



*Tourism
Enhancement
Fund*



Annual Report | **2019**
2020



Table of CONTENTS

About Us

Vision/Mission Statement - **pg. 02**

Reports

Tourism Minister's Message - **pg. 04**

Chairman's Message - **pg. 05**

Board of Directors - **pg. 07**

Board of Director's Report - **pg. 11**

Executive Director's Report - **pg. 15**

Projects

Projects Overview - **pg. 20**

Outlook & Priorities 2020 -2021 - **pg. 29**

Financials

Budget for Financial Year 2019-2020 - **pg. 31**

Projected Expenses & Income Statements - **pg. 32**

Senior Executive Emoluments - **pg. 34**

Director's Compensation - **pg. 34**

Appendix I & II - **pg. 35**

Financial Statement - **pg. 36**





ABOUT US

The Tourism Enhancement Fund (TEF) was established in 2005 to implement recommendations emanating from the Master Plan for Sustainable Tourism Development (2002).

The Tourism Master Plan provides the framework in which TEF will fulfil its mandate of promoting growth and development in the tourism sector, encouraging better management of environmental resources in Jamaica, enhancing the country's overall tourist experience, and providing for the sustainable development of the tourism sector.

In 2018, TEF was restructured to operate as a centre for innovation for tourism with responsibility for strategic and targeted projects that support key activities aimed at realizing growth targets. The new model saw an expanded TEF with three additional divisions.

Vision Statement

'For Jamaica to be the most sought-after tourist destination because of its natural beauty, warm and friendly people, well-designed and attractive resort towns, rich culture, diverse attractions and commitment to the management and protection of the environment.'

Mission Statement

'To facilitate the implementation of the Tourism Master Plan through prompt collection of fees, prudent management of funds, research and innovation and deployment of resources, in sustainable development toward the strengthening of Jamaica's tourism industry.'



Negril Fire Station Rehab - 2

Registered Office

60 Knutsford Boulevard, Kingston 5

Auditors

PriceWaterhouseCoopers
Scotiabank Centre
Duke Street, P.O. Box 372, Kingston

Bankers

National Commercial Bank Jamaica Ltd.
1 Knutsford Boulevard, Kingston 5

First Global Bank Ltd.
28-48 Barbados Avenue, Kingston 5

Sagicor Bank Jamaica Ltd.
17 Dominica Drive, Kingston 5



Tourism Minister's Message



Hon. Edmund Bartlett, CD, MP
- Minister of Tourism

Over the years, the Tourism Enhancement Fund (TEF) has significantly contributed to the strengthening of the tourism sector by helping to preserve our country's culture, improving our tourism product, preserving heritage sites and providing support, where needed, to national development.

TEF has expended billions of dollars on tourism projects since it began operations on May 1, 2005, in fulfilling its mandate of promoting growth and development in the tourism sector. It develops and executes these projects in tandem with its sister agency, the Tourism Product Development Company (TPDCo) and other government entities, such as the Urban Development Corporation (UDC), National Environment and Planning Agency (NEPA) and the National Works Agency (NWA).

This year is very significant to the agency, as it marks 15 years since its establishment, to implement recommendations emanating from the Master Plan for Sustainable Tourism Development, 2002.

Since 2018, we have restructured the TEF to operate as a centre of innovation. The objective of this was to position it to better enable the tourism industry to respond to the needs of the ever-changing global market, and to drive the ministry's mission of fostering significant growth and development in the sector. Additionally, this made it

responsible for strategic and targeted projects that support key activities aimed at realising growth targets.

This restructuring proved to be particularly beneficial this year, as it facilitated the provision of well-needed support when our industry came to a complete halt because of the COVID-19 pandemic. I am proud of the quick action of the TEF to find innovative ways to support the industry, especially our small and medium sized tourism enterprises, during this difficult time.

To support small tourism properties during COVID-19, the TEF has provided five hundred (500) Tourism Protective Kits. This was to effectively protect frontline workers and visitors, while meeting the standards of the Ministries of Tourism and Health and Wellness' COVID-19 safety protocols.

It has also worked with a number of financial institutions such as Jamaica National, EXIM Bank, Development Bank of Jamaica and the Jamaica Social Investment Fund to provide well needed funding for the SMTEs.

Additionally, the Tourism Linkages Network and the Jamaica Centre of Tourism Innovation have also played a significant role during this challenging time by restructuring their projects to function in a virtual way. Through these divisions, we have provided free training and business-to-business networking opportunities to thousands of industry workers.

It has indeed been a challenging year that forced us to be more innovative than usual. This could not have been possible without the hard work of each member of staff. I therefore extend appreciation to the Board of Directors, under the very capable leadership of the Honourable Godfrey G. Dyer, OJ, CD, who was recognized for his outstanding contribution to our country.

Thanks also to Executive Director, Dr Carey Wallace and his devoted staff who have been dutifully implementing and executing projects and programmes approved by the board.

Hon. Edmund Bartlett, CD, MP
Minister of Tourism





Chairman's Message



Hon. Godfrey Dyer, OJ, CD, JP
- Chairman

The Financial Year 1st April 2019 to 31st March 2020 presents an extraordinary chapter in the life and development of the Tourism Enhancement Fund (TEF) as it does for millions of individuals and organizations in every country across the globe. Indeed, the well-used quotation, “It was the best of times, it was the worst of times” has particular significance in reporting on an Agency within the tourism industry at a time when international tourist arrivals plunged with the advent of the novel coronavirus, from record-breaking numbers at the end of 2019 to a complete halt three months later and forecasts of up to an 80% decline in international arrivals for 2020.

In keeping with robust worldwide stopover (overnight) visitors of 1.5 billion in 2019, representing growth of 4%, Jamaica welcomed nearly 2.7 million stopover arrivals to the island, an 8.4% increase over the previous year. Stopover arrivals in January and February 2020 were 227,200 and 235,740, improvements year over year of 4.9% and 7.1% respectively.

In the review period, the TEF continued solidifying its operations in line with fees from airline and cruise passengers which the TEF had managed directly until mid-2017, being placed in the Consolidated Fund. This comprised part of the Government of Jamaica’s cash and public debt management programme in the drive to establish an enabling environment for sustainable national development.



The TEF pursued initiatives to achieve enhanced internal audit functions in the collection and monitoring of fees lodged as designated by the Ministry of Finance and the Public Service, with the TEF's access to funds being via monthly cash flow requests made through the Ministry of Tourism.

The TEF continued to adapt to the evolving regulations under this regime. Notably, the inability to vire and carry over funds from one year to the next. This had implications for selection and implementation of the major developmental tourism projects which have characterised the operations of the TEF since its inception.

Timely and efficient project management, based on high levels of collaboration with implementing partners, always an imperative, has been more than ever constrained by the new structure whereby the TEF must perform against a budget and a fiscal cycle of twelve months.

The internal changes within the TEF have extended beyond funding fundamentals to encompass organisational adjustments reflective of added responsibilities and programmes. These have been in keeping with the 'reimaging' of the island's tourism industry to more aggressively target local communities and enhanced human resource development in meeting the objectives of sustainable and inclusive growth for the industry and the nation it serves.

Protocols were strengthened for selection, monitoring and reviewing projects and events falling under the aegis of the Tourism Linkages Network (TLN), the Jamaica Centre for Tourism Innovation (JCTI) and the Research and Risk Management Departments all of which were incorporated from the Ministry of Tourism and sister Agencies. These Departments play an increasingly integral role in facilitating the innovative and transformative initiatives many of which will form the basis for the industry of the future.

Projects and programmes facilitated by the TEF over the Financial Year were wide ranging, with the common objective of promoting development in the tourism sector, encouraging better management of environmental resources in Jamaica and enhancing the country's overall tourist experience.

Infrastructural improvements included rehabilitative road works facilitating access to attractions island-wide, street lighting, signage, drainage and water supply systems. TEF's commitment to transformative projects in and around the resort areas was highlighted with the commencement of housing and infrastructural upgrades for the regularization of some 535 households in the largely squatter community of Grange Pen in St James. This upgrade project for which approximately \$1 billion has been earmarked, over a four-year period, represents TEF's single largest project currently being implemented.

Environmental projects included coral reef resuscitation, coastal clean-up and mangrove and shore-line monitoring. Meetings, conferences, exhibitions and expositions

showcasing destination Jamaica were facilitated. Projects in health, education, security and community development were funded as were initiatives preserving and highlighting the island's rich heritage, culture and sporting tradition. Social programmes found support notably within the provisions for funding in partnership with NGOs.

The TEF partnered with the Passport, Immigration & Citizenship Agency (PICA) to enhance the digitising of the immigration forms at the Sangster International Airport through the installation of Automated Border Control Kiosks, which will serve to reduce the time required for the immigration process. The TEF also continued its long-established tradition of making available funds for on-lending to Small and Medium Tourism Enterprises (SMTEs) through Jamaica National Small Business Loans Ltd (JNSBL) and the National Export-Import Bank of Jamaica (EXIM Bank).

In consideration of those who have served the industry faithfully and well, the TEF was particularly pleased in the course of the year to see the fruition of its funding association with the Tourism Workers' Pension Scheme which became effective on January 31, 2020.

ACKNOWLEDGMENTS

I wish to acknowledge with thanks my fellow Directors, the Executive Director and staff of the Tourism Enhancement Fund for their contribution to the continued work and dynamism of the TEF during the year in review. We record our welcome of Ms. Carolyn Campbell who currently represents the Ministry of Finance and the Public Service on the TEF Board and thank Ms Alicia Bish whom she replaced, for her services.

The road ahead for international tourism and for the local industry is uncertain with signs of recovery expected the final quarter of 2020 but mostly in 2021.

We are encouraged by our experience of the resilience of the tourism industry in the face of past crises, while recognizing the particular vulnerabilities of small island states such as ours with a heavy dependence on international visitors. In this period of unprecedented challenges for the industry, the TEF is committed to being a partner in the strong, innovative policy responses that will safeguard our people and position our industry for vibrant re-engagement, recovery and renewal in the months ahead.

Godfrey Dyer, OJ, CD, JP
Chairman

Board Members

Hon Godfrey Dyer, OJ, CD, JP - Chairman
Mr Joseph Issa - Deputy Chairman

Mr Ian Dear - Director
Mr David Dobson - Director
Mr Howard McIntosh - Director
Mrs Beverley Russell - Director
Mr Jordan Samuda - Director
Mr Omar Robinson - Director
Mrs Judy Schoenbein - Director
Mr Donovan White - Director
Mr Marc Williams - Director
Ms Carolyn Campbell - Director

Dr Carey Wallace - (Ex-Officio) Executive Director

Sub-Committees

Projects Committee: Joseph Issa (Chairman), David Dobson, Ian Dear, Judy Schoenbein, Omar Robinson, Dr Carey Wallace (Executive Director), Director, Projects.

Audit and Finance Committee: Jordan Samuda (Chairman), Joseph Issa, David Dobson, Marc Williams, Carolyn Campbell, Howard McIntosh, Dr Carey Wallace (Executive Director), Director, Finance.

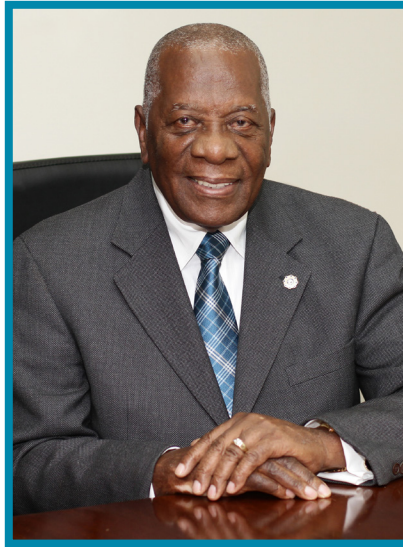
Human Resources Committee: Marc Williams (Chairman), David Dobson, Joseph Issa, Jordan Samuda, Dr Carey Wallace (Executive Director) Manager, Human Resources & Administration

Senior Managers

Mr. Johan Rampair - Director of Projects
Mrs Francine James-Prince - Director of Finance
Ms Carol Rose Brown - Director, Jamaica Centre of Tourism Innovation
Mrs Carolyn McDonald Riley - Director, Tourism Linkages Network



BOARD OF Directors



Hon. Godfrey Dyer, OJ, CD, JP
(Chairman)



Joseph Issa
(Deputy Chairman)
Chairman, Projects
Committee



Mr. Ian Dear
(Director)



Mr. David Dobson
(Director)



Mrs. Beverley Russell
(Director)



Mr. Jordan Samuda
(Director)
Chairman, Audit &
Finance Committee



Mrs. Judy Schoenbein
(Director)



Mr. Marc Williams
(Director)
Chairman, Human
Resources Committee



BOARD OF Directors

Continued



Ms. Carolyn Campbell
(Director)



Mr. Donovan White
(Director)



Mr. Omar Robinson
(Director)



