, trellis system and sanitation house. Project has met objectives. Greenhouse successfully completed.	Fifteen (15) persons were employed and 20 community members were directly impacted. Fifty (50) persons have been trained: 18 males and 32 females. 46 of the 50 persons were 19 years and older and 4 were 18 years or younger. 80 persons were directly impacted (30 males and 50 females). 980 boarders and students will be directly impacted through consumption of crops produced in the greenhouse.
Construction of water storage tank 20x20x15	Construction of 20x20x15 tank (45,000 gallon tank) completed with access plumbing and guttering from buildings. Tank doubles as a store room and accommodates 4 tanks; 1000; 650 and two 50 gallons drums.	
Establishment of solar water pump and accessories for irrigation	Successfully completed. Project procured 6 solar panels and a submersible solar pump for delivery of water from storage tank to smaller drums on platform. The Solar Pump has a capacity of 19.5 gallons per minute and can lift water 230 feet high continuously or intermittently	Objectives met. Exceeded as storage was more than projected. Solar panels and pump successfully installed and working



TRACTOR WORKING ON SITE PREPARATION



SITE SUCCESSFULLY TERRACED



LINING OUT AND CONSTRUCTION OF GREENHOUSE



COMPLETED GREENHOUSE

PROJECT TITLE: Rain Water Harvesting & Climate Change Abatement Project at the Albert Town Primary School

GRANTEE RESPONSIBLE: Southern Trelawny Environmental Agency (STEA)

South Trelawny Environmental Agency has been in existence for over 20 year and has been the main NGO in the Cockpit Country working to sensitize the communities of the Cockpit Country and wider Jamaica on the value of the natural resource. Over the years they have implemented several projects with the aid of donor funding, to promote awareness and action, the conservation of biodiversity, environmental education in schools, water harvesting and alternative livelihoods.

Purpose of project: The organization is proposing to construct a 20,000 gallon concrete water tank; install guttering, filter and pumping system at the Albert Town Primary School to harvest rainwater for storage and distribution within the school environs, as well as install 2 plastic tanks of 1000 gallon capacity during the construction of the concrete tank to be installed on the roof as additional storage and gravity feed distribution to toilets. This is the largest primary school in south Trelawny. Its central location makes it a feeder school for seven surrounding communities. The school is about 2000ft. above sea level on a hill overlooking the town. Being on a high point in Cockpit Country it is devoid of ground water from emerging springs and far from surface water. The town center of Albert Town a quarter mile away is not served by a public water supply.

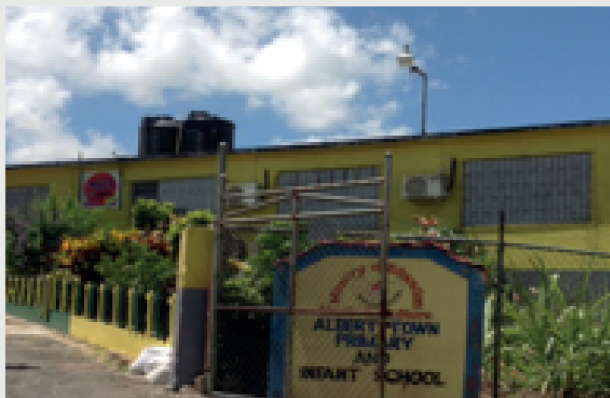
OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
To construct a 20,000 gallon concrete water tank; install guttering, filter and pumping system at Albert Town Primary School to harvest rainwater for storage and distribution within the school environs over 6 months.	Completed construction of the 20,000 gallon concrete tank; installation of guttering; installation of solar pump and two solar panels; installation of pipes to distribution points and to storage. The solar pump has a capacity of 5.7 gallons/ minute and will pump just over 300 gallons per hour. At the school 40 feet of guttering was installed and over 100 ft. were resuscitated and put into service to supply the tank. The project was successfully completed ahead of timeline.	500 persons impacted (260 females and 240 males). (430 children ages 3-12 years). 830 persons from the community indirectly impacted. School saves J\$200,000.00 per year in costs for water
To acquire plastic tanks of 1000 gallon capacity during the construction of the concrete tank to be installed on the roof as additional storage and gravity feed distribution to toilets.	Two plastic tanks installed on roof of the school as back up storage.	



CEMENT TANK AND PUMP HOUSE AT THE SCHOOL



ASST. PRINCIPAL EXPLAINING THE WATER HARVESTING SYSTEM



PLASTIC STORAGE TANKS ON THE ROOF OF BUILDING



SOLAR PANEL ON TOP THE OF BUILDING AND ATTACHED TO PUMP HOUSE



PUMP HOUSE



WATER HARVESTING SYSTEM FROM ROOF TO CONCRETE TANK

PROJECT TITLE: Protect and Rebuild Reefs to Counter Effects of Climate Change

GRANTEE RESPONSIBLE: White River Marine Association

The White River Marine Association (WRMA) has been working with the fishermen and local groups, hoteliers and small business owners in and around White River for about a year and a half, and has since been formally registered as an Association in 2016. The Director of the Association is also the Principal at the Jamaica Inn, a major sponsor of the White River Marine Association. The Hermosa Cove is another small organization is also a part of the WRMA.

Purpose of the project: The White River Marine Association would like to outline a boundary of 134 hectares to create a protected zone/conservation area for the restoration of coral reefs, and to complete phase 1 of a five-phase program to rebuild the coral reefs. The group was approached by the fishermen from the White River fishing community to implement the project, which will involve the installation of 50 buoys to delineate the boundary and the establishment of 5 coral nurseries to grow a total of 1,000 pieces of corals including planting. The group has engaged the Oracabessa Foundation as well as the fishermen in the area to work on the project. The impact on the White River community includes more job options related to protection, restoration and enjoyment of reefs as wardens, coral gardeners, diving guides, etc. It impacts the tourist industry as their major asset and beaches that will be protected from erosion. The project is part of a five-year-plan with five coral planting phases for the Special Fishery Conservation Area. The plan includes helping to retrain fishermen and others in the White River community to become wardens, coral gardeners, diving guides, and to ensure the reefs' long-term survival. Rebuilding reefs restores the balance and increases the reefs' biodiversity (gene pool) helping them to better resist the effects of climate change. The next five-year plan will also focus on how to make this protected area self-sustaining as a tourist/scuba diving attraction.

PROJECT OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
To delineate a 4.21km boundary of a 150 hectare area by May 2017 to create a protected zone in which to restore the reef.	50 buoys deployed along with concrete anchors. All buoys have been obtained and placed at boundaries. Coral nurseries and plant out sites have been identified and 5 coral nurseries have been built. Set up of coral nursery and nursery maintenance.	12 fishermen directly impacted. 50 buoys deployed 1,000 pieces of coral growing in 5 nurseries
Complete phase 1 of a five phase/five year program to build the coral reefs. Phase 1 to nurture and plant out 1,000 species of coral in 2017.	Nursery maintenance is ongoing. This involves divers going down once a month to "garden", clean and check progress of coral growth and health. The weather and rough seas had delayed the reconnaissance work, but this has now been completed. There are 1000 corals in the 5 nurseries. Training of White River spear fishers to be coral gardeners.	12 fishers trained 4 of training sessions held 1000 coral planted out in 5 nurseries

The fishermen at the sanctuary are enthused about the training they received and the other young fishers also indicated their interest and support for the programme.



