



*Tourism
Enhancement
Fund*

Tourism Enhancement Fund 2021-22

ANNUAL REPORT

TABLE OF CONTENTS

About Us

Corporate Profile - **pg. 02-04**

Messages

Tourism Minister's Message - **pg. 05**

Chairman's Message - **pg. 06-08**

The Board

Board of Directors - **pg. 09**

Reports

Board of Directors' Report - **pg. 10**

Executive Director's Report - **pg. 16**

Corporate Governance Report - **pg. 29-35**

Management Team - **pg. 43**

Projects

Outlook & Priorities 2022-2023 - **pg. 46 -47**

Financials

Budget for Financial Year 2022/2023 - **pg. 49**

Income and Expense Forecast - **pg. 50**

Directors' & Senior Executive

Compensation - **pg. 51**

Financial Statement - **pg. 52**

Appendix I - **pg. 87**

Appendix II - **pg. 91**



HISTORY AND CORPORATE PROFILE

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 advances 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, the 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 TEF expanding to include three new divisions with a fourth division being added in 2021:

- 1. Tourism Linkages Network (TLN):** The primary objective of the TLN is to increase the consumption of goods and services that can be competitively sourced locally. It also aims to create employment while generating and retaining the country's foreign exchange earning potential.
- 2. Jamaica Centre of Tourism Innovation (JCTI):** The role of the JCTI is first to facilitate the certification and licensure of Jamaicans working in tourism, secondly, to implement a programme for high school students aimed at inspiring interest in tourism as a career choice, and thirdly, to facilitate training delivery certification. The JCTI has collaborated with local and international organizations to fulfil its mandate, including the Jamaica Hotel & Tourism Association (JHTA) Ministry of Education and Youth; the Ministry of Labour and Social Security; the American Hotel and Lodging Educational Institute (AHLEI); and the American Culinary Federation (ACF). This division also includes the Craft Development Institute (CDI). The CDI aims to expand the craft industry by providing training and certification to current and aspiring artisans, facilitate

the development of Artisan Villages, provide visitors and Jamaicans with authentic Jamaican craft, and develop a system to identify and recognise excellence in art and craft.

- 3. Research and Risk Management (RRM):** The role of the RRM is to support the TEF with the necessary research to make evidence-based decisions and to manage the newly implemented Enterprise Risk Management Framework. The RRM also executes projects in the areas of tourism resilience and innovation.
- 4. Procurement:** The Procurement division is responsible for the management of the procurement process of the entity for all works, goods and services in adherence to the Government of Jamaica Procurement Guidelines and for ensuring the promotion of economy, integrity, efficiency, transparency and equity in the awarding of contracts.

CORE FUNCTIONS OF THE TEF INCLUDE:

- Collection of Fees from Incoming Air and Cruise Passengers
- Sustainable Infrastructural Development
- Research and Development
- Innovation
- Human Capital Development
- Establishment of Artisan Villages
- Tourism Linkages
- Environmental Protection and Enhancement
- Financial Support for Small and Medium Tourism Enterprises.

VISION

‘To lead the enhancement of the island’s tourism product for Jamaica to become the most sought-after destination in the world’.

MISSION STATEMENT

‘To innovate and drive sustainable development of Jamaica’s tourism industry through the prompt collection of fees, prudent management of resources and research.’



Registered Office

60 Knutsford Boulevard, Kingston 5

Auditors

C.R. Hylton & Co.

10 Holborn Road, Kingston 5

Bankers

National Commercial Bank Jamaica Ltd.

1 Knutsford Boulevard, Kingston 5

First Global Bank Ltd.

28-48 Barbados Avenue, Kingston 5



MINISTER'S MESSAGE

The Hon. EDMUND BARTLETT, CD, MP



The Tourism Enhancement Fund, without a doubt, has been a driving force behind the growth and recovery of our local tourism industry, which has been severely harmed by the COVID-19 pandemic. Through transformative projects and initiatives, the TEF has played a significant role in us becoming a model state for many tourism-dependent countries, many of which have modelled their recovery programmes after what we have done here in Jamaica. As a result, I heartily congratulate the TEF on yet another successful fiscal year.

The Tourism Enhancement Fund continues to make significant contributions to the tourism industry's development by assisting in the preservation of our country's culture, improving our tourism product, preserving heritage sites, and assisting with national development projects as needed.

We have also emphasised the importance of protecting our natural capital as we transition to a more sustainable tourism model and a focus on niche market segments, both of which are critical to a thriving tourism economy. TEF has committed significant resources to the restoration and preservation of Jamaica's natural and built heritage since its inception, resulting in a richer and more diverse product for both locals and visitors to enjoy.