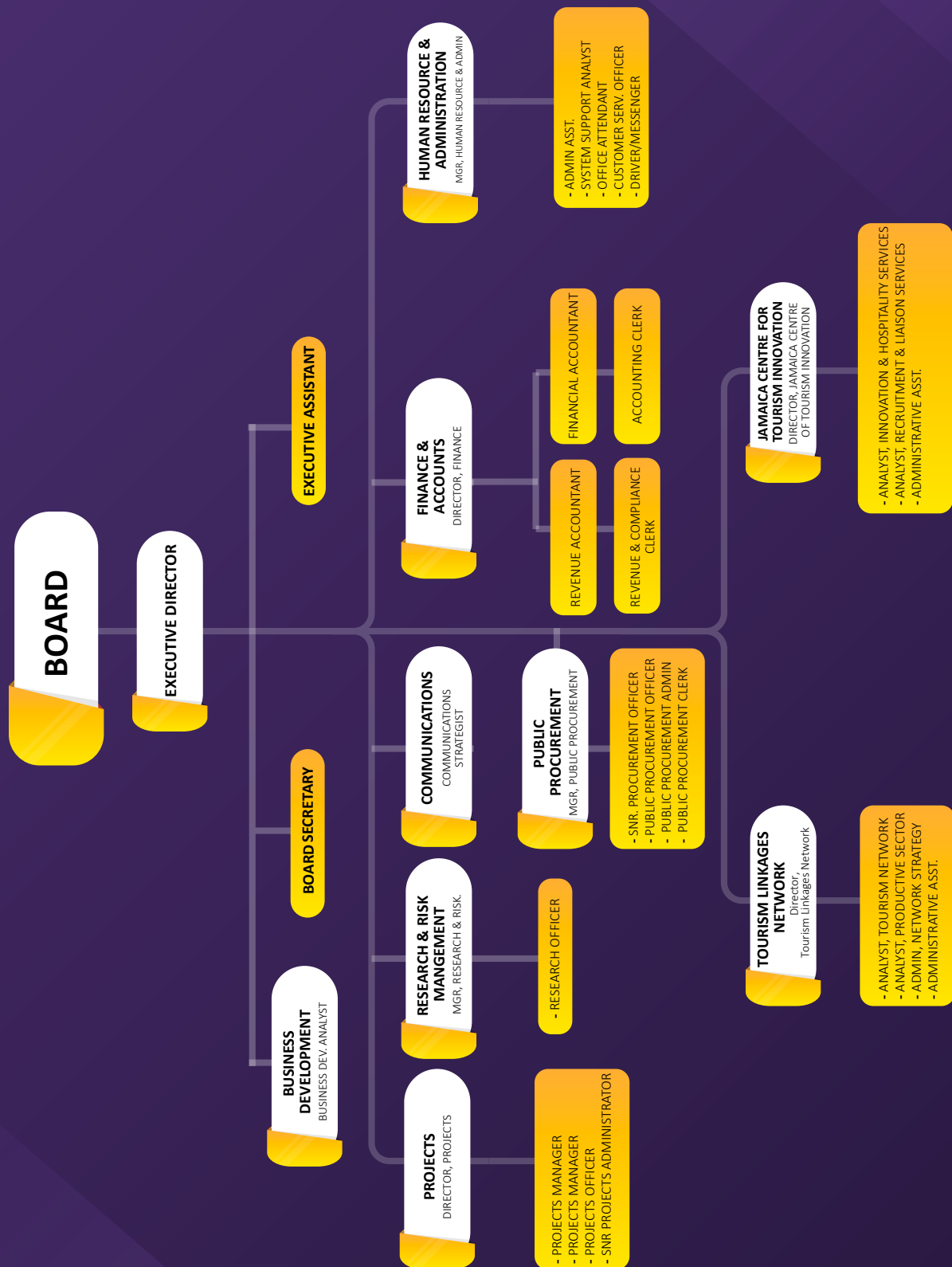
Mr. Howard McIntosh
(Director)



Dr. Carey Wallace
- Ex Officio



Organizational Structure





Board of Directors' Report



Work in Progress — Architectural Style Bus Stops across the resort areas

The Tourism Enhancement Fund (TEF) was established under an Act of Parliament in 2004 and currently functions on the basis of a fee of US\$20.00 and US\$2.00 being paid by each visitor travelling by air or sea respectively into Jamaica. The TEF has played a significant role in Jamaica's ability to meet and surpass its tourism growth and development targets.

The island welcomed 4,233,266 visitors in 2019 (airline and cruise), generating US\$3.7 billion in tourism earnings. The dominant US region with 68.6% market share of stopover visitors to the island grew by 12.9% mitigating declines of 1.1% and 2.4% in the Canadian and European markets, these accounting for 14.8% and 12% respectively of market share of stopover visitors. The emerging Latin American market increased by 17.4% and the Caribbean Region recorded a 6.4% increase in stopover arrivals.

There was considerable optimism that cruise arrivals which saw declines in excess of 15% during the review period, would enjoy a resurgence based on the anticipated inaugural visit to Jamaica of the Symphony of the Seas, the world's largest cruise ship, in May 2020, the opening up of heritage treasure, Port Royal, as a port of call, defining developments such as the artisan village at Hampden Wharf in historic Falmouth and such upgrades as the new promenade from the cruise pier to the town of Ocho Rios, a stellar performer in cruise arrivals over the decades.

The tourism sector's commendable performance with arrivals breaking records over a number of years, has been driven by multifaceted and collaborative approaches to building experiential tourism, expanding the cadre of certified tourism workers, continuing emphasis on developmental and transformative projects and building out the industry's technological infrastructure with a deliberate focus on communities feeling the impact of and

contributing to tourism.

There was continued growth in airlift to the island, notably from the U.S., the United Kingdom and Latin America. Leading local and global hotel brands continued showing great interest in having or expanding their share of the Jamaican tourism experience, with foreign direct investment in the sector reported at US\$470 million for 2019.

With the onset of the COVID-19 pandemic, the first quarter of 2020 saw international tourist arrivals fall by 67 million or 22% compared with the same period in 2019 with an accompanying loss of some US\$80 billion in exports.

Jamaica, having recorded an 8.4% increase in stopover arrivals in 2019 followed by an average 6% rise in stopovers for the first two months of the new year, saw a 59% decline in stopover arrivals in March 2020. Cruise ship arrivals which had registered a cumulative decline of 15.5% in the previous fourteen months, fell by 62.7% in March.

While the head-winds of COVID-19 dominated the headlines in the closing weeks of the Reporting Period and will continue to challenge the resilience and crisis management capacity of tourist destinations worldwide in the months ahead, the TEF in serving Jamaica's tourist industry for the benefit of the economy and people of the island, is able to present a record of substantial positive outturns for the financial year April 1, 2019 to March 31, 2020.

Administration of Funds

In keeping with the Government's public financial management reform measures, signed into law in August, 2017, the inflow of revenues to the TEF was directed to the Consolidated Fund in the Reporting Period, with the TEF settling into the structural and operational changes required for accessing funds to ensure robust pursuit of its development objectives for the industry.

The funding relationship established between the Tourism Enhancement Fund, the Ministry of Tourism and the Ministry of Finance and the Public Service functions such that:

- TEF receives income from the Consolidated Fund and not, as in the past, directly from airline and cruise fees;
- Approval for budgetary expenditures is given by Parliament after review of the budget submitted by the TEF;
- The TEF is required to spend within budget on projects that are approved;
- There are restrictions on the reallocation of funds during the year. This would require a request to be submitted to the Ministry of Tourism.

Significant policy shifts have limited options which previously allowed funds to accrete during the process of building out mega projects. The operational procedures for the TEF have required balancing of monthly Warrants for funding requested by the TEF from the Ministry of Finance and the Public Service submitted through the portfolio Tourism Ministry and submission of project claims.

Under existing structures, the TEF must perform against a budget and a fiscal cycle of 12 months. If approved projects are not completed in the designated fiscal year, the amount required to complete the project can be built in the next budget year cycle. However, the amount not used in the previous year will not accrue and will therefore not be added to the new budget.

These constraints have had to be taken into account in consideration of new project ideas that the Agency may wish to infuse into its current budget. Where projects are of great significance, approval can be sought from the Ministry of Finance and the Public Service for additional funds to implement the project in the current financial year.

As has been the case historically, the TEF continued to place a premium on projects for which it has responsibility, being managed and the expenditures undertaken in such a manner as to ensure the TEF and the industry achieve the expected return on these projects.

In addition to using Agency-approved budget lines, the TEF also monitored expenditures using Medium Term Results Based Budgeting (MTRBB), a management and planning tool which seeks to align resource allocation to specific, measurable results within a medium term and an important plank in the Government of Jamaica's public financial management reform process.

The approved TEF budget for the 2019-2020 financial year was J\$3.57 billion. Expenditure for the year was J\$3.84 billion, of which Projects accounted for \$3.3 billion.

Small and Medium Tourism Enterprises

The Tourism Enhancement Fund maintained its facilitation of Small and Medium Tourism Enterprises (SMTEs) through the Jamaica National Small Business Loans scheme (JNSBL). The TEF has disbursed the full J\$277 million as per this agreement. However, total disbursement under the programme is recorded as J\$845 million, reflows from repayments having been used for further on-lending.

Similarly, the TEF has disbursed the full J\$1 billion to EXIM Bank as agreed with that institution for on-lending to SMTEs. The current loan facility has been converted to a Revolving Loan Scheme with the EXIM Bank retaining both principal and interest for on-lending in perpetuity. At year end, loans through the EXIM Bank totalled J\$1.06 billion.

Government Revenue

In the financial year 2019-2020, the Government earned \$7.927 billion in fees collected from the airlines vis-a-vis \$7.069 billion in the corresponding period in 2018-2019. Cruise income was \$224 million compared to \$204 million in the corresponding period last year. The TEF transferred a total of \$7.702 billion to the Consolidated Fund, this being net of collection expenses.

In the course of the review period, the TEF essentially completed the restructuring of its financial management systems as well as operational changes flowing from its incorporation from the Ministry of Tourism and sister Agencies, of a number of departments. These are the Tourism Linkages Network (TLN), driving the development and strengthening of linkages between the tourism sector and other productive economic sectors; the Jamaica Centre of Tourism Innovation (JCTI), with responsibility for professional development of tourism workers and the Research and Risk Management Department (RRMD) tasked with gathering and analysing broad tourism data to guide decisions and responses to inevitable challenges for tourism nationally and globally.

The broadening of activities undertaken through these departments included the TLN's development of an online platform, www.agrilinkages.gov.jm, on the Government of Jamaica platform and other initiatives in the Agriculture network such as the Backyard Farming Programme in Lilliput, St. James and continued development of the Strawberry Farming Programme with a view to supplying local hotels and businesses. Other sectors in which the TLN pursued the potential for linked goods and services included restaurants, craft, health, entertainment, shopping, transportation, attractions and tours.

The Research and Risk Management Department undertook several marketing initiatives to increase the TEF's online presence. Based on the analytics and reviews received by the department, it

was revealed that the Agency received substantial traction from posts informing the public of the products in demand based on the recently concluded Tourism Demand Study, and the TEF Summer Internship Programme.

Other successful endeavours included the workforce training programmes by the Jamaica Centre of Tourism Innovation in partnership with the National Restaurant Association, the American Hotel and Lodging Educational Institute, the University of the West Indies Law School and Open Campus and the Human Employment and Resource Training Trust/ National Service Training Agency (HEART /NSTA Trust).

Among the policy changes impacting the Tourism Enhancement Fund was the partial shift in sponsorship of events from the Jamaica Tourist Board to the TEF. Execution of events remains the responsibility of the JTB, with that Agency's Events Team, including a representative from TEF, reviewing requests, and the selected events being submitted to TEF for consideration.

In its implementation of projects and programmes for the growth and development of the tourist industry, there was particular attention paid in the review period to the alignment of projects across agencies. This was pursued among the Heads of Agencies for TEF, Tourism Product Development Company Ltd (TPDCo) and Jamaica Tourist Board (JTB) as well as entities with which the TEF partners regularly, notably the National Works Agency (NWA), National Solid Waste Management Authority (NSWMA), the Urban Development Corporation (UDC) and the Port Authority of Jamaica (PAJ).

Overview of Projects

Highlights of TEF developmental projects in the review period include practical completion of the Hampden Wharf and prototype Artisan Village in historic Falmouth and commencement of the Grange Pen Resort Squatter settlement project in St. James with funding support of J\$963 million allotted to the Housing Agency of Jamaica (HAJ) for infrastructural upgrades.

The St James area has also benefited from TEF funding of 'Operation Restore Paradise' a J\$25.5 million project by the St. James Municipal Corporation to rehabilitate and beautify the streets in Montego Bay, including demolition of derelict buildings, rehabilitative works at the Old Craft Market, construction and installation of road signs.

Projects in partnership with the Tourism Product Development Company Ltd include the Negril Mini-Stadium Phase 2; Flankers Sport and Vending Complex Phase 2 with the vending area completed and handed over; the Content Community Centre Phase 1 as well as an expansive programme of tourism resort maintenance, streetscapes in resort towns and the erection of directional signage.

Health-related and environmental activities with the National Solid Waste Management

Authority included the TEF's allocation of \$94.9 million for island-wide clean-up activities in addition to a Dengue Eradication Programme in thirteen communities in St. James. Environmental clean-up activities were also undertaken with Western Parks & Markets, North Eastern Parks and Markets (NEPM) and Southern Parks and Markets Ltd (SPM).

TEF's collaborative projects with the National Works Agency spanned the rehabilitation of multiple roadways leading to attractions and places of interest. The North Coast highway road markings programme was successfully executed and at year-end, the project to repair streetlights along the Elegant Corridor was on-going with expectation of sign-off by Cabinet for transfer to the Jamaica Public Service Company of operations, these being government assets.

The TEF Public Beaches Programme under which upgrading of beaches island-wide has been undertaken in collaboration with the Urban Development Corporation, Parish Municipal Corporations and the Tourism Product Development Company Limited has seen significant improvement in the recreational facilities available to citizens and visitors. There was much focus during the review period on the Closed Harbour Beach Park Development, on which work commenced in May 2019 with completion slated for the end of 2020.

The support of cultural endeavours, including operational support for the Montego Bay Cultural Centre, preservation and enhancement of heritage sites, preservation of marine life and protected areas were all facilitated in keeping with the mandate of the TEF "to collaborate with other agencies to achieve growth and development in areas of the tourism sector including heritage, entertainment, culture, environment and community-based tourism".

COVID-19 Response

The advent of the Covid-19 pandemic and its effects in the first quarter of 2020 dramatically ended ten years of sustained growth for tourism internationally as airports and borders closed giving effect to worldwide travel restrictions. Data from the United Nations World Tourism Organization (UNWTO) show international arrivals declining by 22% in the first quarter of 2020 with arrivals in March plummeting by 57%.