Corals before cleaning (left), and clean and healthy corals after cleaning (right)



Coral lines being cleaned by two divers



Sanctuary Manager with fishermen from White River Fishermen's Sanctuary at training session



Mrs. Belinda Morrow displaying a buoy (left) and other buoys in storage (right)

Having done two Calls there are significant lessons learnt. Two key recommendations going forward for the SCCAF are:

- ☑ Targeted interventions in the parishes that we are aware are having significant adaptation challenges. Capacity challenges sometimes limit the ability of organizations to submit project proposals and the costs of employing proposal writers maybe too onerous to be borne by the entities.
- ☑ Some organisations are in need of “hand holding” and continuous monitoring. As the number of projects awarded increases it may require more resources to undertake the monitoring activities.

The way forward

In general, the latest rounds of grant making have made the GMC realise quite vividly that the landscape has changed significantly as it relates to the NGO sector. NGOs are facing significant financial, organisational and capacity issues and require a lot more “hand holding”. In fact, EFJ has been (increasingly) asking grantees with greater capacity in certain areas to partner with the weaker ones to successfully implement projects.

The GMC is also mindful of the need to change the process of grant making to have the biggest sector impact. A new way forward will be presented in the ensuing financial year.

STRATEGIC PLANNING COMMITTEE

The Strategic Planning Committee, as its first order of business, undertook a review of the last Strategic Plan (2013 – 2015). It was noted that there were three strategic goals: Fundraising, Capacity building of stakeholders, and Improving operational efficiency. Twenty-four (24) indicators were defined for strategic targets in three (3) matrices in the plan. An internal review was done that assessed the achievement of each indicator. A summary is below.

ASSESSMENT	FREQUENCY
Success	6
Success – partial	3
Failure, probably due to incomplete merger with JPAT/FCF	5
Failure, but not enough information to determine why	8
Don't know whether success or failure	2

On the face of the above statistics 37.5% of the indicators have been (at least partially) implemented successfully. The most basic assumption was that the merger with JPAT/FCF would have been completed, but this was not achieved until 2016. The internal review also suggested that this prevented, or at least hindered, several activities. Also, the plan was negatively affected by the loss of the Chief Executive Officer (CEO). Overall, there was a mixture of success and failure for each of the strategic targets.

While there were failures, the Committee acknowledged that some activities deemed as “failed” action items in the Strategic Plan 2013-2015 were still relevant, achievable and had to be incorporated in the new thrust of the EFJ. Specifically, opportunities existed for:

- Continuous reviews of operational processes and activities as the EFJ continues to redefine itself
- Seeking funding through multiple sources and creative mechanisms, such as:
 - o Climate change funding has numerous possibilities that may be tapped
 - o Off-set funding (which is still untapped)
 - o Debt-swaps
 - o Corporate and Private Foundations
- Partnerships with like- minded agencies
- Addressing the public relations efforts of the EFJ

So the new plan, Strategic Plan 2017 – 2020 was crafted using these guidelines and the following strategic directions were articulated.

Strategic Directions

Focal Area A: Influencing policy and assisting with capacity building & stakeholders' sustainability

- Utilize EFJ's membership in international and regional organisations to impact policy in areas relevant to the EFJ's mandate
- Facilitate stakeholder fora to contribute to the development of national policies in areas relevant to the EFJ's mandate
- Assist targeted grant beneficiaries and potential grant beneficiaries (particularly those working in Protected Areas and Climate Change) to build capacity
- Mentor and advise grantees and members (especially in areas such as compliance with the Charities Act and grantee-led fundraising initiatives)
- Targeted support through workshops, seminars and facilitating grant proposal writing to third parties
- Continue to utilize the Institutional Self Assessment tool for organisational development
- Analyze and document post-grant successes for impact and impact sustainability to inform future grantee interventions

Focal Area B: Fundraising, sustainability and public awareness campaign

- Develop a Fundraising plan
- Seek diversified funding while improving the financial management and administration practices
- Build a "funders" database and develop proposal writing capabilities
- Design and implement a publicity campaign to enhance the visibility of the EFJ in local, regional, and international spheres
- Promote the EFJ's corporate social responsibility and market the EFJ's achievements to the private sector
- Focus on the growth of the Endowment to ensure the sustainability of the organisation

Focal Area C: Continued Streamlining of Operational Activities

- Addressing the Organisational Structure and Human Resources needs will require:
 - Appointing a Chief Executive Officer
 - Reviewing, and updating, the administrative processes and the organisational
 - All policy manuals are to be updated
 - All Sub-Committee roles and responsibilities are to be codified and disseminated to members
 - Review (and update) investment policy guidelines and objectives given the economic and investment climate
 - Develop and codify policy for managing our tenants and rented property
 - Preparing new job descriptions and performance objectives for each staff member
 - Recruiting other staff members, as deemed necessary
 - Facilitating continued training and development of staff
 - Developing an incentive programme to reward staff efforts
- Focused data collection - specifically looking at evaluation, monitoring, impact assessment, and record maintenance of the EFJ's database
- Establishing protocols for handling meetings, the engagement of the EFJ in national and local policy-making, and inserting the EFJ in national discussions relevant to its mission and vision.
- Formalising the mechanism for marketing the EFJ's experience in Fund Administration and Management to assist in fundraising efforts.

Through these initiatives over the next 3 years, EFJ will build on its financial and operational effectiveness, and appropriately develop the capacity of its members and grant beneficiaries. These strategic directions are directly aligned with the Vision statement of the organization. Focal Areas B and C will enable execution of Focal Area A.

It is noteworthy that the actions to implement the objectives in these priority areas were sequenced in an action plan that takes account of the opportunities in the local, regional, and international environment. Further, the Strategic Plan 2017 - 2020 will be dynamic and changes will be made after each semi-annual review and assessment.

FUNDRAISING COMMITTEE

The EFJ's Board of Directors at its meeting of April 13, 2016 appointed a Fundraising Sub Committee, which was challenged to provide leadership in the Foundation's quest for raising funds. The generation of a fundraising plan is one of the outcomes from this Committee.

The Fundraising Committee has set itself a twofold target; to raise funds to have continuous grants being awarded and to add to the corpus of the EFJ's Endowment Trust. The goal is to raise approximately US\$40 million dollars within the next five to ten year period. This figure was arrived at using the following computation:

- The EFJ would like to award a minimum of J\$200 million in grants each year
- If J\$200 million is awarded, based on our guiding principles administrative costs will be at most 25% of grants awarded (200×0.25) = J\$50 million per annum.
- Total outflows from the EFJ would therefore be (200 + 50) J\$250 million
- Total outflows are being financed from the interest earned from total investments.
- Conservatively the investment portfolio is being projected to earn 5% per annum.
- A 5% per annum return will be projected to equal J\$250 million
- Hence, about J\$5 billion ($250 / 0.05$) will need to be invested.
- At an exchange rate of J\$125: US\$1, J\$5 billion equates to US\$40 million.