Despite numerous challenges, TEF has continued to advance critical projects and initiatives across the island to improve industry infrastructure, diversify product offerings, and create new employment opportunities for locals.

To that end, I commend the TEF's various divisions, especially the Tourism Linkages Network and the Jamaica Centre of Tourism Innovation (JCTI). They have been instrumental in product development, SMTE capacity building, human resource development, expanding public-private sector collaboration, and establishing networks and connections between tourism and non-tourism players.

I am confident that the TEF will continue to assist us in building back stronger as a truly inclusive, resilient, and sustainable sector while significantly bolstering the national economy. As a result, we will continue to work tirelessly to ensure that Jamaica has a prosperous future and a thriving nation that benefits all Jamaicans.

In closing, as Minister of Tourism, it gives me great pleasure to work with such a dynamic and innovative team at the TEF, who continue to raise the bar in terms of how they aid in the sector's development. I congratulate the members of the Board of Directors, led by Hon. Godfrey Dyer, OJ, CD, JP, and the management and staff, led by Dr Carey Wallace, on their numerous accomplishments in the face of adversity.





CHAIRMAN'S MESSAGE

HON. GODFREY DYER, OJ, CD, JP

Income inflows through the TEF to the Consolidated Fund from airline and cruise passenger fees reflected the state of the tourist industry in the course of the 'COVID Crisis'. There was a reduction of approximately 80% in the fees collected from airlines and cruise lines for the 2020/2021 financial year with TEF handing over J\$2.2 billion to the Consolidated Fund, compared to approximately, \$7.7 billion in the 2019/2020 financial year. The nascent recovery in the review period 2021-2022 saw TEF transferring, \$4.9 billion from airlines and J\$13.4 million from cruise lines to the Consolidated Fund.

As was the case in the 2020-2021 reporting period, the financial year April 1, 2021 to March 31, 2022 was dominated by the global effects of the ongoing COVID-19 pandemic, measures to contain the spread of the virus, mitigate the devastating social and economic consequences and effectively manage the Tourism Enhancement Fund's role in the recovery of Jamaica's tourist industry as a key driver for the island's economy.

The COVID-19-induced economic fallout for small island tourism-dependent economies such as Jamaica's was existential. Indeed, the review period saw our nation clawing its way back from a fiscal deficit of 3.1 per cent of GDP in FY 2020/21 as reported by the IMF Executive Board, to growth of 1.4 % in the fourth quarter of 2021.

The expansion of the economy was positively impacted by the relaxation of COVID-19 measures over the course of the review period, including the easing of global travel restrictions and reduced curfew hours. The announced removal of all remaining COVID-19 restrictions for travellers from 15th April 2022 represented a further boost for tourism.

The TEF has performed commendably as the Public Body of Government with responsibility to collect and monitor fees from airline and cruise passengers. It has faithfully pursued its objectives under the TEF Act to approve and monitor implementation of projects and programmes which positively impact the growth and development of the tourism sector, the island's environmental resources, the tourist experience and sustainable development for the sector.

The severity and widespread implications of the COVID-19 pandemic demanded responsive measures at the national and corporate levels that were strategic, comprehensive and compassionate. The imperatives for the industry have emphasized safety, recovery of markets, income protection, job search assistance, learning opportunities to match changing skills needs and job creation.

By virtue of its history, structure and operations, the Tourism Enhancement Fund must be viewed as having been uniquely positioned within Jamaica's tourist industry to directly respond to a number of these imperatives in the course of the reporting period. Indeed, the TEF's programmes and projects during financial year 2021-2022 were in line with the Government of Jamaica's initiatives to support the most vulnerable and the Ministry of Tourism's thrust toward the tourism sector's transformation to reflect greater inclusiveness, sustainability, innovation, research orientation and risk management.

As the island continued to welcome visitors safely through its "Jamaica Cares" programme prioritizing the health and safety of Jamaicans and visitors to the country, the TEF sought a balance between execution of its signature resort development/infrastructural projects and funding support for struggling tourism workers, at the same time looking to the future with programmes for human capital development.



Relief measures took the form of funding support for the tourism transportation sector. The TEF also facilitated licensed craft market vendors in the resort areas receiving ‘resilience kits’ and one-off payments to assist with preparation for the 2021-22 Winter Season. Funding for vaccination drives also comprised a part of TEF’s contribution to ‘securing lives and livelihoods’.