The enormity of the fallout is expressed in the UNWTO's best case scenario being a 58% decline in international arrivals in 2020, with some recovery envisaged in the final quarter of 2020 and into early 2021.

Projections in Jamaica, which saw a decline of 60.7% in total visitor arrivals in March 2020, are for an estimated annual loss of J\$108 billion to the tourism sector for the financial year April 2020-March 2021 and a fallout of J\$38.4 billion to the government from direct revenue from the sector. The estimated contraction in GDP from COVID-19 for the fiscal year 2020-2021 is 5.1 per cent.

The leadership role of Jamaica's Ministry of Tourism with the support of the TEF in the 2018 establishment of the Global Tourism Resilience and Crisis Management Centre (GTRCMC) based at The University of the West Indies (UWI), Mona campus, speaks to the comprehensive approach to capacity building for the industry. The GTRCMC is mandated to enhance the capacity and capabilities of global tourism destinations to prepare for, manage and swiftly recover from crises or disruptions to the sector.

The Centre is closely aligned with the Research and Risk Management Department at the TEF and is expected to exercise a strong role in programmes to mitigate the devastating effects of the COVID-19 pandemic on tourist arrivals and loss of earnings.

While new health and travel protocols are being determined nationally and internationally, the TEF has sought to be proactive in its response to the crisis facing the most vulnerable players in the local industry and supportive of government's measures to contain the spread of the virus while planning strategically for recovery in the months ahead.

The TEF was early in establishing a Crisis Management Committee among Board members to help guide its policy decisions regarding the Agency's COVID-19 response. There was reassessment of approved Projects to determine appropriate deferrals. Shifts in strategy at the local level facilitated farmers within the Tourism Linkages Network (TLN), for example, supplying the local market with excess

perishables as hotels and restaurants closed. The JCTI for its part, adjusted its operation by collaborating with its local and international partners to offer certification programmes online. The JCTI, in partnership with the Tourism Product Development Company and the Ministry of Health & Wellness, also developed a training video to familiarize persons returning to work with the rules in the Post-COVID-19 workplace.

A significant resolution taken by the Board of the Tourism Enhancement Fund in its early COVID-19 response mandated that all beneficiaries of TEF/JNSBL and TEF/EXIM loans would receive a 90 days moratorium on principal and interest, with no fees or penalties and an increase in the maximum loan period for existing clients from 5 to 7 years. This determination, in keeping with the TEF's long-established support of the small and medium tourism enterprises (SMTEs), represents a tangible step toward some stability in the sector and positioning the smaller players for timely recovery.

The current pandemic calls for unprecedented levels of preparedness, management and flexibility as tourist destinations seek to cautiously reopen for business with increased reliance on new technologies and collaborative approaches in engaging local and international partners.

The Tourism Enhancement Fund is committed to playing its part in the recovery process and renewed growth initiatives for tourism in Jamaica.

Work in Progress — Closed Harbour Beach Development.



Executive Director's Report OVERVIEW



Dr. Carey Wallace,
- Executive Director



I have the pleasure of presenting the Financial and Operational Report on the Tourism Enhancement Fund (TEF) for the period April 1, 2019 to March 31, 2020.

Government Revenue

The Government of Jamaica, Year to Date (YTD), earned \$8.150 billion in fees; \$7.927 billion collected from the airlines while cruise income was J\$224 million. This compares to \$7.069 billion in fees from the airlines and J\$204 million in cruise income for the corresponding period last year.

*(See Financial Report for additional details).

Trade Debtors

Trade Debt to date stands at \$711.7 million (US\$5.4 million). This consists of J\$636.8 million for Airline and J\$74.8M for Cruise as at March 31, 2020. As at April 09, 2020 the TEF collected 66%/US\$3.5 million of the outstanding receivables as at March 31, 2020. There was a fall in collections in March 2020 due to the current COVID-19 pandemic.

In keeping with the financial instructions from the Ministry of Finance and the Public Service, J\$7,701.6 million which is net of fee collection expense, was transferred on a YTD basis to the Consolidated Fund, of that amount J\$7,485.8 million represented fees from airlines and J\$215.8 million represented cruise income.

The TEF closed the 2019-2020 financial year having received the total approved subvention from the Consolidated Fund. In addition to the J\$3.57 billion approved for the 2019/2020 Financial Year, the TEF had J\$88 million for projects rolled over from the 2018/2019 FY which was recorded by the Ministry of Finance and the Public Service as Appropriation in Aid (AIA).

The TEF budget for the 2019/2020 Financial Year at J\$3.57 billion, was down from approximately J\$4.1 billion in FY 2018-2019. The budget was reduced because of the amounts transferred directly to the Ministry of Economic Growth and Job Creation (MEGJC) for the Closed Harbour Beach Development project; to the Ministry of National Security (MNS) for the District Constable programme and J\$200 million to the Montego Bay Convention Centre.

There was the imperative to adhere to budget categories as listed for the 2019/2020 financial year as unspent allocated funds could not be vired without prior approval from the MoFPS for other projects as was the case in the past.

Total expenditure for the Financial Year was J\$3.69 billion, this representing 103% of the budget.

- Project expenditure for the year was \$3.3 billion
- Operating expenditure accounted for \$382.9 million.

The TEF continued implementing measures to accurately determine warrant requests relative to project cycles.

In addition to TEF approved budget lines, the Agency also monitors expenditures using the Medium-Term Results Based Budgeting (MTRBB), framework from the Ministry of Finance and the Public Service as shown below.

DESCRIPTION	2019-20				Qrt 1	Qrt 2	Qrt 3	Qrt 4	MAR TYD
	Approved Budget	Appropriation in Aid	Supplemental Budget	Revised Budget ***	Actual Qrt	Actual Qrt	Actual Qrt	Actual Qrt	Actual YTD
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Tourism Product Development	3,574,952	-	3,663,903	3,663,903	624,253	917,388	1,217,272	968,713	3,727,627
Product Enhancement	3,350,852	-	3,439,803	3,439,803	570,487	878,442	1,143,571	907,150	3,499,650
Direction and Management	542,609	-	542,609	422,609	114,732	95,339	102,294	105,791	418,155
TEF Management & Operations	496,849	-	496,849	416,849	114,322	94,383	102,294	109,766	413,194
Tourism Research, Innovation & Entrepreneurship	45,759	-	45,759	5,759	410	956	-	3,596	4,961
Human Capital Development	251,629	-	251,629	242,752	49,300	84,702	61,152	43,196	238,349
Maintenance/ Rehabilitation of Tourism Areas	2,004,341	88,952	2,093,293	2,463,304	363,992	657,287	909,863	564,743	2,495,884
Tourism Investment	552,273	-	552,273	347,262	42,463	41,115	70,263	193,421	347,262
Tourism Business Development	224,100	-	224,100	227,977	53,766	38,946	73,701	61,564	227,977
Tourism Linkages Network	169,600	-	169,600	173,406	36,413	13,849	61,580	61,564	173,406
Local Supply Chain Integration	54,500	-	54,500	54,500	17,354	25,097	12,120	-	54,571
TOTAL	3,574,952	-	3,663,903	3,663,903	627,984	909,817	1,218,175	968,713	3,727,627

*** - Virements were done to prevent under-spending in some budget categories; expenditures are inclusive of asset acquisitions

PROJECT MANAGEMENT

The format of reporting on Projects reflects categories as stated in the Budget with the related approved budgetary amounts, expenditure and balances. The Projects Department ensured on-site presence and monitoring of projects with routine visits, meetings and appraisals.

The on-going aim has been to forge optimum partnerships with executing entities stressing stakeholders' agreement on timelines, schedules and plans to ensure that project scope and objectives are clear and understood. The TEF Board also conducted site visits to further enhance clarity regarding the scope of projects and attendant issues.

The TEF pursued its programmes within the objectives outlined for the tourism industry, maintaining developmental activity in the resorts while supporting a wide range of projects consistent with an expanded vision for the industry as providing new experiences of the destination, empowering small operators and encompassing communities while ensuring that funds allocated are optimally spent. In the course of the review period, it was determined that administrative fees would not be paid to agencies seeking TEF funding to implement projects initiated by said agencies.

PROJECT OVERVIEW

In the course of the review period, the TEF's Project Management Department appraised, presented for Board approval and monitored some 262 projects and programmes widely ranging in scope but with the principal objective of impacting the growth and development of tourism in Jamaica.

There was keen attention to on-going improvements in the island's major resort areas with practical completion of

road markings and raised pavement markers (cat's eyes) on the North Coast Highway project and continued work on lights for the Elegant Corridor, itself one of the signature transformative projects of the TEF in the Montego Bay area. The substantial Grange Pen Resort Squatter settlement project in St. James with funding support of JM\$963 Million to the Housing Agency of Jamaica (HAJ), is the largest current TEF programme targeting infrastructural upgrades in settlements proximate to the island's resorts. At year-end, the installation of Grange Pen water infrastructure project was 80% completed.

Other projects in the Montego Bay/St James area included rehabilitation of areas of the Old Fort Craft Market. The concern for orderly and compassionate development was seen in provisions made for the relocation of fisherfolk in the Montego Bay resort area. In Falmouth, the Hampden Wharf project being undertaken with the Port Authority of Jamaica (PAJ) was at practical completion, the operation of this first of the planned Artisan Villages being highly anticipated. The Falmouth area benefited from beautification works, drain cleaning, de-bushing, repairs to existing sidewalks and kerb walls in Duncans and construction of bus stops along the North Coast.

Wide-ranging Resort Town Maintenance was undertaken through the Tourism Product Development Company (TPDCo) with funding support of J\$500,630,000.00 for the routine maintenance and beautification of verges island wide. There was also assistance in preparation for the start of the Tourist Season and special holidays.

In Ocho Rios, St Ann, construction of architecturally styled taxi/bus stops through the St. Ann Municipal Corporation, the fabrication and installation of landmark signs in the parish of St. Ann and installation of garbage skips were among the steps taken to enhance the ambience of this Resort which over time has benefited from a multi-billion dollar

redevelopment programme through TEF partnership with the Urban Development Corporation. Among the signature features is the town's Promenade, a walkway extending some 400 metres from the Ocho Rios Marina to the entry gate of the Ocho Rios Bay Beach.

Investment to improve security and health services in the Resort Areas was seen in the provision of motorbikes for the "Operation Secure Paradise" Programme of the Jamaica Constabulary Force and facilitating ambulance services by the Jamaica Fire Brigade in the parishes of St. James, St. Ann, Westmoreland, Portland, Trelawny and Hanover.

The Kingston region, important for business travel and central to powerful marketing of the destination as a cultural centre, benefited from clean-up and beautification in the New Kingston Area through TPDCo with TEF funding support of J\$20.4M. In the historic Downtown district of Kingston, recognized as being ripe for redevelopment, there was upgrading works on Ocean Boulevard overlooking the Kingston Harbour, Duke Street to King Street, execution being through the Kingston and St. Andrew Municipal Corporation (KSAMC).

Historic Devon House, built by the first black Jamaican millionaire and carefully preserved as a popular recreational centre, partnered with TEF for plans to create a bust of first owner, George Stiebel to be installed at the mansion. The Devon House Development Company Limited also partnered with the TEF for the construction of an architecturally styled bus stop in the vicinity of Devon House and staging of the Devon House Jazz Concert.

Standby Generators, wi-fi and televisions were funded for Bath Fountain Hotel & Spa in St Thomas, an Eastern parish targeted for tourism development, even as provision was made for the Ministry of Tourism to conduct a study with a view to comprehensive upgrading of both Bath Fountain and the Milk River Bath, famous mineral waters in Clarendon.

There was passenger facilitation through the funding of ABC kiosks at the Sangster International Airport in Montego Bay while on the South side of the island, TEF partnered with TPDCo with support of J\$26.4 million to implement a beautification project for the Humming Bird Trail from the Norman Manley International Airport to the business district of New Kingston.

Port Royal, considered one of the most significant catastrophic heritage sites in the Western Hemisphere, and recipient of substantial TEF redevelopment funds over the years, saw the docking of a cruise ship for the first time on January 20, 2020. In the review period, the TEF was pleased to partner with the Port Authority of Jamaica (PAJ) to fabricate and install signage throughout the town of Port Royal and for hardscape in time for the inauguration of cruise shipping in the area.

Environmental projects supported in financial year 2019-2020 spanned rehabilitation of the Salem Fishing Beach in St Ann in partnership with the National Environment and Planning Agency and the execution of phase five of the Clean Coast Programme by the Jamaica Environment Trust. There was support for International Coastal Clean-up Day 2019 at the request of the Jamaica Environment Trust in which members of the Tourism Action Clubs in schools as well as members of the TEF and sister Agencies also participated. Other TEF funded projects spanned coral reef resuscitation within the Mammee Bay area and support of the White River Marine Association to continue work in relation to the White River Fish Sanctuary, established partly through the assistance of the TEF in 2017.

There has been support for projects to stem beach erosion in Ocho Rios and for the Mona Geoinformatics Institute's establishment of a "Shoreline Monitoring Station" (SMS) at Long Bay in Negril which has experienced extensive shoreline erosion. TEF supported mangrove rehabilitation along the Palisadoes roadway in Kingston and Salt Marsh, Falmouth as well as a National tree planting project by the Government of Jamaica. There were environmental projects by the Northern, Southern and Western Parks and Markets and the funding of a Truck for recyclables within the resort town of Negril.

TEF support of the comprehensive programme for development and upgrade of beaches islandwide continued with projects encompassing the St. Thomas Municipal Corporation's efforts at Rocky Point Beach in the parish, further support for the rehabilitation of Salem Beach and facilitation of the National Environment and Planning Agency's development of a master plan for the Hellshire Beach, St. Catherine.