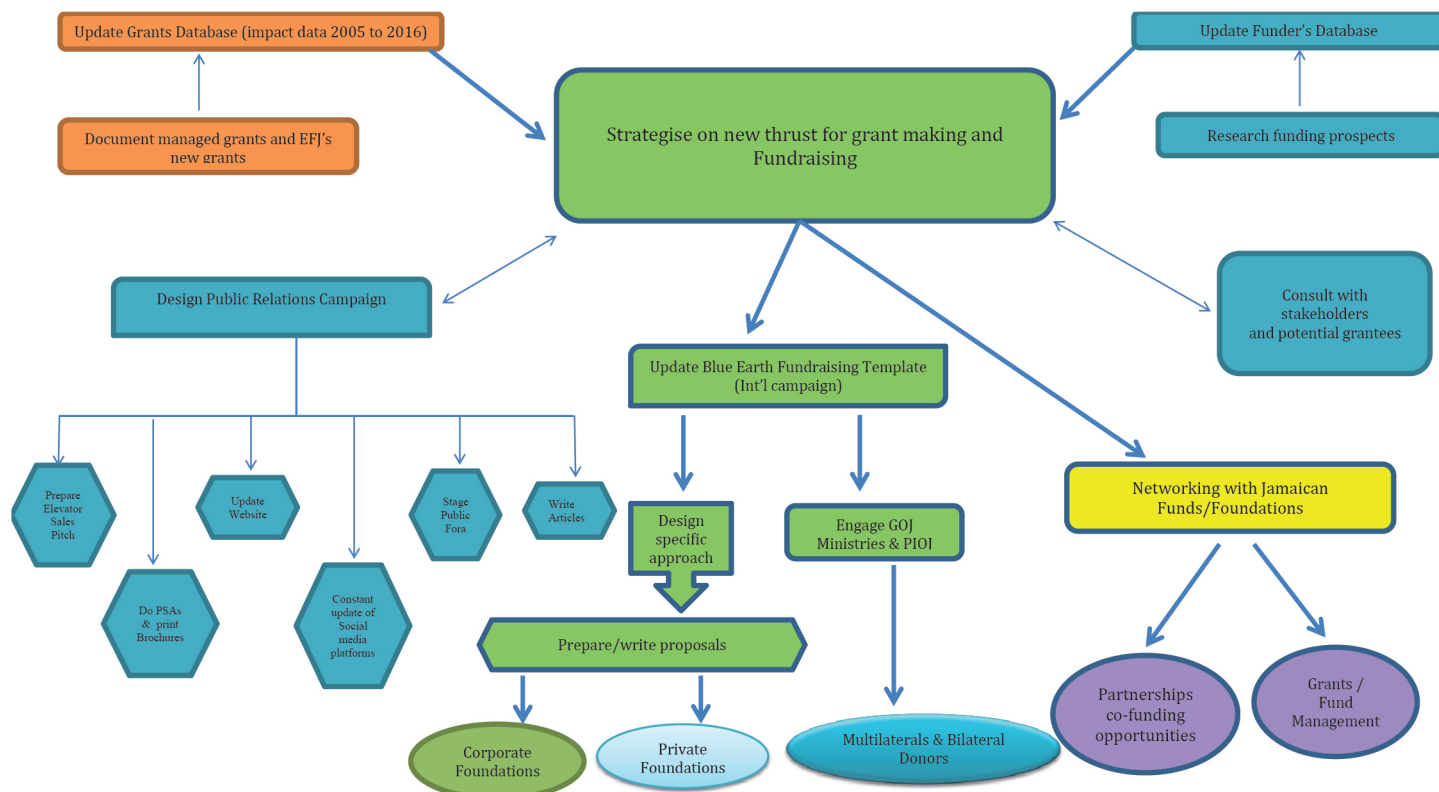
The EFJ in its early years operated as a sinking fund. This meant that the intent was to spend all funds received. The initial debt swap agreements had amounts flowing in between 1991 - 2001 for PL480 and 1993- 2012 for AID Debt projects. Successive Boards spent funds on the basis that the organization would be wound up after the last tranche was received in 2012. However, the importance of the work of the EFJ was recognized, and ultimately it was decided that steps would be taken to have some longevity to the organization. In 2004 an Endowment Trust was setup and was not seeded until 2011 (when approximately US\$1 million was transferred to the Trust). The EFJ has demonstrated over the years that it has policies and processes in place to manage and administer large pools of funds. Best practices, honed over many years, ensure that there are procedures to handle investing, disbursing and reporting on the funds received.

The fundraising plan being developed by this Committee critically has Board support, and the relevant sub committees of Public Relations, Finance and General Purposes, Strategic Planning, Human Resources and Grant Management. Its focus will be on executing activities that would lead to:

- ✓ An updated grant management database
- ✓ An actively monitored and current "funders" database
- ✓ Proficiency in proposal writing
- ✓ Available and current material on the EFJ

- ✓ An appropriate public relations strategy for the EFJ
- ✓ Significant networking and partnerships being forged
- ✓ Adequate funding for financing overtures
- ✓ Dynamic and out of the “box” thinking to formulate and respond to opportunities
- ✓ Appropriate training for persons involved in the fundraising process.

When the above factors are in the fundraising matrix, we have the diagrammatic representation below:



Goals and objectives

Strategically, fundraising will be looked at in TWO broad ways, and will be targeted based on likely successes and the magnitude of funds that can be potentially raised.

1. International funding sources:
International refers to sources outside of Jamaica.
 - a. Multi-lateral and Bilateral Sources – will potentially bring in the largest amounts however, these negotiations tend to be over a longer term.
 - b. Corporate Foundations – will be expected to bring returns in 12 months or less once a relationship has been established.
 - c. Private Foundations – of the various types of foundations they may bring in the smallest amount of revenue but will have a decision one way or the other within 12 months
2. Leveraging local sources
 - a. The aim is to utilize the resources of the Environment Ministry to leverage any government funding opportunities that may exist. Managing potential programmes, for which the Ministry exercises some control, will be explored.
 - b. Partnerships and co-funding opportunities with other like-minded entities will be fostered

Given these expectations fiscal year 2017/2018 will see a lot of the groundwork being laid, to facilitate a successful launch of the fundraising overtures.

PUBLIC RELATIONS COMMITTEE

The Public Relations (PR) Committee was formed late in fiscal year 2016/2017 and has members co-opted from various entities, all with experience in communications and public relations. They were charged by the EFJ's Board to craft plans to assist in the Strategic vision for the EFJ.

The Board has identified Fundraising as a key and urgent priority, to allow the EFJ to provide grants far into the future. There is a goal of US\$40 million within 5 - 10 years. Therefore, the PR Committee has a critical role to play in making this a reality. The Fundraising, Grant Management and Strategic Planning Committees will work closely with the PR Committee to enhance various aspects of the EFJ's corporate image to include: the EFJ's website, maximizing the use of social media and online marketing techniques, Public Service Announcements, articles, etc. - all part of our overall Media Plan (MP).

The MP is designed to focus on different target audiences: International funding sources and donors (including multilaterals and bilaterals); corporate and private foundations; and local funding sources and partnerships (through the Ministry of Economic Growth and Job Creation). Other objectives of the Media Plan are to raise awareness of EFJ's work through past and current grants and support, highlighting the key role EFJ has played and continues to play in Jamaica's sustainable development.

GOALS/TASKS under the Media Plan

■ **Updating the EFJ website:**

The website was last updated in 2011/2012 as part of a special grant. Key recommendations for the new site are:

- Update the visual design (to give it a more modern feel)
- Make it more user-friendly, including for mobile platforms
- More content rich: More technical articles to be included
- More interactive - Should allow for feedback
- Must include a project archive
- PayPal and credit card buttons for individuals visiting the site to easily donate
- Must have analytics
- JPAT website has been extended for another year. When the EFJ website is updated, the two will be merged.

■ **Social Media:**

Social Media is an incredible tool that costs virtually nothing. Posts can be scheduled ahead of time if necessary, but preferably in real time.