Major projects advanced during the review period included squatter regularization at Grange Pen which was 71% completed at year-end. The enhancement of roadways, many leading to the island’s attractions continued to be among the priorities.

Environmental initiatives including the shoreline protection project in Ocho Rios, the rehabilitation of the island’s heritage structures, increased use of technology with such projects as the successful street-view project being piloted in Montego Bay and the near completion of the Artisan Village at Falmouth have been among the substantial listing of major TEF projects pursued in the course of the financial year.

The expanded TEF framework incorporating the ‘Linkages’, ‘Innovation’, Research and Risk Management Departments afforded considerable opportunities to address both immediate needs and developmental goals for the industry. The long-recognized value to the economy of strengthening the linkages between tourism and the local agricultural, manufacturing, creative industries and other productive sectors was never more urgent than in the context of rebuilding a more resilient and inclusive post-COVID tourism sector.

By the same token, the Jamaica Centre of Tourism Innovation’s comprehensive certification programmes

implementing the Government’s Human Capital Development Strategy in respect of tourism, has shown admirable responsiveness to the demand for tourism workers and the changing dynamics in training delivery as the industry continues to rebound.

Under the ‘Linkages’ banner, the ‘Knowledge’ Network’s online forum series facilitated exploration of a range of topics dominating the industry globally including departures from traditional models through ‘Blue Ocean Strategy’. These engagements have created high visibility for Jamaica as a thought leader for the industry in both traditional and social media.

Similarly, the TEF’s relationship with the Global Tourism Resilience and Crisis Management Centre (GTRCMC) has facilitated research redounding to the benefit of the industry locally as well as regional and international partners.

Through the Research and Risk Management Department, the TEF also developed a Business Continuity Plan (BCP) Guidebook for use by the tourism sector to infuse risk management principles, particularly among small and medium-sized tourism enterprises (SMTEs). A cohort of trainers was instructed in business continuity planning to deliver ongoing training sessions to tourism entrepreneurs seeking to become more resilient.



The TEF’s strong focus on the process of planning, organising, directing and controlling its activities has been exemplified in its development of an Enterprise Risk Policy

and implementation of the Enterprise Risk Management Framework. Performance measurement at all levels has been embraced in keeping with the tenets of the Corporate Governance Framework for Public Bodies.



The Tourism Enhancement Fund's role in 'Building back better in tourism' hinges heavily on the commitment to increasing the island's tourism resilience; to targeted investment in capital improvement for the sustainable development of the industry and enhancement of the visitor experience. The TEF's mission to facilitate innovation, research and inclusive growth for the industry will continue to be strongly advanced in its portfolio of transformative projects and such concepts as the 'Tourism Innovation Incubator' announced by the Hon Minister of Tourism in the thrust to encourage more local start-up businesses and innovators linked with and benefitting from tourism.

Acknowledgements

I should like to record my sincere thanks to my colleague members of the Board of the Tourism Enhancement Fund for their commitment to piloting the entity's work on behalf of the Government and the people of our nation. The challenges at the national, corporate and personal levels have been real and often unrelenting. The response has been resolute.

I thank the Executive Director, Management and Staff of the TEF for their sterling contribution to advancing the mandate of this organization by meeting daily demands amidst the uncertainties and changing dynamics of the COVID-19 pandemic. We look forward the TEF's continued contribution to moving Jamaica's tourism to new and greater heights.


Godfrey Dyer, OJ, CD, JP

There is increasing optimism among international monitoring agencies as recovery in tourism has continued to gain momentum notwithstanding challenges in the global economic environment. Overall, air passenger traffic is reportedly now heading towards recovering to pre-pandemic passenger traffic in 2023. By the end of 2022, Jamaica expects between 85-87 per cent of tourist arrivals compared to its 2019 numbers.

BOARD OF DIRECTORS

Hon Godfrey Dyer- OJ, CD, JP – **Chairman**

Mr Joseph Issa – **Deputy Chairman**

Mr Ian Dear – **Director**

Mrs Judy Schoenbein – **Director**

Mr Omar Robinson – **Director**

Mr Clifton Reader – **Director**

Mr Marc Williams – **Director**

Ms Carolyn Campbell – **Director**

Mr Donovan White – **Director**

Mrs Barbara Beverley Russell – **Director**

Mr Jordan Samuda – **Director**

Mr David Dobson – **Director**

Dr Carey Wallace – **(Ex-Officio) Executive Director**



BOARD OF DIRECTORS' REPORT

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, respectively being paid by each visitor travelling by air or sea into Jamaica.