Infrastructural projects supported by the TEF were extensive and included installation of traffic signals at North Coast Highway/RIU Hotel, St. Ann, rehabilitation of the Dumfries to Hampden Sugar Estate Road and the road to the famous Lover's Leap attraction in Southfield, St. Elizabeth. The TEF facilitated improvement in Water Supply from Negril to Runaway Bay, rehabilitation of roads in the Boscobel Division, St. Mary including the roadway to Marley Beach and the roadway leading to Nine Mile, location of the Bob Marley Mausoleum, St Ann.

Other TEF supported infrastructural works took place in St. Thomas, the road leading from Carnie to Maida, St. Ann, the Great Bay Roadway leading to Treasure Beach and to Galleon Beach in St. Elizabeth. There was pavement upgrade in Gordon Town Square, St Andrew renamed for cultural icon, the Hon. Louise Bennett-Coverley, rehabilitation of the Cedar Spring to Accompong Roadway, improvement of the Robin's Bay Roadway and the roadway leading to Roaring River in Westmoreland.

The extensive listing for road rehabilitation includes the roadway leading to the Berrydale Falls or Rafting on the Rio Grande, an attraction owned and operated by TPDCo. TEF's

relationship with TPDCo included the continuation of the Rafters Rest Sewage upgrade project. Among projects with the National Works Agency was rehabilitation of the roadway at the West End in Negril and drainage repair of the roadway along the Norman Manley Roadway in Negril. Near the end of the reporting period, TEF facilitated ground-breaking for the Canaan to Adelphi Water Tank project in St James.

The objective of improved access to the island's attractions was pursued in rehabilitation of the roadway leading from Toll Gate and from York Town to the Milk River Hotel & Spa in Clarendon.

TEF also provided partnership support of J\$20,000,000.00 to the TPDCo to fabricate and install directional signage for and identifying signs at tourism-related points of interest.

The TEF's support of trade shows, conferences, meetings and expositions worked to strengthen the island's international profile and visibility in the marketplace. Numbered among these events were Japex 2019, MoBay Expo 2019 highlighting the plans of the Montego Bay Chamber of Commerce and Industry to promote the city of Montego Bay; the 'Destination Jamaica' Trade Show hosted in Canada; Caribbean Hotel Investment Conference and Operations Summit (CHICOS) 2019 and the Caribbean Hotel and Tourism Association (CHTA) Marketplace 2019.

Programmes in health, education, security and community development were supported by the Tourism Enhancement Fund in the cohesive effort to further leverage tourism as a catalyst for socio-economic empowerment.

The strength of the island's heritage, culture and sporting tradition represents a springboard for various initiatives bringing measurable value for brand Jamaica. TEF supported ventures such as the continued renovation of heritage structures: the Ward Theatre, Trelawny Parish Church, the museum room at the St Peter's Anglican Church, Port Royal and St. Mark's Anglican Church, Manchester and Seville Heritage Park, St Ann.

The 'Downtown Kingston Art District' Community Events staged monthly by Kingston Creative Limited received support to develop the arts, culture and community tourism in Downtown Kingston. In the sporting arena, analysis of events seeking sponsorship was enhanced by use of the Sports Tourism Economic Assessment Model (STEAM) evaluation tool introduced for use by the Jamaica Tourist Board.

TLN/ JCTI/RRMD

The Project profile of the Tourism Enhancement Fund has expanded significantly with the restructuring of the Agency to incorporate the Tourism Linkages Network (TLN), strengthening tourism's linkages with other sectors of the economy; the Jamaica Centre of Tourism Innovation (JCTI), facilitating increased levels of professional development among industry workers and the Research and Risk Management Department, collaborating with sister Agencies and the Global Tourism Resilience and Crisis

Management Centre, University of the West Indies, to generate, manage and analyse tourism data for enhanced resilience and development within the industry.

The Tourism Linkages Network incorporates Gastronomy, Health and Wellness, Knowledge, Sport, Entertainment, Shopping, Agriculture and Manufacturing. Highlights of activities falling within the Linkages network include a number of festivals, cultural and other events championed by the Jamaica Tourist Board's Events Team, several long-established on the international calendar.

Initiatives included design and implementation of a Marketing Plan for the 'Top Events Jamaica' Programme, which utilises a mix of digital and on the ground marketing strategies to promote a monthly listing of entertainment and sporting events to visitors while on the island. The platform allows marketing of all events in Jamaica under one platform and is also powered in to JTB's 177 travel agents.

Phases of the 'Backyard Farming Programme' notably in the Lilliput, Barrett Hall, Barrett Town communities attracted much support with the added advantage of the Heart Trust /NSTA being able to provide certification to participating farmers. There was strong marketing of the Network's 'Taste Jamaica' App and facilitation of a Speed Networking event allowing tourism entities to meet with suppliers of goods and services.

Strawberries were provided by Mr. Lester Murry another beneficiary of the Strawberry Farming Programme

A significant output of the 'Network' was completion of the Tourism Demand Study executed by the University of the West Indies (UWI) and there was continued focus on small entrepreneurs with a workshop to improve the capacity to market their businesses using the social media platforms and 'Peer to Peer' (P2P) network systems developed.

The certification programmes for tourism workers facilitated by the JCTI in collaboration with local and overseas certification institutions, met and exceeded expectations in a number of instances. Certification was facilitated through, among other institutions, the American Culinary Federation (ACF), the premier certifying body for cooks and chefs in America. There was certification for Hospitality Supervisors, through the American Hotel & Lodging Educational Institute, bartenders through HEART/NSTA Trust and entertainment facilitators notably the much acclaimed Jamaican disc jockeys, through the Tourism Linkages Network.

In collaboration with the Ministry of Education Youth & Information, the JCTI worked to kick-start the careers of high school students interested in hospitality, tourism and the culinary arts. In the review period, the TEF implemented year two of the certification of some 450 students providing them with the Hospitality & Tourism Management Programme Certificate through the American Hotel and Lodging Education Institute (AHLI), as well as an Occupational Associate

Degree in Customer Service. These young candidates will be important to human capital development in the tourism sector as they will be well prepared for entry level jobs and be ready for supervisory positions in two years.

The JCTI, during the period under review, was given the responsibility for the Summer Internship Programme (SIP). In the period under review, JCTI was somewhat involved in the summer of 2019, through the introduction of the Customer Service Gold programme for 650 students. In 2020, notwithstanding the effects of the Coronavirus, plans are under way to roll out a four-week summer programme for 1,500 young people between the ages of 17 and 25. In support of the roll-out of this programme, a web-based platform has been developed to support the activities of the TEF, employers and candidates.

JCTI has commissioned a study to determine more closely the requirements for specific certification and the numbers required to satisfy demand in the tourism sector. The report from this Human Capital Demand study will guide its programmes and inform that of its partners for the period long after this review period.

The output of the Research & Risk Management Department (RRMD) has been a clear indicator of the increased application of technology for digital transformation, new work methodologies and measurements for productivity for the tourist industry.

Among the highlights of activities was the development of the JCTI Learning Management System, as part of the pilot project for the Tourism Intelligence Platform, resulting in a robust database of tourism workers. The Platform will be equipped with 'cutting-edge' data security sharing engine. Additionally, in partnership with the JCTI, the department has overseen the design, testing of a mobile application ("app") to increase the level of literacy among tourism workers. The department was also engaged in discussing the opportunities and challenges that 'P2P' provides in Jamaica.

Important collaborative initiatives included the RRMD's move to engage the Bureau of Standards Jamaica (BSJ) to assist in the development and implementation of an Enterprise Risk Management Policy and plan for the TEF.

Staff

With the new departments in full operation, the TEF determined that added responsibilities and evolution of programmes under its remit required further adjustment to the organisational structure. The TEF has therefore commenced reviewing of its structure to determine the staffing needs and seek to get approval to fill the identified needs.

COVID-19 Response

March 2020 was dominated by the novel COVID-19 pandemic with international arrivals during that month declining dramatically following widespread introduction of travel restrictions.

In the face of the COVID-19 pandemic, the TEF management team undertook an assessment of all current projects for circulation to the Board and decisions as to deferral or cancellation in compliance with the Government's measures to contain the spread of the virus. Some of the events affected included the Blue Mountain Coffee Festival, Carnival in Jamaica, the Kingston City Marathon, various handing over and ground-breaking ceremonies.

A shift in focus of the Tourism Linkages Network (TLN) saw several farmers who had been supplying hotels and restaurants supplying their excess produce to local consumers with the help of the AGRI-Linkages on-line platform in implementing a local delivery system. Additionally, some of the excess farm produce was purchased by the TEF through the TLN and distributed as care packages to some of the most vulnerable in the Resort Towns. The care packages distribution commenced in Negril, Montego Bay and Ocho Rios.

The JCTI adjusted its operations by offering some of the certification programmes online.

At the end of the financial year, it should be recorded that despite the COVID-19 pandemic, and the considerable effect on events, works on most major projects continued, although in some cases progress was somewhat slowed.

Protection of Staff

Actions taken by Management to protect members of the TEF staff included implementing the Government's 'work from home' policy. This was facilitated by the procurement of additional laptops and cellular phones for staff members.

Acknowledgments

I should like to express my appreciation to the Chairman and Board of the TEF for their leadership and guidance in a period of continued evolution for the TEF and of dramatic and potentially devastating developments for tourism nationally and internationally. I should like to also thank and commend the Management Team and staff of the TEF for their committed role in striving for the most favourable outcomes in the changing dynamics of the tourist industry on which the Jamaican economy and its people are so heavily dependent.

Carey Wallace, PhD

Executive Director



Projects Overview

“TOURISM DOLLARS WORKING FOR YOU”

Resort Area Improvement

- Road markings and cat's eyes on the North Coast Highway project;
- Repairs to street lighting for the Montego Bay Elegant Corridor through the Jamaica Public Service Company Limited;
- Grange Pen Resort Squatter settlement project in St. James with funding support of JM\$963 Million to the Housing Agency of Jamaica (HAJ);
- Emergency Fire Fighting Equipment for Harbour Street Craft Market;
- Operational Support for the Montego Bay Cultural Centre J\$32.5 million;
- Rehabilitation of the Old Fort Restaurant at the Old Fort Craft Market, St. James with the St. James Municipal Corporation;
- Construction of Sanitary Convenience at the Old Hospital Park, Montego Bay with the St. James Municipal Corporation;
- Relocation of fisherfolk in the Montego Bay resort area;
- Tourism Resort Town Maintenance 2019/2020 through the Tourism Product Development Company (TPDCo); J\$500,630,000.00 for the routine maintenance and beautification of verges island-wide;
- Construction of Architectural Style Taxi/Bus Sheds through the St. Ann Municipal Corporation;
- Purchase and Installation of Garbage Skips in St. Ann;
- Fabrication and installation of landmark signs in St. Ann, through the St. Ann Municipal Corporation to identify and improve awareness of landmarks;
- Purchase of Ambulance for the Negril Fire Station to enhance services for the parishes of St. James, St. Ann, Westmoreland, Portland, Trelawny and Hanover;
- Clean-Up and Beautification Venture in the New Kingston Area through the TPDCo with funding support of J\$20,274,789.91;
- Clean Up for Kingston and St. Andrew, through the Kingston and St. Andrew Municipal Corporation (KSAMC), execution of sidewalk upgrading works on Ocean Boulevard, Duke Street to King Street.

Tourism Support Projects

- Passenger Facilitation Project at International Airports: funding support through the Passport, Immigration and Citizenship Agency (PICA) for the installation and commissioning of 15 new ABC kiosks at Sangster International Airport;
- The Passport, Immigration & Citizenship Programme - partnership in the Visa Waiver Programme for visitors from 6 Eastern European countries, namely, Russia, Poland, Hungary, Czech Republic, Slovak Republic and Ukraine;
- Christmas beautification programme in Ocho Rios, Discovery Bay, Runaway Bay and Brown's Town through the St. Ann Municipal Corporation;
- Beautification project for the Humming Bird Trail, from the Norman Manley International Airport to New Kingston through the TPDCo;
- Clean-up activities in Trelawny, Hanover and St. James through the NSWMA in preparation for the beginning of the Winter Tourist Season;
- Clean-up works from Little London to Sheffield in Negril Westmoreland through the NSWMA;
- Architectural style bus shed at Devon House through the Devon House Development Company Limited;
- Falmouth- construction of 12 bus stops along the North Coast;
- Development of Commercial Shopping Stalls leading to the Island Gully Falls- through the St. Ann Municipal Corporation.
- Signage throughout the town of Port Royal- partnership with the Port Authority of Jamaica (PAJ) to fabricate and install;
- Design and install branding/signs for thirty-one architecturally styled taxi/bus sheds in St. Ann and Trelawny;
- Attraction and Directional Signage- Island wide- to fabricate and install through the Tourism Product Development Company Ltd;
- Jamaica Travel Specialist Award- partnership with the Jamaica Tourist Board for Award to the top 50 Travel Agencies selling the most visits to Jamaica;
- Golden Tourism Day Awards: JTB partnership support to honour the tourism workers who have served over 50 years in the industry/mark start of 2019-2020 season;
- MoT Tourism Workers' Pension Scheme PR/Communication Campaign.

Environmental

- Rehabilitation of the Salem Fishing Beach, St Ann - National Environment & Planning Agency;
- Clean Coast Phase V- Jamaica Environment Trust;
- International Coastal Clean-up Day (ICCD) 2019: Jamaica Environment Trust (JET);
- Coral Reef Resuscitation: Steer Town/Mammee Bay Fishing and Recreation Beach Association;
- Environmental Projects 2019 across the North, South and West Parks and Markets- National Solid Waste Management Authority (NSWMA) removal of unsightly/bulky waste for various communities across the island;
- Recycling Truck for Negril- Tourism Product Development Company Limited- purchase of a truck to pick up recyclables within the resort town of Negril;
- White River Fish Sanctuary- White River Marine Association;
- Rehabilitation of the Retirement Disposal Site - The National Solid Waste Management Authority;
- Addressing Beach erosion in Ocho Rios;
- Mangrove Rehabilitation along Palisadoes Roadway, Kingston and Salt Marsh, Falmouth - Partnership with The Nature Conservancy/University of the West Indies;
- Shoreline Monitoring Station (SMS), Long Bay, Negril through the Mona Geoinformatics Institute to address extensive shoreline erosion;
- Beaches Programme – Development and upgrade Rocky Point Beach, St. Thomas;
- Rehabilitation of Salem Beach;
- Master plan for the Hellshire Beach, St. Catherine- through the National Environment and Planning Agency.