- Training of the EFJ staff in the use of social media marketing techniques
- Set-up of Instagram account.
- Continuous update of Facebook and Twitter accounts on a daily basis (ongoing)
- Broadening of social media outreach to include monthly Tweet chats, Facebook Live, etc.
- Regular "events" on social media, marking "special days" and EFJ events and occasions
- Sharing regular content for social media posting from partners, EFJ staff and Committee members
- Post website updates promptly on social media, drawing more traffic to website

■ **Writing articles:**

- Material to be obtained from database in collaboration with EFJ staff
- Gleaner Thursday feature - Earth Today - a monthly post (aim for 3rd week in each month)

■ PSAs:

- More PSAs using recent projects and utilizing more cost effective media to create.

There are more strategies to implement during the new fiscal year as the various sub committees of the Board finalise their focus. The PR committee stands ready to incorporate them. One other existing programmes that will be addressed is the Public Lecture. The Annual Public Lecture will be revised to ensure that it reaches as many persons as possible.

Ultimately, the PR Committee aims to make the EFJ a household name and 2017/2018 will see several of the plans being successfully executed.

HUMAN RESOURCE AND COMPLIANCE REPORT

Management of Operations and Staff Complement

The review of the Strategic Plan 2013 - 2015 and the development of Strategic Plan 2017 - 2020 led the Board of Directors to address the staffing needs of the Foundation for the 2016/2017 fiscal year. Specifically, the Board decided that staff vacancies would be filled **as required** by the Strategic Plan and as financial resources permitted. Consequently, it was agreed that the post of Chief Executive Officer and Senior Accountant needed to be filled. Both positions were advertised.

The responsibilities for the daily operations of the Foundation were entrusted to Mr. Barrington Lewis, who was appointed Chief Executive Officer (CEO) in January 2017. Mr. Leighton Cornwall was hired as the Senior Accountant effective November 2016. The Board also thought it prudent that Ms. Allison Rangolan should be appointed Chief Technical Director, also in January 2017. The Foundation therefore has a total staff complement of eight(8): seven (7) full time and one (1) part time.

The EFJ's Board continues to offer training and support to its staff and for the fiscal year the Training budget was restored. Three (3) members of staff applied for and received funding support in "job" relevant programmes.

Compliance

The EFJ continues to be in full compliance with established standards. For the fiscal year 2016/2017, all statutory payments were made in full and on time. Additionally procurement procedures were strictly upheld. The requisite filings with the Companies Office and the Department of Cooperatives and Friendly Societies were done in a timely manner.

EFJ's ENDOWMENT TRUST

Source of Funds:

The EFJ Endowment Trust Fund was seeded with an amount of J\$85,000,000.00 by way of transfers from the EFJ in the 2011/2012 financial year. The amounts were received as follows:

From PL480 funds	- \$62,875,301.81
From AID DEBT Funds	- \$22,124,698.19

Thus, 74% of the original Endowment was from PL480 funds and the remaining 26% from AID DEBT.

A decision was taken during the 2012/2013 financial year that the Trust would offer support to the EFJ's operations. The amount of \$20,531,650.00 was given as a long term note receivable. As of July 31, 2017 this amount is still outstanding.

During the fiscal year the EFJ's Endowment Trust saw additions being made to it. Firstly, the amount set aside by Jamaica Protected Areas Trust (JPAT) for the FCF Endowment was added; the amounts being US\$582,773.53 and J\$516.25 million. Secondly, based on the JPAT framework, 50% of Government of Jamaica inflows are immediately placed on the Endowment Trust and therefore an additional \$24.90 million was added in early 2017. When totalled (and converted to Jamaican dollars) \$615.34 million was added as TFCA Funds.

Investments and investment returns

Interest earned on the Endowment investments for the period totalled J\$27.32 million.

The total value of the Endowment (excluding the note receivable) at July 31, 2017 is \$726.94 million; AID Debt - J\$24.42 million, PL480 - J\$69.39 million and TFCA - \$633.13 million.

Summary of Investments - Endowment Fund as July 31, 2017

Details	PL480 & AID DEBT	FCF	Total
Government Bonds:			
Fixed Rate Bonds (8.50)%	21,865,000.00		21,865,000.00
Corporate Bonds - US\$	21,333,614.92		21,333,614.92
Repurchase Agreements @6.10%	43,060,936.97		43,060,936.97
Repurchase Agreements @6.10%		558,012,085.30	558,012,085.30
US\$ Repurchase Agreement - US\$585,784.79		74,390,684.99	74,390,684.99
Unit Trusts	6,647,550.07		6,647,550.07
Interests Receivable	904,931.03	731,802.19	1,636,733.22
	93,812,032.99	633,134,572.48	726,946,605.47

It should be noted that the EFJ's Endowment Trust utilised the Investment Policy document developed by EFJ's Board to guide its past investments. That document at year end was being revised and may be adopted going forward by the Trust.

Trustees

In keeping with the Endowment Trust Deed, the Trustees having served their maximum tenure, exited the Trust. The EFJ's Board thanked them for their service. New trustees are to be appointed.

Sadly, one of our long standing Trustees and former Board Chairman, Mrs Jeanne Robinson, passed on in January 2017. The EFJ remains eternally grateful for all her contributions.

Revenues:

Fund Receipts

Inflows of J\$180.24 million was received during the year. The Government of Jamaica (GOJ), in keeping with the agreement under the TFCA, transferred \$49.81 million in January 2017. Fifty percent (50%) of this GOJ payment, J\$24.90 million, was transferred to the Endowment Fund. (The GOJ is scheduled to make TFCA payments into the EFJ until 2024.)

Investment Income

\$3.67 million was earned in investment income on TFCA funds during the period the funds were held. The amounts were being invested in 30 - 90 day repurchase agreements to meet short term cash flow requirements.

The high performance of the stock market continued during the 2016/2017 financial year and approximately \$15.18 million was recorded on the equity portfolio. Other investment income were, \$0.53 million on Aid Debt Funds and \$1.14million (excluding foreign exchange gains).

BPM Financials and NCB Capital Markets are managing the investments.

Other inflows

Administration Fee

The EFJ has embarked on a plan to raise funds for its continued operations using various initiatives; one such medium is administering grants for our partner organisations. For 2016/2017 the EFJ earned \$10.71 million from administering funds.

Rental Income

As referenced in the last annual report, the EFJ has rented the ground floor of its office building to two organisations. Rental income earned during this fiscal year totalled J\$3.47 million.

Asset Disposal

During the financial year the Board of Directors took a decision to replace the aging fleet of motor vehicles as the Foundation was facing mounting repair costs. The older vehicles that were disposed of generated J\$1.38 million. (New motor vehicles were purchased in February of 2017).

Expenditures

Administrative Expenses

The guiding principle for Administrative expenditures is contained in the Assignment, Assumption and Amendment Agreement signed on June 29, 2015. Section 4.1(d) states that the total Administrative Expenses should not exceed US\$450,000.00 without the unanimous approval of the Permanent Directors.

Administrative Expenses totaled J\$40.65 million for the fiscal year, a \$6.83 million (approximately 20%) increase over the prior year's expenditure. At an average exchange rate of J\$127.00 to US\$1, the administrative expenses were approximately US\$320,047.24 (US\$278,775.14 in 2015/2016). Staff costs, motor vehicle expenses, depreciation and audit fees accounted for the majority of increase in total expenses.



Managed Fund Expenses

Direct expenses related to the Fund Administration totaled J\$3.65 million.

Grant Disbursements

Special Climate Change Adaptation Fund

Approximately J\$205.03 million was received during the financial year to administer the grants under the SCCAF. At year end J\$106.55 million had been disbursed to grant beneficiaries. Please see the Grant Management Committee report for more details on the disbursements.

TFCA Funds

The TFCA Call was concluded in November 2016 and 13 projects were awarded grant fund (total award J\$86.03). J\$13.03 in disbursements were made as at July 31, 2017.

Aid Debt Funds

While no new disbursements were made during the year, St. Andrew Parish Church Home for Girls returned J\$0.60 million in unspent funds.

PL480 Funds

The EFJ made no grant disbursements during the year.



Environmental Foundation of Jamaica
(A foundation limited by guarantee)

Financial Statements
31 July 2017

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Index

31 July 2017

Page

Independent Auditor's Report to the Members

Financial Statements

Statement of changes in the Americas' and TFCA's Funds	1
Statement of financial position	2
Administrative Income & Expenditure Statement	3
Statement of cash flows	4
Notes to the financial statements	5 – 30



Independent auditor's report

To the Members of Environmental Foundation of Jamaica

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Environmental Foundation of Jamaica (the Foundation) as at 31 July 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at 31 July 2017;
- the statement of changes in the Americas' and TFCA's Funds;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

L.A. McKnight P.E. Williams A.K. Jain B.L. Scott, B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Jamaican Companies Act, in the manner so required.


Chartered Accountants
12 June 2018
Kingston, Jamaica

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Changes in the Americas' and TFCA's Funds

Year ended 31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

	Note	(Americas) Fund I \$'000	(Americas) Fund II \$'000	(TFCA) Fund III \$'000	2017 \$'000	2016 \$'000
Fund Receipts		-	-	155,340	155,340	-
Investment income earned		1,138	530	3,666	5,334	1,533
Foreign exchange gains		30	6	-	36	26
		<u>1,168</u>	<u>536</u>	<u>159,006</u>	<u>160,710</u>	<u>1,559</u>
Unrealised gains on available-for-sale investments	11	15,181	-	-	15,181	9,699
		<u>16,349</u>	<u>536</u>	<u>159,006</u>	<u>175,891</u>	<u>11,258</u>
Less:						
Project grants disbursed, net	5	-	604	(13,030)	(12,426)	370
Transfers to administration		-	-	(37,304)	(37,304)	-
Investment advisers' fees	9	(313)	(117)	-	(430)	(303)
		<u>(313)</u>	<u>487</u>	<u>(50,334)</u>	<u>(50,160)</u>	<u>67</u>
Surplus for year		16,036	1,023	108,672	125,731	11,325
Fund balance at beginning of year		35,770	110,205	-	145,975	134,650
Reclassification of funds in trust		(62,875)	(22,125)	-	(85,000)	-
Fund balance at end of year		<u>(11,069)</u>	<u>89,103</u>	<u>108,672</u>	<u>186,706</u>	<u>145,975</u>

Environmental Foundation of Jamaica

(A foundation limited by guarantee)


Statement of Financial Position

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 \$'000	2016 \$'000
Non-Current Assets			
Property, plant and equipment	10	22,753	12,900
Beneficial interest in endowment fund	12	747,479	85,000
Available-for-sale investments	11	57,607	40,765
		<u>827,839</u>	<u>138,665</u>
Current Assets			
Other assets	13	5,103	724
Short term investments	11, 12	101,667	560
Cash and bank	14	118,238	8,924
		<u>225,008</u>	<u>10,208</u>
Current Liabilities			
Accounts payable and accrued charges	15	7,556	3,895
Due to endowment fund		20,532	20,532
Managed funds	16	99,431	4,945
		<u>127,519</u>	<u>29,372</u>
Net Current Asset/(Liabilities)		<u>97,489</u>	<u>(19,164)</u>
		<u>925,328</u>	<u>119,501</u>
Equity			
Administration fund-expenses recoverable		(20,596)	(38,730)
Capital reserves	17	11,739	12,256
Funds in Trust – Endowment Fund		747,479	-
TFCA funds		108,672	-
Americas' funds		78,034	145,975
Total Equity		<u>925,328</u>	<u>119,501</u>

Approved on behalf of the Board of Directors on 12 June 2018 and signed on its behalf by:


 Dale Webber Chairman


 Ian Watson Treasurer

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Administrative Income & Expenditure Statement

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 \$'000	2016 \$'000
Income			
Transfers from TFCA		46,083	30,915
Transfers from Capital Reserves		517	658
Administration Fees		10,709	-
Other Income		<u>5,100</u>	<u>2,939</u>
		62,409	34,512
Expenditure			
Administrative Expenses	7	(40,646)	(33,821)
Other Expenses – Managed Funds		<u>(3,629)</u>	<u>-</u>
Total Expenditure		<u>(44,275)</u>	<u>(33,821)</u>
Surplus Income over Expenditure		<u><u>18,134</u></u>	<u><u>691</u></u>

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Cash Flows

Year ended 31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

	2017 \$'000	2016 \$'000
Cash Flows from Operating Activities		
Surplus for year	125,731	11,325
Adjustments for:		
Depreciation	1,736	242
Increase in amount due to Administration Fund	18,134	689
Fair value adjustments on available-for-sale investments	(15,181)	(9,699)
Unrealised gain on foreign exchange	(36)	(26)
Investment income	(34,678)	(1,533)
	95,706	998
Changes in operating assets and liabilities:		
Other assets	(4,380)	(226)
Accounts payable and accrued charges	3,661	698
Managed funds	94,486	-
Cash provided by operating activities	189,473	1,470
Cash Flow From Investing Activities		
Available-for-sale investments	(1,661)	(1,305)
Endowment Fund	(662,479)	-
Investment in PPE	(11,589)	-
Interest received	34,678	1,533
Cash (used in)/provided by investing activities	(641,051)	228
Cash Flow From Financing Activities		
Increase in Funds In Trust	662,479	-
Capital Reserves	(517)	-
Cash Flow from Financing Activities	661,962	-
Increase in cash and cash equivalents	210,384	1,698
Effect of exchange rate changes on cash and cash equivalents	37	26
Cash and cash equivalent at beginning of year	9,484	7,760
CASH AND CASH EQUIVALENTS AT END OF YEAR	219,905	9,484
Represented by:		
Cash and bank	118,238	8,924
Short term investments	101,667	560
	219,905	9,484

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(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.

On 30 September 2012, the final disbursement from the Government of Jamaica under the EAI Agreement was received. The Board of Directors approved the finalisation of a proposal to merge with Forest Conservation Fund, to raise additional funds and continue the operations of the Foundation.

On 29 June 2015, an Assignment, Assumption and Amendment agreement referred to as the "Assignment Agreement" was entered into by The Government of Jamaica (GOJ), The Nature Conservancy (TNC), The Jamaica Protected Area Trust Limited (JPAT) and the Environmental Foundation of Jamaica (EFJ). The agreement resulted in the transfer of the rights and obligations of JPAT under the "Forest Conservation Agreement" dated 21 September 2004 to EFJ and the agreement of this transfer of rights and obligations by GOJ and TNC.