Infrastructural Improvement and Enhancement

- Beautification works, drain cleaning, de-bushing and repair to existing sidewalks and kerb walls in Duncan Trelawny - undertaken by Trelawny Municipal Corporation;
- Installation of Traffic Signals at North Coast Highway/RIU Hotel, St. Ann- through the National Works Agency (NWA);
- Rehabilitation of Dumfries to Hampden Sugar Estate Road - through the NWA;
- Rehabilitation of road leading to Lover's Leap, Southfield, St. Elizabeth- through the St. Elizabeth Municipal Corporation;

- Improvement in Water Supply – Negril to Runaway Bay - Canaan to Adelphi through the National Water Commission (NWC);
- Rehabilitation of Roads in the Boscobel Division, St. Mary- through the St. Mary Municipal Corporation;
- Road Marking along the North Coast Highway from Runaway Bay to Falmouth;
- Rehabilitation of Blue Mahoe Double Drive in St. Thomas- through the St. Thomas Municipal Corporation;
- Rehabilitation of Road Leading from Carnie to Maida, St. Ann - through the National Works Agency;
- Rehabilitation of the Great Bay Roadway leading to Treasure Beach- through the St. Elizabeth Municipal Corporation;
- Rehabilitation of Roadway leading to Galleon Beach- through the St. Elizabeth Municipal Corporation;
- Pavement Upgrade in Gordon Town Square - through the Kingston and St. Andrew Municipal Corporation- upgrading works in the vicinity of Gordon Town Square which was renamed after the Hon. Louise Bennett-Coverley;
- Rehabilitation of Cedar Spring to Accompong Roadway - through the Rural Agricultural Development Authority (RADA) to improve the travel time for cruise ship passengers from Montego Bay to the Appleton Rum Tour and Accompong;
- Improvement of the Robin's Bay Roadway - through the St. Mary Municipal Corporation;
- Development of Commercial Shopping Stalls leading to the Island Gully Falls through the St. Ann Municipal Corporation;
- Infrastructure Improvement of Road No.3 at Barrett Hall, St. James- through the Housing Agency of Jamaica;
- Erection of parish markers at the borders of Trelawny/St. Ann and St. Ann/St. Mary;
- Rehabilitation Fellowship to Berrydale Road leading to the Berrydale Attraction or Rafting on the Rio Grande;
- Geejam to Norse Hill Road Rehabilitation - through the St. James Municipal Corporation;
- Rehabilitative works on the roadway leading to Roaring River in Westmoreland - through the Westmoreland Municipal Corporation;
- Rehabilitative works on the roadway leading to Nine Mile, Bob Marley Mausoleum, St. Ann- through National Works Agency;



- Rehabilitation of roadway from Beecher Town to Murphy Hill- through the St. Ann Municipal Corporation;
- Rehabilitation of sections of Main Street in Ocho Rios- through the St. Ann Municipal Corporation;
- Rafters Rest Sewage Upgrade project - continuation of work through TPDCo;
- Rehabilitation of roadway leading to Milk River Hotel & Spa- through the Clarendon Municipal Corporation;
- Rehabilitation of Beecher Town to Murphy Hill Roadway through the St. Ann Municipal Corporation (Murphy Hill experience is an attraction listed on MSC Cruises Tour);
- Rehabilitate the roadway from Fording to Rock Hill in Somerton St. James - through the St. James Municipal Corporation (facilitating access to the Canaan to Adelphi Water Tank Project site);
- Rehabilitation of a section of the parochial road (Hurlock Road) in St. James- through the St James Municipal Corporation;
- Rehabilitation of a section of Corner Road at Dumfries in St. James- through the St James Municipal Corporation;
- Rehabilitation of a section First Street in Montego Bay, St. James- through the St James Municipal Corporation;
- Rehabilitation of a section of the North Coast Highway from Falmouth, Trelawny to Spot Valley, St. James;

- Rehabilitation of roadway at the West End in Negril- through NWA; works include widening of the roadway and construction of a retainer wall on the seaside;
- Drainage repair of roadway along the Norman Manley Roadway in Negril- through the Westmoreland Municipal Corporation;
- Beautification of Leeds to Lover's Leap Road- through the St Elizabeth Municipal Corporation;
- Beautification of Black River to Treasure Beach Roadway - through the St Elizabeth Municipal Corporation;
- Beautification from the Rest Stop at Scotts Cove to Black River Safari- through the St Elizabeth Municipal Corporation;
- Beautification works, drain cleaning, de-bushing and repairs to existing sidewalks and kerb walls in Falmouth, Trelawny- through the Trelawny Municipal Corporation;
- Drain/gully cleaning, road paving and beautification in sections of Kingston and St. Andrew - through the Kingston and St. Andrew Municipal Corporation.

Meetings/Conferences/Exhibitions



Vignette of the Artisan Village at 2019 Christmas in July

- Build Expo and Conference 2019;
- Japex 2019- through the Jamaica Hotel and Tourist Association (JHTA);
- MoBay Expo 2019 - through the Montego Bay Convention Centre;
- National Customer Service Week and Service Excellence

Conference 2019 - through the Jamaica Customer Service Association;

- Destination Jamaica Trade Show - through the Western Hospitality Institute;
- Forum to Promote Community Involvement in Jamaica's Tourism Product - through the Chancellor Hall Committee, UWI;
- Caribbean Hotel Investment Conference and Operations Summit (CHICOS) 2019 - through the Jamaica Promotions Corporation (JAMPRO);
- CHTA Marketplace 2019 through the Jamaica Hotel and Tourist Association;
- STEM, Tourism and Health and Wellness: Natural Synergies for Economic Growth and Development Conference- through the University of the West Indies; Partnership Support for the Sargassum Forum.

Health/Education/Security/Community Development

- St. Thomas Health Services funding to procure an Ultra-Low Volume Machine for the St Thomas Health Services;
- Vector Control Symposium - Western Regional Health Authority;
- Dengue Eradication in St James - through the National Solid Waste Management Authority (NSWMA);
- Picture Archiving and Communication (PAC) system for the Falmouth Hospital- through the Chukka Foundation;
- Investment to Improve Security in the Resort Areas- motorbikes for the "Operation Secure Paradise" Programme- the Jamaica Constabulary Force to assist with policing activities;
- Team Jamaica Training in Communities - through Premier Tourism Training Institute (PTTI) to provide Team Jamaica Training for residents of the Tivoli Gardens community;
- Lighting for the Wilson Shop Multi-purpose Complex- through the Alexandria Community Development Committee;
- Labour Day Project in South East St. Elizabeth- through the St. Elizabeth Municipal Corporation;
- Labour Day 2019- Renovation of the Mafato Community Centre- through the St. James Municipal Corporation;
- Labour Day Project 2019- St. James Schools through various schools and community groups in St. James;



Construction on — Port Royal's, Naval Hospital Roof



- Perimeter wall of the Pye River Cemetery, located in St. James- repairs through the St. James Municipal Corporation;
- CUMI Literacy and Learning Project - through the Committee for the Upliftment of the Mentally Ill (CUMI) in St. James
- TEF/TPDCo Summer Internship Programme;
- Standby Generators for Bath Fountain and the Police Station;
- Bathroom Facilities for the Salt River Mineral Spa- through the Clarendon Municipal Corporation;

Heritage, Culture & Sports



Launch of Top Events from Left: Kamal Bankay, Chairman, Entertainment Network, Asafa Powell, Hon. Edmund Bartlett, Minister of Tourism & Dr. Carey Wallace, Executive Director, TEF

- Murals to be placed on the road from Alexandria to the Bob Marley Museum- through the St. Ann Municipal Corporation;
- Devon House Jazz Concert - through the Devon House Development Limited;
- Jamaica Military Band in Concert 2019- through the JDF Ex-Soldiers' Association Western Chapter;
- Creation of a bust of George Stiebel to be installed at Devon House- through the Devon House Development Company;
- Installation of a new pump for the well at the Devon House property-through Devon House Development Limited;
- Boxing After Dark at Sabina Park- title fight promoted in the USA- request through Creative Sports and Entertainment Ltd;
- Sports Tourism Economic Assessment Model (STEAM) evaluation tool used to analyse applications through JTB for sponsorship; procurement for gathering data on the correlation of the event and room nights, spent, etc.
- Jamaica Open Golf Championship 2019- through the Jamaica Golf Association;
- Relay for Life 2019- through the Jamaica Cancer Society;
- CONCACAF Caribbean Club Championship - support toward staging;
- "Fireworks on the Waterfront" in the resort areas of Portland, St. Ann, Montego Bay and Negril;
- Independence Day 2019 – through the St. Catherine Municipal Corporation- clean-up works;
- Independence Day 2019 celebration activities, Westmoreland - through the Westmoreland Municipal Corporation;
- Youth Football Tournament in Kingston and St. Andrew - through the Kingston and St. Andrew Football Association (KSAFA);
- Content Community Centre construction- through the Tourism Product Development Company Limited;
- The Jamaica Home Sharing Association Annual General Meeting (association established in the interest of operators of Airbnb's);
- J. Wray and Nephew Ltd- sponsorship towards the staging of the second staging of the Jamaica Rum Festival;
- Continued construction of the mini-stadium in Negril, Westmoreland- through TPDCo;
- Renovation of the Trelawny Parish Church;
- Ward Theatre Renovation - installation of carpeting- through the Kingston and St. Andrew Municipal Corporation (KSAMC);
- Renovation of the museum room at the St Peter's Anglican Church, Port Royal-through the Georgian Society of Jamaica;
- Rehabilitation of the Mandeville/St. Mark's Anglican Church- restoration of the Mandeville Parish Church clock located at the St. Mark's Anglican Church, Manchester;
- Downtown Kingston Art District Community Events- through Kingston Creative Limited;
- Seville Heritage Park Rehabilitation- a National Heritage site-through the Jamaica National Heritage Trust;

- Re-branding of the Faculty of Hospitality, Tourism & Creative Studies at the Montego Bay Community College- support for scholarships/certification by the American Culinary Federation through a partnership with the JCTI;
- St James Emancipence Celebration- through the Jamaica Cultural Development Corporation (JCDC), St James office,
- Team Jamaica Training and Tour guide training for tourism workers in Portland and St. Thomas - through the Tourism Product Development Company Limited.

Tourism Investment/NGO Partnership



Health and Wellness Conference - 2019

- Pasta Supreme Jamaica
- Kingston Curry Festival 2019
- JDF Caribbean Infantry Training Centre
- Mobay Jerk and Food Festival
- Reggae Sumfest 2019
- Amalgamation 2019
- Boston Jerk Festival
- Ocho Rios International Jazz Festival
- Style Week Jamaica
- Port Antonio International Marlin Tournament
- Cinema Paradise Portie Film Festival
- Global Leadership Summit in Montego Bay.
- Joint Commission on Tertiary Education (JCTE) 2019 Conference
- Portland Paradise Weekend
- Boston Jerk Celebrations
- St. Thomas Heritage and Poetry Festival

- The National Tourism Debate 2020
- Tourism Services Excellence Awards

Tourism Linkages Network (TLN) Projects



Speed Networking - March 2019

- 2019 Blue Mountain Coffee Festival
- Spa and Wellness Sensitization Workshop
- Demand Study
- Natural Skincare Development workshop
- Spa Product Workshop
- Visionaries Summit- re. maximizing use of digital resources for greater efficiency and productivity
- Top Events Launch- The app allows users to find all 'top events' happening across the island; platform features peer review capabilities
- Carnival in Jamaica
- Christmas in July Trade Show
- Jamaica International Exhibition (JIE)
- 21st Annual Jamaica Observer Food Awards – Taste Jamaica Booth Activation
- 11th Annual International Charles Town Maroon Conference and Festival
- Carnival in Jamaica Road Parades Security Services
- The Jamaica International Exhibition (JIE)
- Reggae Sumfest Manufacturers Mall
- Denbigh Agricultural, Industrial and Food Show- execution of a Tourism Village
- Jamaica Product Exchange (JAPEX) Trade Fair- booth spaces for approximately 40 suppliers
- Collection of MoDA 2019, a premiere shopping

event that directly connects local suppliers to domestic and international buyers

- Ocho Rios Seafood Festival 2019
- Jamaica Food and Drink Festival 2019
- Entrepreneurship Coaching Phase 2
- Tourism Linkages/Entertainment Development
- South Beach Wine and Food Festival (SOBEWFF)
- 3rd annual Jamaica Blue Mountain Coffee Festival
- Training programme for DJs in the hotels
- Agri-Linkages Exchange Call Centre
- Backyard Farming (Phase 2)- Lilliput, Barrett Hall, Barrett Town Communities
- Restaurant Week- sponsorship- occasion used to market the Taste Jamaica app.
- Culinary Federation of Jamaica- Taste of Jamaica competition.
- Eat Jamaica Day
- Health and Wellness Conference
- Launch of Reggae Month 2020
- Coffee Spa Product Workshop in partnership with the Biotech Research and Development Institute
- Jamaica Health and Wellness Tourism Conference
- Japan Tourism Expo
- Style Jamaica Shopping Showcase, St. Ann
- Christmas in July Catalogue
- Papine Development Area Bizfest 2019
- Trelawny Business Village/Business Night Fair 2019
- Market on the Lawn
- Grand Market at Whitter Village
- Reggae Month 2020 - with Ministry of Culture Gender, Entertainment and Sport (MCGES) partnership in staging the series of events on the Reggae Month calendar
- 2020 Speed Networking Event
- Bob Marley 75th Anniversary Concert- Bob Marley Foundation
- Liguanea Drug and Garden Centre- Liguanea Art Festival.
- Calabash International Literary Festival
- Gregory Isaac Foundation- Red Rose for Gregory concert in honour of Gregory Anthony Isaacs O.D.