On 26 October 2016, the terms under the Assignment, Assumption and Amendment agreement were executed resulting in the assets and liabilities of JPAT being transferred to EFJ.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with 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.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

Standards, interpretations and amendments to published standards effective in current year

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

- ***Amendment to IAS 1, 'Presentation of Financial Statements'***, (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. An entity should not aggregate or disaggregate information in a manner that obscures useful information, for example, by aggregating items that have different characteristics or disclosing a large amount of immaterial detail. When management determines an item is material, the amendments require assessment of which specific disclosures set out in the relevant standard should be presented, and whether additional information is necessary to understand the impact on the financial position or performance. The amendments address additional subtotals in the statement of financial position or the statement of profit or loss and other comprehensive income. The amendments give guidance on what additional subtotals are acceptable and how they are presented. There was no significant impact from adoption of these amendments during the year.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(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 and have not been early adopted by the Foundation

The Foundation has concluded that the following standards which are published but not yet effective are relevant to its operations and will impact its accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Foundation's accounting periods beginning on or after 1 August 2017, but the Foundation has not early adopted them:

- **IFRS 9, 'Financial Instruments'**, (effective for annual periods beginning on or after 1 January 2018). The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

IFRS 9 also introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. The new impairment model requires the recognition of impairment provisions based on ECL rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost or with unelected designation as fair value through OCI (FVOCI).

An amendment to IFRS 9 was also published during the period and is effective for annual periods beginning on or after 1 January 2019 but can be early adopted 1 January 2018. The amendment covers two issues: Financial assets with prepayment features with negative compensation and modifications of financial liabilities.

The Foundation is in the process of assessing the impact of IFRS 9 on its financial statements.

- **IFRS 15, 'Revenue from contracts with customers'** (effective for the periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortized over the period when the benefits of the contract are consumed. The adoption of this standard is not expected to have a significant impact on the Foundation's financial statements.
- **Amendment to IFRS 15, 'Revenue from contracts with customers'** (effective for accounting periods beginning on or after 1 January 2018). These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(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 and have not been early adopted by the Foundation (continued)

- ***IFRS 16, 'Leases'*** (effective for annual periods beginning on or after 1 January 2019). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Foundation is currently assessing the impact of future adoption of the new standard on its financial statements.
- ***Amendments to IAS 7, 'Statement of Cash Flows'***, (effective for annual periods beginning on or after 1 January 2017). The amendment introduced an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. An entity is required to disclose information that will allow users to understand changes in liabilities arising from financing activities. This includes changes arising from: cash flows, such as drawdowns and repayments of borrowings and non-cash changes, such as acquisitions, disposals and unrealised exchange differences. Debt is not defined or required to be disclosed by current IFRS, so the IASB decided to require disclosure of changes in liabilities for which cash flows were, or future cash flows will be, classified as financing activities in the statement of cash flows. The Foundation is currently assessing the impact of future adoption of the new standard on its financial statements.

There are no other new or amended standards and interpretations that are published but not yet effective that are expected to have an impact on the accounting policies or financial disclosures of the Foundation.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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.

(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 yearend 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

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 yearend 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.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Property, plant and equipment (continued)

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.

(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 yearend date, the following financial assets were classified as available for sale: government securities, quoted equities and repurchase agreements.

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 yearend date, the following items were classified as financial liabilities: 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.

(i) Accounts payable

Accounts payable are stated at historical cost.

(j) Administration fund/deferred income

Where funds received for administration expenses are insufficient to cover these expenses, the over expended balance, referred to as Administration Fund - 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.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(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.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

Maximum exposure to credit risk

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

	2017 \$'000	2016 \$'000
Investment securities	863,320	99,230
Cash and bank	118,238	8,924
Other assets	4,692	468
	<u>986,250</u>	<u>108,622</u>

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:

	2017 \$'000	2016 \$'000
Endowment Fund	747,479	85,000
Government of Jamaica Securities	14,174	13,670
Corporate	101,667	560
	<u>863,320</u>	<u>99,230</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 2017

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continue)

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
2017				
Accounts payable and accrued charges	458	-	7,118	7,576
Due to Endowment Fund	-	-	20,532	20,532
Managed funds	-	98,430	1,001	99,431
	458	98,430	28,651	127,539
2016				
Accounts payable and accrued charges	493	278	3,124	3,895
Due to Endowment Fund	-	-	20,532	20,532
Managed funds	-	-	4,945	4,945
	493	278	28,601	29,372

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

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

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.

	2017		
	Jamaican \$ J\$'000	United States \$ J\$'000	Total J\$'000
Financial Assets			
Available-for-sale investments	51,405	6,202	57,607
Short term investments	101,667	-	101,667
Beneficial interest in endowment fund	651,914	95,565	747,479
Cash and bank	112,120	6,118	118,238
Other assets	5,103	-	5,103
Total financial assets	922,209	107,885	1,030,094
Financial Liabilities			
Accounts payable and accrued charges	7,278	278	7,556
Due to Endowment fund	20,532	-	20,532
Managed funds	99,431	-	99,431
Total financial liabilities	127,241	278	127,519
Net financial position	794,968	107,607	902,575

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Currency risk (continued)

	2016		
	Jamaican \$ J\$'000	United States \$ J\$'000	Total J\$'000
Financial Assets			
Available-for-sale investments	35,738	5,027	40,765
Short term investments	560	-	560
Cash and bank	4,544	4,380	8,924
Other assets	724	-	724
Total financial assets	41,566	9,407	50,973
Financial Liabilities			
Accounts payable and accrued charges	3,617	278	3,895
Managed funds	20,532	-	20,532
Total financial liabilities	4,945	-	4,945
Net financial position	29,094	278	29,372
	12,472	9,129	21,601

Foreign currency sensitivity

The following tables indicate the currencies to which the Foundation had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis shows the impact of translating outstanding foreign currency denominated monetary items, assuming changes in currency rates shown in the table below. 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 2017	Effect on Equity and Capital 2017 \$'000	% Change in Currency Rate 2016	Effect on Equity and Capital 2016 \$'000
Currency:				
USD	+2	(2,152)	+1	(91)
USD	-4	4,304	-6	548

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

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 Foundation 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	1 to 3 Months	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000
	2017			
Assets				
Available-for-sale investments	-	14,174	43,433	57,607
Beneficial interest in endowment fund		747,479		747,479
Short term investments	101,667	-	-	101,667
Cash and bank	118,238	-	-	118,238
Other assets	-	-	5,103	5,103
Total financial assets	219,905	761,653	48,536	1,030,094
Liabilities				
Managed funds	(1,001)	-	(98,430)	(99,431)
Total financial liabilities	(1,001)	-	(98,430)	(99,431)
Total interest repricing gap	218,904	761,653	(49,894)	930,663

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	Within 1 Month \$'000	1 to 3 Months \$'000	Non-Interest Bearing \$'000	Total \$'000
2016				
Assets				
Available-for-sale investments	-	13,670	27,095	40,765
Short term investments	560	-	-	560
Cash and bank	8,924	-	-	8,924
Other assets	-	-	724	724
Total financial assets	9,484	13,670	27,819	50,973
Liabilities				
Managed funds	(1,001)	-	(3,944)	(4,945)
Total financial liabilities	(1,001)	-	(3,944)	(4,945)
Total interest repricing gap	8,483	13,670	23,875	46,028

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.

	Effect on Equity and Capital 2017 \$'000	Effect on Equity and Capital 2016 \$'000
Change in basis points:		
-1% (2016: -1%)	(138)	(135)
+1% (2016: +2.5%)	138	135

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(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.

In Accordance with the Assignment, Assumption & Amendment Agreement dated June 29, 2016, Section 4.1(d), the total administrative expenses should not exceed a maximum combined amount of US\$450,000 without the unanimous approval of the permanent Directors.

(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
2017				
Investments classified as available-for-sale –				
Quoted equities	43,433	-	-	43,433
Government of Jamaica bonds	-	14,174	-	14,174
	43,433	14,174	-	57,607
2016				
Investments classified as available-for-sale –				
Quoted equities	27,095	-	-	27,095
Government of Jamaica bonds	-	13,670	-	13,670
	27,095	13,670	-	40,765

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(e) Fair values of financial instruments (continued)

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.

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.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

5. Project Grants Disbursed

	Fund II	Fund III	Total
	\$'000	\$'000	\$'000
Projects' disbursement, net	(604)	13,030	12,426
Disbursements allocated as follows:			
Hanover Bee Farmers Cooperative Society	-	4,039	4,039
Jamaica Organic Agricultural Movement	-	3,802	3,802
Lions Club of Mona	-	2,394	2,394
University of the West Indies – Discovery Bay & Port Royal Marine Labs	-	2,795	2,795
	-	13,030	13,030
Refunds			
St. Andrew Parish Church Home for Girls	(604)	-	(604)
Net Disbursements	(604)	13,030	12,426

6. Administration Fund

In accordance with the Assignment, Assumption & Amendment Agreement dated June 29, 2015 Section 4.1(d), the total administrative expenses should not exceed a maximum combined amount of US\$450,000 without the unanimous approval of the permanent Directors. Permanent Directors comprise one Director appointed by the Government of Jamaica, one Director appointed by the United States Government and one Director appointed by The Nature Conservancy.

Total administrative expenses during the year was below the threshold permitted and indicated below:

	2017	2016
	\$'000	\$'000
Jamaican Dollar equivalent of US\$450,000	56,865	56,313
Less: Administrative expenses for the year	(40,646)	(33,821)
Excess	16,219	22,492

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

7. Expenses by Nature

	2017	2016
	\$'000	\$'000
Advertising and public relations	202	189
Auditors' remuneration	1,310	800
Depreciation (Note 10)	1,736	900
Legal and professional fees	10	1,500
Local and foreign travelling expenses	422	177
Motor vehicle expenses	1,720	887
Office and general expenses	1,800	1,687
Printing and stationery	43	45
Repairs and maintenance	1,150	1,262
Staff costs (Note 8)	25,573	20,883
Security	2,499	2,359
Utilities	2,635	2,249
Other expenses	1,546	883
	<u>40,646</u>	<u>33,821</u>

8. Staff Costs

	2017	2016
	\$'000	\$'000
Wages and salaries	22,069	18,239
Payroll taxes – employer's portion	2,290	1,899
Other	1,214	745
	<u>25,573</u>	<u>20,883</u>

The number of persons employed by the Foundation at the year end was 8 (2016 - 7).

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

9. Investment Advisers' Fees

Investment Advisers' fees for the year are comprised as follows -

	2017 \$'000	2016 \$'000
BPM Financials Limited	430	303

10. Property, Plant and Equipment

	2017				
	Freehold Land and Building \$'000	Motor Vehicles \$'000	Computers \$'000	Furniture and Fixtures \$'000	Total \$'000
At Cost -					
At 1 August 2016	23,802	3,136	18,520	6,720	52,178
Additions	-	11,479	110	-	11,589
Disposals	-	(1,700)	-	-	(1,700)
At 31 July 2017	23,802	12,915	18,630	6,720	62,067
Depreciation -					
At 1 August 2016	11,602	3,136	17,866	6,674	39,278
Disposals	-	(1,700)	-	-	(1,700)
Charge for the year	480	957	271	28	1,736
At 31 July 2017	12,082	2,393	18,137	6,702	39,314
Net Book Value -					
31 July 2017	11,720	10,522	493	18	22,753
	2016				
	Freehold Land and Building \$'000	Motor Vehicles \$'000	Computers \$'000	Furniture and Fixtures \$'000	Total \$'000
At Cost -					
At 1 August 2015	23,802	3,136	18,520	6,720	52,178
At 31 July 2015	23,802	3,136	18,520	6,720	52,178
Depreciation -					
At 1 August 2015	11,079	3,136	17,525	6,638	38,378
Charge for the year	523	-	341	36	900
At 31 July 2016	11,602	3,136	17,866	6,674	39,278
Net Book Value -					
31 July 2016	12,200	-	654	46	12,900

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

11. Available-for-Sale Investments

	2017 \$'000	2016 \$'000
At beginning of year	40,765	29,761
Fund Receipts	98,000	-
Fair value adjustment	15,181	9,699
Interest Earned	5,292	1,839
Exchange differences	36	26
At end of year (Note 12)	159,274	41,325
Current portion	(101,667)	(560)
	<u>57,607</u>	<u>40,765</u>

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

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

12. Investment Securities

	2017 \$'000	2016 \$'000
Total investments comprised the following -		
Endowment Fund		
Funds held in trust	726,947	64,468
Notes receivables	20,532	20,532
	<u>747,479</u>	<u>85,000</u>
Available-for-sale investment (Note 11)	57,607	40,765
Short term investments (Note 11)	101,667	560
	<u>906,753</u>	<u>126,325</u>

The Board, in recognition that the America's Fund is a reducing source which was established for a limited period of time, approved the establishment of an endowment fund on 23 September 2004 and seeded the fund with \$85,000,000 in January 2013. The purpose of the fund is to ensure that the Foundation has a long-standing and sustained source of income.

During this financial year in furtherance of the EFJ's merger with Forest Conservation Fund / Jamaica Protected Areas Trust (JPAT) the amount of \$633,135,000 designated by JPAT for their Endowment Fund was transferred to the EFJ. These amounts are now being invested in a separate pool of Funds at NCB Capital Markets.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

12. Investment Securities (Continued)

Investment Securities by Adviser

	Fund I \$'000	Fund II \$'000	Fund III \$'000	2017 \$'000	2016 \$'000
Endowment Fund	84,581	29,763	631,761	746,105	85,000
Available-for-sale investments - Barita Portfolio Management Limited					
Securities	119	13,997	-	14,116	13,625
Quoted equities	43,433	-	-	43,433	27,095
National Commercial Bank Limited	-	-	101,470	101,470	108
	128,133	43,760	733,231	905,124	125,828
Accrued interest	64	80	1,485	1,629	497
Total investments	128,197	43,840	734,716	906,753	126,325

13. Other Assets

	2017 \$'000	2016 \$'000
Prepayments	411	256
Other receivables	4,692	468
	<u>5,103</u>	<u>724</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 Charities Act.
- (ii) Other receivables primarily represents administrator fees receivable from the Special Climate Change Adaptation Fund.

14. Cash and Bank

	2017 \$'000	2016 \$'000
Cash and bank	<u>118,238</u>	<u>8,924</u>

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

15. Accounts Payable and Accrued Charges

	2017 \$'000	2016 \$'000
Accounts payable	278	278
Accrued charges	5,246	1,597
Other	2,032	2,020
	<u>7,556</u>	<u>3,895</u>

16. Managed Funds

	2017 \$'000	2016 \$'000
Northern Jamaica Conservation Association Endowment Fund (a)	1,001	1,001
Inter-American Foundation (b)	-	3,944
Special Climate Change Adaptation Fund (c)	98,430	-
	<u>99,431</u>	<u>4,945</u>

(a) 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 amount approved and interest earned is as follows:

	2017 \$'000	2016 \$'000
Opening balance of fund	1,001	1,001
Closing balance of fund	<u>1,001</u>	<u>1,001</u>

The agreement between the Foundation and NJCA (amended in December 2007) 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.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

16. Managed Funds (Continued)

(b) 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 and ended on March 9, 2017. The agreement required IAF to provide cash funding for a total of US\$400,000.00, while the Foundation provided support in the form of cash and kind valued at US\$1,357,500.00. Organisations receiving the grant funding were required to provide the balance of US\$175,000.00, in order to be eligible for the grants. The Foundation used its regular selection and monitoring procedures for the awarding of these grants.