- Rock House Foundation - sponsorship support to promote Jamaica as a gastronomic destination
- Blue Mountain Coffee Festival scheduled for March 21, 2020
- Carnival in Jamaica launched in January, 2020
- Jamaica Rum Festival- Food, beverages and branding
- Workshop for small entrepreneurs to improve capacity in marketing their businesses using the social media platform
- Natural Skincare Product Development Workshop – Coffee Edition

JCTI/CDI



A tour of the newly developed Artisan Village by the Minister of Tourism and his team

- Establishment of the Artisan Village at Falmouth - research associated with the theming programme for the Artisan Village at Falmouth
- AHLEI Customer Service Gold- certification of 700 participants in the TEF Summer Internship Programme
- ACF Certification Programme - facilitate certification of culinarians
- Public Education programme - how JCTI supports career opportunities
- AHLEI - Hospitality & Tourism Management Programme – completing year two of the Programme for high school students
- Spanish Language Certification programme
- Bartender Certification Programme
- ACF certification Programme

- TEF Summer Internship programme in the American Hotel and Lodging Education Institute (AHLEI) Customer Service Gold programme
- Band Development programme (will provide daily entertainment on completion of the Falmouth Artisan Village)
- AHLEI Certification Programme- Hospitality Supervisors (CHS)
- AHLEI Certification Programme for middle managers
- AHLEI certification for high school teachers delivering the Hotel & Tourism Management Programme for the high school students
- JCTI Human Capital Demand Study- to guide the specific list of certification programmes and levels required to deliver on the demand
- Participation the Salon du Chocolate - Brussels, February 14-16, 2020
- Roll-out of promotions and marketing programmes for the AV at Falmouth
- Hanover Education Institute – working on a programme to equip and furnish the training kitchen at the Hanover Educational Institute to facilitate hospitality training for at-risk-youth.

Research & Risk Management Department (RRMD)

- Data Pilot Project - Development of a Tourism Intelligence Platform with a cutting-edge data security sharing engine
- Engagement of the Bureau of Standards Jamaica (BSJ) to undertake the development of the Enterprise Risk Management Policy for the TEF
- Design, test and deliver a mobile application (“app”) to increase the level of literacy among tourism workers (Planned partnership with the Jamaica Foundation for Lifelong Learning)
- ‘P2P’ - Exploring opportunities and challenges for use of business model for sustainable and inclusive tourism design and development of the TEF Summer Internship Platform which automates application, selection and evaluation of the Programme

Launch of Top Events — April 2019





OUTLOOK AND PRIORITIES 2020-2021

The COVID-19 pandemic caused a 22% fall in international tourist arrivals during the first quarter of 2020, data from the World Tourism Organization (UNWTO) shows; this on the back of a 57% decline in arrivals for March alone. The crisis, as stated by the UNWTO, could lead to an annual decline of between 60% and 80% when compared with 2019 figures, placing millions of livelihoods at risk and threatening a severe set-back in advances which had been made toward the 2030 Sustainable Development Goals (SDGs) adopted by all United Nations Member States in 2015.

The most optimistic projection of a 58% decline in 2020 international arrivals is based on the gradual reopening of international borders and easing of travel restrictions in early July 2020. The worse-case scenario of an 80% decline in international arrivals is predicated on such action in early December.

Uncertainty continues to dominate with industry pundits monitoring the speed of containment which will dictate progress toward recovery, real signs of which are not expected before 2021 and, in some instances, will not be apparent until as late as 2023. Domestic demand is expected to recover faster than international demand according to the UNWTO Panel of Experts Survey. Leisure travel is also expected to recover more quickly, particularly travel for visiting friends and relatives, than business travel.

The tentative forecast is for Jamaica's tourism to see growth in 2021 at levels equating to about 30% of that experienced in 2019.

At the close of the calendar year 2019, Jamaica had recorded uninterrupted quarterly growth expansion for five consecutive years. There was low and stable inflation and unemployment at a record low of 7.2%. Jamaica's Debt to GDP ratio at under 91% at the end of FY 2019-2020 was projected to continue its remarkable decline. Growth within the range of 0.5% to 1.5% was projected for FY 2020-2021, with one of the main drivers expected to be Hotels & Restaurants.

The dramatic change in outlook as a consequence of the COVID-19 pandemic is for estimated contraction of 5.1 per cent in GDP for the financial year April 2020-March 2021. Projections are for an annual loss of some J\$108 billion to the tourism sector for the financial year and a fallout of J\$38.4 billion to the Government from direct revenue from the sector.

The stated priority for Jamaican tourism in financial year 2020-2021 is initially working with industry partners to achieve a high level of preparation for the protection of tourism workers and visitors from the threat posed by the Coronavirus ahead of the expected phased reopening of the sector.

Increased resilience and the capacity to manage risk are the tenets guiding plans for the near to medium term, which include a resilience corridor initially on Jamaica's North coast

for controlled tourism travel; design of detailed operating protocols and careful management of the experience of the visitor to trace and otherwise account for activities. The continued increased application of technology and new work methodologies figure prominently in priorities for destination management in the months ahead.

As the industry looks toward border re-openings and re-engagement with the international community, there is the recognition of much being dependent on the performance of the island's significant source markets in the containment and management of COVID-19 in their jurisdictions.

The accepted wisdom is for industry partners to work to achieve renewal of their product offering during the period of closure and slow return to normality.

Jamaica's tourism leadership and the TEF have played a significant role in the establishment of the Global Tourism Resilience and Crisis Management Centre (GTRCMC) at the University of the West Indies, Mona Campus, Kingston, Jamaica. The Centre's engagement in several COVID-19-related activities has included participation in task force initiatives; webinars, lectures and articles focused on the industry's future; tourism workers' awareness campaigns highlighting COVID-19 safeguards; data management and documentation of regional COVID-19-related activities as well as establishment of a monitoring and evaluation framework for post-COVID-19 reopening exercises across various regions.

Work in Progress — Closed Harbour Beach Development, Montego Bay





Budget For Financial Year 2020/2021

The TEF approved ceiling for FY 2020-2021 from the Ministry of Finance and the Public Service is recorded as J\$3.67 billion. However, following the emergence of the COVID-19 pandemic in March 2020, TEF's budget was subsequently revised to J\$2.8 billion. The identified Projects and budget allocations are as stated in the Table below.

DESCRIPTION	Approved Budget 2019-20 \$'000	Approved Ceiling (Pre-Covid -19) Budget 2020-21 \$'000	Revised (Post Covid -19) Budget 2020-21 \$'000	\$ change Budget 2020-21 \$'000	% change Budget 2020-21
Direction and Management	542,609	544,316	480,043	64,273	12%
Human Capital Development	251,629	226,769	162,269	64,500	28%
Maintenance/ Rehabilitation of Tourism Areas	2,004,341	2,252,414	1,785,751	466,663	21%
Tourism Investment	552,273	377,880	202,180	175,700	46%
Tourism Linkages Network	169,600	205,999	163,999	42,000	20%
Local Supply Chain Integration	54,500	67,575	67,575	-	0%
TOTAL	3,574,952	3,674,952	2,861,818	813,135	22%

Adjustments are clearly anticipated and will be effected as income and Project selection dictate.

PROJECTED OPERATING EXPENSES

YEAR ENDING 31 MARCH 2021

Income & Expenditure Forecast Year Ending 31 March 2021	
	J\$M
Government Subvention	2,862
Projected Interest & Other Income	25
Total Projected Income	2,887
Project Financing & Support	2,415
Operating Expenses	444
Total Projected Expenses	2,859
Total Capital Expenditure	18
Total Expenditure	2,877
Projected Surplus	10

Work in Progress — Rehabilitation of roadway leading to the Roaring River Attraction



PROJECTED INCOME & EXPENSE STATEMENT

YEAR ENDING 31 MARCH 2021

TOURISM ENHANCEMENT FUND INCOME & EXPENDITURE SUMMARY				
	<i>Estimated 2020/21 J\$</i>	<i>Projected 2021/22 J\$</i>	<i>Projected 2022/23 J\$</i>	<i>Projected 2023/24 J\$</i>
INCOME				
Revenue – Government Subvention	2,861,816,624	2,939,690,088	3,017,563,655	3,095,437,226
Interest income	25,243,072	25,929,966	26,616,861	27,303,757
Currency Gain/ Loss				
TOTAL INCOME	2,887,059,696	2,965,620,055	3,044,180,516	3,122,740,982
EXPENSES				
Project Expense				
National Projects	921,279,031	946,348,139	971,417,280	996,486,422.02
Kingston & St. Andrew	20,000,000	20,544,224	21,088,449	21,632,673.46
South Coast	-	-	-	-
Montego Bay	444,650,000	456,749,460	468,848,936	480,948,412.63
Ocho Rios	319,390,360	328,081,355	336,772,361	345,463,368.16
Portland	-	-	-	-
Negril	228,912,116	235,141,090	241,370,071	247,599,053.23
Falmouth	53,500,000	54,955,799	56,411,600	57,867,401.50
	1,987,731,507	2,041,820,067	2,095,908,697	2,149,997,331
TLN	231,573,153	237,874,536	244,175,928	250,477,319.97
JCTI (CDI,AV & JCTI)	162,469,000	166,889,976	171,310,959	175,731,941.19
RISK & RESEARCH	33,210,420	34,114,115	35,017,812	35,921,508.53
	427,252,573	438,878,628	450,504,699	462,130,770
Total Project Expense	2,414,984,080	2,480,698,695	2,546,413,396	2,612,128,101
Operating Expense				
Bad Debt expense	-	-	-	-
Staff costs	275,607,534	283,107,146	290,606,768	298,106,389.67
Administration expense	117,322,714	120,515,206	123,707,702	126,900,198.17
Depreciation	10,437,846	10,721,872	11,005,899	11,289,925.55
Property expense	40,352,960	41,451,012	42,549,066	43,647,120.23
Total Operating expense	443,721,054	455,795,237	467,869,435	479,943,634
TOTAL EXPENSES	2,858,705,135	2,936,493,932	3,014,282,831	3,092,071,734
CAPITAL EXPENDITURE	17,933,123	18,421,104.65	18,909,087	19,397,069.54
TOTAL EXPENDITURE	2,876,638,257	2,954,915,036	3,033,191,918	3,111,468,804
OPERATING SURPLUS/(DEFICIT)	10,421,438	10,705,018	10,988,598	11,272,179

Senior Executive Emoluments YEAR ENDING 31 MARCH 2020

Senior Executive Title	Name	Salary	Gratuity/Incentive/Vacation Leave	Travelling Allowance/Value of assigned Vehicle	Pension or Other Retirement Benefits	Total
		(J \$)	(J \$)	(J \$)	(J \$)	(J \$)
Executive Director *	Dr. Carey Wallace	\$ 10,563,872	\$ -	\$ 3,585,223	\$ -	\$ 14,149,095
Director, Projects **	Johan Rampair	\$ 6,885,853	\$ 4,197,842	\$ 1,697,148	\$ -	\$ 12,780,843
Director, Finance **	Francine James Prince	\$ 6,745,325	\$ 3,850,741	\$ 1,697,148	\$ -	\$ 12,293,214
Director, Jamaica Centre of Tourism Innovation	Carol Rose Brown	\$ 6,745,325	\$ 748,372	\$ 1,697,148	\$ -	\$ 9,190,845
Director, Tourism Linkages Network	Carolyn McDonald Riley	\$ 6,745,325	\$ 748,372	\$ 1,697,148	\$ -	\$ 9,190,845
Total		\$ 37,685,700	\$ 9,545,327	\$ 10,373,815	\$ -	\$ 57,604,841

* Gratuity was paid in the subsequent year

* Net Book Value of Motor Vehicle Assigned

** Gratuity paid for 2 years on contract

Directors' Compensation YEAR ENDING 31 MARCH 2020

Name of Director	Position of Director	Fees	Motor Vehicle Upkeep/Travelling or Value Assigned Motor Vehicle	Total
		(J \$)	(J \$)	(J \$)
Godfrey Dyer	Chairman	\$ 345,000	\$ 910,187	\$ 1,255,187
Joseph Issa	Deputy Chairman	\$ 222,800	\$ 106,770	\$ 329,570
Ian Dear	Director 1	\$ 218,200	\$ 189,204	\$ 407,404
Judy Schoenbein	Director 2	\$ 237,000	\$ 176,494	\$ 413,494
David Dobson	Director 3	\$ 209,000	\$ 54,159	\$ 263,159
Omar Robinson	Director 4	\$ 216,100	\$ 210,814	\$ 426,914
Marc Williams	Director 5	\$ 178,900	\$ 34,504	\$ 213,404
Barbara Russell	Director 6	\$ 140,000	\$ 108,100	\$ 248,100
Jordan Samuda	Director 7	\$ 176,400	\$ 135,097	\$ 311,497
Howard McIntosh	Director 8	\$ 97,800	\$ 8,319	\$ 106,119
Donovan White	Director 9	\$ 104,900	\$ 15,134	\$ 120,034
Carolyn Campbell	Director 10	\$ 111,800	\$ -	\$ 111,800
Alicia Bish*	Director 11	\$ 13,800	\$ 5,600	\$ 19,400
		\$ 2,271,700	\$ 1,954,381	\$ 4,226,081

* Compensation for meeting and travelling between March 31st and April 8th, 2019.

The new Board of Directors was appointed on April 8th, 2019

APPENDIX I

Tourism Linkages Network Leadership

- Gastronomy Network -Nicola Madden-Greig, Chairman
- Health and Wellness Network - Dr. Henry Lowe, Chairman
- Knowledge Network - Omar Robinson, Chairman
- Sport and Entertainment Network - Kamal Bankay, Chairman
- Shopping Network - Anup Chandiram, Chairman
- Technical Working Group on Agriculture - Dr. Derrick Deslandes, Chairman
- Technical Working Group on Manufacturing - Richard Pandohie, Chairman
- Linkages Council Board - Adam Stewart, Chairman
- Tourism Technical Working Group - Adam Stewart and Wilfred Baghaloo

APPENDIX II

Jamaica Centre of Tourism Innovation Leadership

- Dr. Andrew Spencer (Chairman)
- Ms. Carol Rose Brown
- Mrs. Carolyn McDonald-Riley
- Ms. Kim-Marie Spence
- Mr. Ative Ennis
- Prof. Paul Christie
- Ms. Sherida Powell
- Ms. Rayharna Wright
- Dr. Janet Dyer

Launch of Carnival in Jamaica





Financial Report

2019/2020



Tourism Enhancement Fund

**Financial Statements
31 March 2020**

Tourism Enhancement Fund

Index

31 March 2020

	Page
Independent Auditor's Report to the Board of Management	
Financial Statements	
Statement of comprehensive income	1
Statement of financial position	2
Statement of changes in equity	3
Statement of cash flows	4
Notes to the financial statements	5 - 25



Independent auditor's report

To the Members of Tourism Enhancement Fund

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 Tourism Enhancement Fund as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 March 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- 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 Fund 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.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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 B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell

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 Fund'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 Fund'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 Fund to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the 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.

A handwritten signature in black ink that reads "Prithvi Kumar Cooper".

Chartered Accountants
15 July 2020
Kingston, Jamaica

Tourism Enhancement Fund

Statement of Comprehensive Income

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Income		3,574,952	4,199,667
Other income	6	39,623	41,384
Project expenditure	7	(3,314,434)	(3,451,234)
Operating expenses	8	(382,910)	(304,194)
Net impairment losses		(12,265)	(173,012)
Finance cost	10	(4,118)	-
Operating (Deficit)/Surplus		(99,152)	312,611
Taxation	11	-	-
Net (Deficit)/Surplus, being Total Comprehensive Income for the Year		<u>(99,152)</u>	<u>312,611</u>

Tourism Enhancement Fund

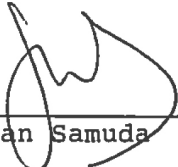
Statement of Financial Position

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Non-Current Assets			
Property, plant and equipment	12	40,348	19,347
Right-of-use asset	13	40,470	-
Long-term receivables	14	1,331,516	1,314,498
		<u>1,412,334</u>	<u>1,333,845</u>
Current Assets			
Receivables	15	54,343	23,097
Cash and cash equivalents	16	11,100	115,218
		<u>65,443</u>	<u>138,315</u>
Current Liabilities			
Trade and other payables	17	88,956	44,267
Bank overdraft	16	16,850	-
Current portion of lease liability	13	10,913	-
		<u>116,719</u>	<u>44,267</u>
Net Current (Liabilities)/Assets		<u>(51,276)</u>	<u>94,048</u>
		<u>1,361,058</u>	<u>1,427,893</u>
Accumulated Funds			
Accumulated surplus		<u>1,328,741</u>	<u>1,427,893</u>
Non-Current Liability			
Lease liability	13	32,317	-
Total shareholders' equity and liabilities		<u>1,361,058</u>	<u>1,427,893</u>

Approved for issue by the Board of Directors on 15 July 2020 and signed on its behalf by:



 Jordan Samuda Director



 Hon. Godfrey Dyer Chairman

Tourism Enhancement Fund

Statement of Changes in Equity

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Accumulated Surplus
	\$'000
Balance at 1 April 2018	1,115,282
Net surplus, being total comprehensive income for the year	312,611
Balance at 31 March 2019	1,427,893
Net deficit, being total comprehensive income for the year	(99,152)
Balance at 31 March 2020	1,328,741

Tourism Enhancement Fund

Statement of Cash Flows

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Cash Flows from Operating Activities			
Net (deficit)/surplus		(99,152)	312,611
Depreciation	12/13	21,427	4,970
Interest income	6	(24,815)	(42,149)
Interest expense	10	4,118	-
Gain on disposal of property, plant and equipment		-	(301)
		(98,422)	275,131
Changes in operating assets and liabilities			
Receivables		(31,246)	(12,070)
Trade and other payables		44,689	18,062
Net cash (used in)/provided by operating activities		(84,979)	281,123
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	12	(30,287)	(9,485)
Proceeds from disposals		-	600
Interest received		24,815	42,149
Long-term receivables, net		(17,018)	(211,384)
Net cash used in investing activities		(22,490)	(178,120)
Cash Flows from Financing Activity			
Lease payments	13	(13,499)	-
Net cash used in financing activity		(13,499)	-
(Decrease)/increase in cash and cash equivalents		(120,968)	103,003
Cash and cash equivalents at beginning of year		115,218	12,215
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	(5,750)	115,218

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

The Tourism Enhancement Fund (the Fund), was established under the Tourism Enhancement Act (the Act) and commenced operations on 1 May 2005. It is a body corporate governed by section 28 of the Interpretation Act.

The main objectives of the Fund are to implement projects and programmes which impact the growth and development of the tourism sector, enhance the tourism experience in Jamaica, provide for sustainable development in the tourism sector and encourage better management of environmental resources. In so doing, the mandate of the Fund was restructured, and the Fund now operates as a centre for innovation for tourism with responsibility for strategic and targeted projects that support key activities aimed at a realising growth in the tourism sector. The Fund's operation has been expanded and now also includes three key divisions as follows:

- Tourism Linkages Network (TLN), which aims to increase the consumption of goods and services that can be competitively sourced locally. It also seeks to create employment while generating and retaining the country's foreign exchange earning potential;
- Jamaica Centre of Tourism Innovation (JCTI), which aims to facilitate the certification and licensure of Jamaicans working in tourism and to encourage innovation in the sector; and
- The Craft Development Institute (CDI), aims to encourage growth in the craft sub-sector. CDI provides training and certification of craft skills, supports the development of artisan villages wherever authentic Jamaica craft items are available to visitors and locals.

Under the directives of the Ministry of Finance & the Public Service, the Fund is responsible for managing and collecting the tourism enhancement fee payable by each traveller to Jamaica (subject to certain exceptions) as follows:

- (i) US\$20 in respect of travel by air;
- (ii) US\$2 in respect of travel by sea.

The Fund should transfer all monies collected in respect of airline and cruise ship passengers directly to the Consolidated Fund and access funds for its operating requirements by submitting a monthly cash flow request to the Ministry of Finance & the Public Service.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

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

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. Management has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following are relevant to its operations:

- **Amendments to IFRS 9, 'Prepayment features with negative compensation'**, (effective for annual periods beginning on or after 1 January 2019). The narrow-scope amendments made to IFRS 9, 'Financial Instruments' enable entities to measure certain prepaid financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held at 'held to collect' business model. The adoption of the standard did not have any significant impact on the operations of the Fund.
- **IFRS 16, 'Leases'**, (effective for annual periods beginning on or after 1 January 2019). IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The statement of comprehensive income is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) will change. Operating cash flows is higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. 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 Fund had to change its accounting policies as a result of adopting IFRS 16. The Fund elected to adopt the new rules utilising the simplified approach under the modified retrospective approach on 1 April 2019. As such on 1 April 2019 management assessed the present value of the remaining lease payments, discounted using the incremental borrowing rate and recognised the right-of-use asset at an amount equal to the lease liability. See notes 13 and 19 for the impact of IFRS 16 on the Fund.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

There are no other IFRSs or IFRIC interpretations effective in the current year which are expected to have a significant impact on the accounting policies or financial disclosures of the Fund.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

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

- **Amendments to IAS 1 and IAS 8 on the definition of material** (effective for annual periods beginning or after 1 January 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The adoption of this amendment is not expected to have a significant impact on the operations of the Fund.
- **Amendments to IFRS 9, IAS 39 and IFRS 7** (effective for annual periods beginning or after 1 January 2020) – Interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the statement of comprehensive income. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries. The adoption of these amendments is not expected to have a significant impact on the Fund.

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

(b) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated in the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(c) Income taxes

The Fund is exempt from taxation on normal operating activities.

Deferred taxation is not recognised in these financial statements as a result of the Fund's exemption from taxation on normal operating activities and no significant temporary differences in respect of income subject to taxation.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Income recognition

Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer. A contract liability, representing amounts payable to customers, is recognised for advance consideration for which the related performance obligation has not yet been satisfied.

The Fund's income represents subventions received from the Ministry of Finance & the Public Service. Income is recognised on the accrual's basis.

(e) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line basis at rates estimated to write off the carrying value of property, plant and equipment over the period of their expected useful lives. The expected useful lives are as follows:

Furniture and fixtures	10 years
Computers and equipment	3 years
Office equipment	10 years
Motor vehicles	5 years

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

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Fund. Major renovations are depreciated over the remaining useful life of the related asset.

(f) Leases

As Lessee

As at 1 April 2019:

As of the 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Fund.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- payments of penalties for terminating the lease, if the lease term reflects the Fund exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Leases (continued)

As at 31 March 2019:

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(g) 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 greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise balances with maturity dates of less than 365 days from the dates of acquisition including cash at bank and in hand and deposits held at call with banks.

(i) Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and are subsequently measured at amortised cost.

(j) Provisions

Provisions are recognised when the Fund 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.

(k) 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 Fund's financial assets comprise cash and cash equivalents, long-term receivables, related party balances and other receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial liabilities

The Fund's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. Financial liability on the statement of financial position comprise trade and other payables.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Financial instruments (continued)

(i) Classification

Classification of the Fund's financial assets depends on the Fund's business model for managing such assets and the contractual terms of the cash flows. Subsequent to initial recognition the Fund classifies its financial assets as:

- those measured at fair value (either through other comprehensive income or profit and loss); and
- those measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt securities, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership

(iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of the debt instruments depends on the business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories for classifying debt instruments:

- **Amortised cost** - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **Fair value through other comprehensive income (FVOCI)** - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income and impairment expenses are presented as separate line item in the statement of profit or loss.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Financial instruments (continued)

(iii) Measurement (continued)

Debt instruments (continued)

- Fair value through profit and loss - Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.
- As at the 31 March, all financial assets are classified as amortised cost as the Fund holds the assets to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Equity instruments

Equity instruments are measured at FVPL, unless the asset is not held for trading purposes and the Fund makes an irrevocable election to designate the asset as FVOCI. This election is made on an instrument-by-instrument basis. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Fund's right to receive payments is established.

(iv) Impairment

The Fund assesses on a forward-looking basis the expected credit loss associated with its financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The assessment of credit risk of cash and cash equivalents, long-term receivables, related party balances and receivables requires estimations as to the likelihood of defaults occurring, of the associated loss ratios and of defaults correlations between counterparties. The Fund measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

3. Financial Risk Management

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

The Fund'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. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

The Board of Directors is ultimately responsible for the establishment and oversight of the Fund'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. The Board has established departments/committees for managing and monitoring risks, as follows:

(i) Finance Department

The Finance Department is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund. The department identifies, evaluates and hedges financial risks in close co-operation with the Fund's operating unit.

(ii) Audit Committee

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

The most important types of risks are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk and interest rate risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is the most important risk for the Fund's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Fund's receivables from counterparties. The Fund 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) Long-term Receivables

Receivables mainly consist of outstanding loan repayments receivable from third parties. The Fund's exposure to credit risk is influenced mainly by the individual characteristics of each borrower.

Counter party credit risk is monitored according to their credit characteristics such as aging profile.

(ii) Cash and cash equivalents

Cash transactions are limited to high credit quality financial institutions; each account must be approved by the Ministry of Finance & the Public Service. There are no specific policies with regards to limits at financial institutions holding operating cash balances. Management does not expect any counterparty to fail to meet its obligations.

(iii) Related party balances

Related party balances mainly consist of amounts arising from the managing the Montego Bay Business Convention Centre (MBCC). The Fund's exposure to credit risk is influenced mainly by the capability of MBCC of meet its contractual cash flow obligation.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

The Fund assesses on a forward-looking basis and historical data the expected credit losses associated with its financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk receivables.

Maximum exposure to credit risk

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

	2020 \$'000	2019 \$'000
Long-term receivables	1,331,516	1,314,498
Other receivables	48,766	18,369
Cash and cash equivalents	11,100	115,218
	<u>1,391,382</u>	<u>1,448,085</u>

Impairment of financial assets

The Fund's financial assets that are subject to IFRS 9's new expected credit loss model:

(i) Debt instruments carried at amortised cost

Other debt instruments at amortised cost:

Financial assets at amortised cost include cash and cash equivalents, long-term receivables, related party balances and other receivables.

The Fund's debt instruments at amortised cost that are considered to have low credit risk are cash and cash equivalents, long-term receivables and other receivables. The loss allowance recognised during the period on those deemed to have low credit risk was therefore limited to the 12 month expected losses. Management considers these instruments as having low credit risk when there is a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Loss allowance is assessed by estimating the likelihood of default, associated loss ratio and default correlation between counterparties. The Fund measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

Write-offs are made when all or part of the balance is deemed uncollectible.

Loss allowances were recognised on balances for related party balances and other receivables. Loss allowance for long term receivables for the current year is \$120,029,000 (2019 - \$107,764,000). Refer to schedule below for movement in loss allowance balances.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

Movements on the provision for loss allowance of loan receivables and intercompany receivables are as follows:

	Intercompany Receivables	Loan Receivables
	\$'000	\$'000
At 1 April	151,097	107,764
Loss allowance	1,271	12,265
Reversal	(2,685)	-
At 31 March	149,683	120,029

(b) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents.