	2017 \$'000	2016 \$'000
Opening balance of fund	3,944	3,944
Amount Refunded to IAF	(3,751)	-
Bank Charges and Payments due to the EFJ	(193)	-
Fund balance 31 July 2017	-	3,944

(c) Special Climate Change Adaptation Fund

The adaptation programme and financing mechanism for the Pilot Programme for Climate Resilience, Jamaica (PPCR) is being executed by the Government of Jamaica (GOJ) through the Ministry of Economic Growth and Job Creation (MEGJC) which has been assigned the responsibility for climate change. The Programme is pursued with funding provided by the Special Climate Change Adaptation Fund (SCCAF) and comprises three (3) components.

The MEGJC wishes to pursue the implementation of Component II of the Programme which relates to the creation and establishment of innovative climate financing mechanisms to help support implementation of climate resilience within Micro, Small and Medium Size Enterprises (MSMEs) and Community Based Organizations (CBOs).

The total sum allocated for the purposes of performing the activities under Component II is Four Million Seven Hundred Thousand United States Dollars (USD \$4,700,000.00). Broken out as follows:

Year 1: US\$1,200,000.00
 Year 2: US\$1,400,000.00
 Year 3: US\$1,400,000.00
 Year 4: US\$ 700,000.00

The MEGJC engaged the Environmental Foundation of Jamaica (EFJ) to perform the Services required to implement these activities. Fees for the performance of these services were agreed to be 7% of the annual allocations.

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

16. Managed Funds (Continued)

(c) Special Climate Change Adaptation Fund (continued)

Statement of changes in fund balance:

	2017 \$'000
Balance at beginning of year	-
Add: Fund Receipts – Ministry of Economic Growth & Job Creation	211,467
Less:	
Grant Awards-	
paid (i)	(106,549)
accrued (i)	(26,164)
Fund Administrator fees-	
paid	(6,441)
accrued	(4,266)
Bank Charges	(47)
Surplus for year	68,000
Balance at end of year	68,000

Statement of cash flows:

	2017 \$'000
Cash flows from operating activities	
Surplus for year	68,000
Adjustments for:	
Grant awarded but not disbursed	26,164
Fund Administrator fees payable	4,266
Cash provided by operating activities	98,430
Fund cash balance at the beginning of year	-
Fund cash balance at the end of the year	98,430

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

16. Managed Funds (Continued)

(c) Special Climate Change Adaptation Fund (continued)

- (i) Grants are awarded to eligible organisations through a Call for Proposals. At least one Call for Proposals will be held each year. During the 2016/2017 year 29 projects were awarded grant funding. See listing below:

	Amount awarded \$'000	Amount disbursed \$'000	Balance \$'000
Central Jamaica Social Development Initiative	4,960	4,960	-
Plant Jamaica	4,186	3,523	663
Rural Water Supply - Marley Hill	5,000	4,566	434
Rural Water Supply - Gordon Hill	5,000	5,000	-
Rural Water Supply - Snowdon	4,570	4,154	416
Frankfield Primary and Infant School	4,220	4,220	-
Rose Town Foundation	3,651	3,351	300
Vision of Hope	4,988	-	4,988
Parry Town Citizens Association	4,376	-	4,376
Moneague College	3,962	3,651	311
Pedrovian Community Ben. Society	4,977	3,035	1,942
White River Marine Association	4,085	4,085	-
Southern Trelawny Environmental Association	5,000	4,872	128
Earth Strong	5,000	5,000	-
Mafoota Agricultural Cooperative	4,828	4,578	250
Westmoreland Parish Development Committee	4,990	4,990	-
St. Elizabeth Agricultural Cooperative	4,940	4,940	-
UWI Discovery Bay Marine Laboratory	5,000	4,913	87
Manchester Parish Development Committee	5,000	2,401	2,599
Northern Caribbean University	5,000	5,000	-
Rocky Point	5,000	2,550	2,450
Jeffrey Town Farmers Association	4,905	4,805	100
Alpha Institute	4,418	3,032	1,386
Essex Hall	5,000	5,000	-
Brooks Level Community and Citizens Association	1,000	918	82
UWI - Spoilage Reduction	5,000	5,000	-
Ridge Red Bank Community Benevolent Society	4,990	-	4,990
Balacava Development Area Committee	3,673	3,011	662
College of Agriculture Science & Education	4,994	4,994	-
	<u>132,713</u>	<u>106,549</u>	<u>26,164</u>

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2017

(expressed in Jamaican dollars unless otherwise indicated)

17. 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:

	2017 \$'000	2016 \$'000
Balance at beginning of year	12,256	12,914
Less:		
Transfers to administration fund in current year (depreciation)	(517)	(658)
Balance at end of year	<u>11,739</u>	<u>12,256</u>

Depreciation noted in the Capital Reserves differ from amount recognised in Note 10 property, plant and equipment as the funds used to acquire (i) some of computers and (ii) Motor Vehicles were obtained from sources external to the America's Fund. The depreciation charges recognise in capital reserves excludes depreciation on these assets.

18. Commitments

As at 31 July 2017, the Foundation had project grant funds committed and not disbursed of approximately \$98,625,000 (TFCA \$89,735,000, PL480 \$8,665,000, Aid Debt \$225,000)

19. Related Party Balances and Transactions

(a) Key management compensation:

	2017 \$'000	2016 \$'000
Wages and salaries	11,818	10,608
Payroll taxes – employer's portion	1,204	1,090
Other	195	180
	<u>13,217</u>	<u>11,878</u>
Directors' fees	<u>Nil</u>	<u>Nil</u>

At year ended 31 July 2017, grants approved but not disbursed for University of the West Indies amounted to \$6,931,000.

EFJ MEMBERS

1. Association of Community Based Organizations(formerly Association of Clubs)
2. Association of Development Agencies (ADA)
3. BirdLife Jamaica
4. Buff Bay Local Forest Management Committee (BBLFMC)
5. Caribbean Coastal Area Management Foundation (C-CAM)
6. Community Based Rehabilitation Jamaica (formerly 3D Projects)
7. Dolphin Head Local Forest Management Committee (DHLFMC)
8. Hope for Children Development Company
9. Jamaican Association on Intellectual Disabilities (JAID)
10. Jamaica Association for the Deaf
11. Jamaica Baptist Women's Federation
12. Jamaica Cancer Society
13. Jamaica Conservation and Development Trust (JCDDT)
14. Jamaica Environment Trust (JET)
15. Jamaica Family Planning Association
16. Jamaica of Institute of Environmental Professionals (JIEP)
17. Jamaica Organic Agriculture Movement (JOAM)
18. Jamaica Save the Children
19. Jamaica Society for the Blind
20. Local Initiative Facility for the Environment (LIFE)
21. Northern Rio Minho Local Forest Management Committee (NRMLFMC)
22. Portland Environment Protection Association (PEPA)
23. Professional Development Institute (Girl's Town)
24. The Council of Voluntary Social Services (CVSS)
25. Women's Resource and Outreach Centre Limited (WROC)