Liquidity risk management process

The Fund's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a weekly basis. This incorporates an assessment of expected cash flows.
- (ii) Optimising cash returns on invested cash;
- (iii) Managing the concentration and profile of project obligations.

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

Undiscounted cash flows of financial liabilities

The maturity profile of the Fund'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	1 to 5 Years	Total \$'000
Financial Liabilities					
Payables	42,837	39,949	6,170	-	88,956
Bank overdraft	16,850	-	-	-	16,850
Lease liability	1,143	3,429	14,403	31,003	49,978
31 March 2020	60,830	43,378	20,573	31,003	155,784
Payables	11,641	3,897	28,729	-	44,267
31 March 2019	11,641	3,897	28,729	-	44,267

Assets available to meet all of the liabilities and to cover financial liabilities include cash and other receivables.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk

The Fund takes on exposure to market risks, which is the risk that the fair value of 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 Fund'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 a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund has no significant exposure to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Fund's limited exposure results from transactions, primarily with respect to the US dollars.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
	2020					
Assets						
Long-term receivables	12,686	11,567	192,598	1,025,547	89,118	1,331,516
Other receivables	-	-	-	-	48,766	48,766
Cash and cash equivalents	11,060	-	-	-	40	11,100
Total financial assets	23,746	11,567	192,598	1,025,547	137,924	1,391,382
Liabilities						
Payables	-	-	-	-	88,956	88,956
Bank overdraft	16,850	-	-	-	-	16,850
Lease liability	837	2,547	11,456	28,390	-	43,230
Total financial liabilities	17,687	2,547	11,456	28,390	88,956	149,036
Total interest repricing gap	6,059	9,020	181,142	997,157	48,968	1,242,346

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(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	3 to 12 Months \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
	2019					
Assets						
Long term receivables	26,926	53,489	103,162	1,007,611	123,310	1,314,498
Other receivables	-	-	-	-	18,369	18,369
Cash and cash equivalents	115,178	-	-	-	40	115,218
Total financial assets	142,104	53,489	103,162	1,007,611	141,719	1,448,085
Liabilities						
Payables	-	-	-	-	44,267	44,267
Total financial liabilities	-	-	-	-	44,267	44,267
Total interest repricing gap	142,104	53,489	103,162	1,007,611	97,452	1,403,818

4. Fair Value Estimation

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 amounts included in the financial statements for cash and cash equivalents, other receivables and payables approximate fair values because of the short-term maturity of these instruments.

The fair value of the long-term receivables (net of impairment) approximates its carrying value as it represents revolving loans that will again be on-lent when repaid.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies

(a) Critical judgements in applying accounting policies

In the process of applying the Fund's accounting policies, management has made judgements which it believes would have a significant impact on the amounts recognised in these financial statements.

(b) Key sources of estimation uncertainty

Management makes estimates and assumptions concerning the future. The estimate and assumption that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year is disclosed below.

The measurement of expected credit loss allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of borrowers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios;

6. Other Income

	2020 \$'000	2019 \$'000
Foreign exchange gain/(loss)	5,099	(765)
Interest income	24,815	42,149
Project income	8,080	-
Other	1,629	-
	<u>39,623</u>	<u>41,384</u>

7. Tourism Enhancement Projects

	2020 \$'000	2019 \$'000
Falmouth	458,283	329,514
Kingston and St. Andrew	328,509	260,691
Montego Bay	658,342	810,391
National projects	1,441,766	1,447,132
Negril	89,028	88,696
Ocho Rios	189,617	268,412
Portland	68,592	127,942
South coast	80,297	118,456
	<u>3,314,434</u>	<u>3,451,234</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

8. Operating Expenses

	2020 \$'000	2019 \$'000
Auditors' remuneration	1,998	1,903
Board expenses	10,012	10,623
Depreciation	21,427	4,970
Directors' fees	2,272	2,124
General Consumption Tax	17,766	12,277
Information technology	5,056	4,900
Marketing	7,138	8,927
Other management fees	1,505	2,683
Professional fees	1,502	3,363
Property expenses	19,876	24,416
Staff costs (Note 9)	246,263	193,636
Other	48,095	34,372
	<u>382,910</u>	<u>304,194</u>

9. Staff Costs

	2020 \$'000	2019 \$'000
Wages and salaries	137,108	103,318
Statutory deductions	9,836	6,985
Travelling allowance	38,115	28,739
Gratuity	28,209	29,165
Health Insurance	12,054	5,722
Other	20,941	19,707
	<u>246,263</u>	<u>193,636</u>

Number of employees -

	2020	2019
Full time	<u>38</u>	<u>35</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

10. Finance cost

	2020 \$'000	2019 \$'000
Interest Expense	4,118	-

11. Taxation

As stipulated in the Act, the income of the Fund is exempt from income tax.

12. Property, Plant and Equipment

	Furniture & Fixtures \$'000	Computers & Equipment \$'000	Office Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At Cost -					
At 1 April 2018	6,471	6,584	4,072	15,557	32,684
Additions	535	7,931	1,019	-	9,485
Disposals	-	(329)	(17)	-	(346)
At 31 March 2019	7,006	14,186	5,074	15,557	41,823
Additions	12,062	8,396	1,717	8,112	30,287
At 31 March 2020	19,068	22,582	6,791	23,669	72,110
Depreciation -					
At 1 April 2018	2,942	4,666	1,713	8,232	17,553
Charge for the year	570	2,141	388	1,871	4,970
Relieved on disposal	-	(46)	(1)	-	(47)
At 31 March 2019	3,512	6,761	2,100	10,103	22,476
Charge for the year	1,700	3,857	506	3,223	9,286
At 31 March 2020	5,212	10,618	2,606	13,326	31,762
Net Book Value -					
31 March 2020	13,856	11,964	4,185	10,343	40,348
31 March 2019	3,494	7,425	2,974	5,454	19,347

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

13. Leases

This note provides information for leases where the Fund is a lessee. For adjustments recognised on adoption of IFRS 16 on 1 April 2019, please refer to Note 18.

(i) Amounts recognised in the statement of financial position

	2020 \$'000	1 April 2019 \$'000
Right-of-use asset		
Building	40,470	52,611
Lease liabilities		
Current	10,913	12,893
Non-current	32,317	39,718
	43,230	52,611

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2020 \$'000	1 April 2019 \$'000
Depreciation charge of right-of-use asset:		
Building	12,141	-
Interest expense (Note 10)	4,118	-
		-

The total cash outflow for leases in 2019 was \$13,499,000.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Lease liability \$
Net debt as at 31 March 2019	-
Recognised on adoption of IFRS 16	52,611
Net debt as at 1 April 2019	52,611
Cash flows -	
Lease payments	(13,499)
Non-cash flows -	
Interest expense	4,118
Net debt as at 31 March 2020	43,230

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

13. Leases (Continued)

The Fund's leasing activities and how these are accounted for:

The Fund leases space in an office building. The rental contract has a term of 5 years with an option to extend for an additional term of 5 years. The lease agreement does not impose any covenants other than the security interests in the leased asset that is held by the lessor. Leased asset is not used as security for borrowing purposes.

Up to 31 March 2019, the leasing of the Fund's office space was classified as an operating lease. From 1 April 2019, the lease is recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset was available for use by the Fund. See further details in Notes 2 (f) and 18.

14. Long-term Receivables

	2020 \$'000	2019 \$'000
Long-term receivables	1,395,756	1,383,010
Less: Provision for impairment	(120,029)	(107,764)
	1,275,727	1,275,246
Interest receivable	55,789	39,252
	1,331,516	1,314,498

- a) Under an agreement dated 7 December 2007, as amended, with the Jamaica National Building Society Small Business Loans Limited (JNBSL), the Fund has committed to provide a maximum of \$310,000,000 to JNBSL for on-lending to entrepreneurs in the tourism industry for tourism related activities. It is intended that the loans made by JNBSL will be made on a revolving basis, with amounts repaid being made available for further on-lending.

Interest earned on the loans under this arrangement, is credited to the Fund.

The loans made by JNBSL have a repayment period not exceeding five (5) years and the Fund has accepted the credit/repayment risk on these loans. The total disbursed by the Fund at 31 March 2020 was \$257,745,000 (2019 - \$257,745,000) and the provision for impairment was \$117,425,000 (2019 - \$105,761,000).

- b) Under an agreement dated 19 June 2014, with JNBSL, the Fund has committed to provide a maximum of \$50,000,000 to JNBSL for on-lending to entrepreneurs in the tourism industry for tourism related activities specifically as it relates to energy saving efficiency. It is intended that the loans made by JNBSL will be made on a revolving basis, with amounts repaid being made available for further on-lending.

Interest earned on the loans under this arrangement, is credited to the Fund.

The total disbursed by the Fund at 31 March 2020 was \$20,000,000 (2019 - \$20,000,000), and provision for impairment was nil.

- c) Under an agreement dated 21 September 2017, with the EXIM Bank Jamaica (EXIM Bank), the Fund committed to provide a maximum of \$1,000,000,000 to EXIM Bank for on-lending to small and medium sized enterprises (SMTE) in the tourism industry. It is intended that loans made by EX-IM Bank will be made on a revolving basis with amounts repaid being made available for further on-lending. Under the Memorandum of Understanding and recommendations made by the Ministry of Finance & the Public Service, the interest rate is 4.5% (2019 - 4.5%) for the EXIM loans and the accounts presented to EXIM Bank is 1.25% (2019 - 1.25%).

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

14. Long Term Receivables (Continued)

Interest earned on the loans under this arrangement, is credited to the Fund.

The loans made to EXIM Bank have a repayment period not exceeding six (6) years with a maximum moratorium of twelve (12) months. The Fund bears 30% of the risk relating to non-repayment of the loan to borrowers made by EXIM Bank. The total disbursed by the Fund at 31 March 2020 was \$1,000,000,000 (2019- \$350,000,000) and provision for impairment was \$2,605,000 (2019 - \$2,003,000).

- d) A Cabinet submission relating to the variation of land divestment was done to facilitate the Shovel Ready Investment Programme (SRIP), which is a joint ministerial initiative between the Ministry of Industry, Investment and Commerce, The Ministry of Tourism and Entertainment and the Ministry of Water, Land, Environment and Climate Change. As part of this arrangement, tourism related projects are facilitated by using the Fund's cash resources for the concept packaging and the development of environmental studies, with the view of recouping funds expended by the Fund during the land acquisition process. The amount expended by the Fund to be recovered as at 31 March 2020 amounted to \$89,119,000 (2019 - \$83,992,000).

15. Receivables

	2020 \$'000	2019 \$'000
Warrant receivable	31,681	129
Ministry of Tourism	3,763	3,222
Other receivables	13,322	15,018
Taxation recoverable	2,767	2,767
Prepayments	2,810	1,961
	<u>54,343</u>	<u>23,097</u>

16. Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash at bank and in hand	11,100	115,218
Bank overdraft	(16,850)	-
	<u>(5,750)</u>	<u>115,218</u>

The bank overdraft amount does not represent an overdraft facility operated by the Fund but represents payment of cheques which were encashed as at 31 March 2020.

17. Trade and Other Payables

	2020 \$'000	2019 \$'000
Accounts payable and accrued charges	60,088	26,484
Gratuities	28,868	17,783
	<u>88,956</u>	<u>44,267</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

18. Related Party Transactions and Balances

(a) The statement of financial position includes the following balances with government agencies:

	2020 \$'000	2019 \$'000
Due from related parties -		
Ministry of Tourism	3,763	3,222

At 1 October 2017, the Fund undertook the responsibility of managing the Montego Bay Business Convention Centre. This arrangement has been approved by Cabinet. The amount of \$149,683,000 was fully provided by management for as at 31 March 2019, see Note 3 (a).

(b) Key management compensation:

	2020 \$'000	2019 \$'000
Salaries and other short-term benefits –		
Salaries	48,157	42,907
Gratuities	8,622	4,423
Other short-term benefits	23,060	8,872
	79,839	56,202
Directors' emoluments –		
Fees	2,272	2,124

19. Changes in Accounting Policies

As indicated in Note 2(a), the Fund has adopted IFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in Note 2(f).

On adoption of IFRS 16, the Fund recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 8.5%.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

19. Changes in Accounting Policies (Continued)

(i) Practical expedients applied

In applying IFRS 16 for the first time, the Fund has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Fund has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Fund relied on its assessment made applying IAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

(ii) Measurement of lease liabilities

	2020 \$'000
Operating lease commitments disclosed as at 31 March 2019	119,477
Discounted using the lessee's incremental borrowing rate at the date of initial application	52,611
Lease liability recognised as at 1 April 2019	52,611
Of which are:	
Current lease liability	12,893
Non-current lease liability	39,718
	52,611

(iii) Measurement of right-of-use asset

The associated right-of-use asset for property leases was measured on a retrospective basis as if the new rules had always been applied.

(iv) Adjustments recognised in the statement of financial position on 1 April 2019

The change in accounting policy affected the following items in the statement of financial position on 1 April 2019:

- (i) right-of-use assets – increase by \$52,611,000.
- (ii) lease liability – increase by \$52,611,000.

There was no impact on opening retained earnings.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

20. Subsequent Event

Impact of Covid-19

The global economy is experiencing, and may continue to experience, significant volatility resulting from the spread of the coronavirus identified as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and the tourism industry in which the Fund operates is uncertain at this point and has the potential to continue to adversely affect the business, results of operations or financial condition, the impact of which is still under assessment.



JCTI Graduation

Launch Top Event





Salem Beach Ground-breaking

NUH DUTTY UP JAMAICA, clean up day





Designed and printed by the
Jamaica Information Service
September 2020