In keeping with the Government's Public Financial Management Reform measures, signed into law in August, 2017, revenue inflows to the TEF are directed to the Consolidated Fund. The funding relationship between the Tourism Enhancement Fund, the portfolio Ministry of Tourism and the Ministry of Finance and the Public Service (MF&PS) functions in that approval for budgetary expenditures via warrants, is given by Parliament after review of the budget submitted by the TEF. The TEF's operational procedures require balancing of monthly warrants for funding and submission of project claims.

OVERVIEW OF INDUSTRY PERFORMANCE

Fee income by the Tourism Enhancement Fund for the financial year April 1, 2021 to March 31, 2022 was J\$5.8 billion from airlines and J\$16.4 million from cruise lines. This represented a 271% increase in fees income over prior year and is indicative of the recovery taking place in the tourism sector following precipitous declines in the previous reporting period as a consequence of the COVID-19 pandemic. Inflows were from 1,932,129 chargeable airline passengers and 45,028 cruise passengers. This compares to the previous reporting period, financial year 2020/2021 when there were air passenger arrivals of 547,900 and a complete absence of cruise shipping. There was a fall of approximately 80% in total fees collected, with J\$4.99 billion collected in 2021/2022 and approximately J\$7.7 billion in the 2019/2020 financial year.

TRADE DEBT

Trade Debt as at March 31, 2022 was US\$3.8 million, equivalent to J\$577.4 million.* Notably, 89.5% of the receivables fell within the 0-30 days' band and of this amount 71% belonged to the International Air Transport Association (IATA) group or scheduled airlines for which there is a standing automatic payment through the Airlines Bank IATA Clearinghouse. The other 29% was attributable to Charter Carriers.

*N.B. As of April 11, 2022, TEF had collected US\$3,048,059.74 which settled 81% of the balance outstanding as of March 31, 2022.

FINANCIAL HIGHLIGHTS

Budget

The Tourism Enhancement Fund received an approved budget of J\$2,361M for the fiscal year 2021-22. In December 2021, there was an additional subvention of J\$6.2M in the Direction & Management category to fund the salary increase that was approved for all public sector workers.

At the tabling of the second supplementary budget, TEF received an additional budgetary allocation of J\$92M; J\$73M to be spent on projects in the Maintenance & Rehabilitation category and J\$19M to be spent on Tourism Business Development Activities. The final subvention received for the review period was J\$2,462.1M.

Outlook

The Tourism Enhancement Fund notes the forecast for solid growth as the recovery in the sector gains momentum. There have been announcements of new airline routes into the island including Frontier's new route from Tampa, Florida, a substantial feeder market for destination Jamaica; significant plans for the European market; forays into the Middle East and North Africa as well as anticipation of the return of the Latin American market. This all lends weight to expectations of Jamaica welcoming by the end of 2022, between 85-87 per cent of tourists compared to 2019, the country's strongest year for arrivals, and full recovery by the end of the third quarter of 2023.

COVID RESPONSE

The TEF has played a significant role in Jamaica's ability to meet and surpass its tourism growth and development targets. In the review period, increasing indications of recovery from the unprecedented decline in international travel brought about by the COVID-19 pandemic, called for strong support of policies to protect the viability of the industry and facilitate recovery of the island's tourism. Programmes and projects targeted vulnerable workers within the industry, enhancing skill

sets and the ability to recover jobs. At the same time, the TEF continued to 'build forward' with infrastructural upgrades, product development from the environmental to the cultural, all with a view to helping facilitate recovery, to enhance the industry's resilience and return to growth momentum.

An early initiative in response to the COVID-19 crisis was the loan facility put in place for the tourism transportation sector by the TEF in response to operators being in danger of having motor vehicles used in the trade repossessed due to their inability to service loans.

The sum of \$70 million from the pool of funds held by JN Small Business Loans (JNSBL) was re-assigned to this new product. It was determined that the TEF would offer a no-interest loan which required no collateral to the tourism transport operators through the JNSBL. The criteria, including proof of ability to repay the loan (cashflow forecast), were sent to the leadership of the Jamaica Union of Travellers Association (JUTA), Maxi Tours and Jamaica Co-operative Automobile and Limousine (JCAL) Tours Ltd. Beneficiaries of the loan facility were given an eight-month moratorium.

Craft vendors in markets, namely Success, Old Fort Bay, Holiday and Harbour Street received tourism resiliency kits and in April 2021, the sum of \$10 million was allocated through the Tourism Linkages Network to provide relief to industry workers who remained unemployed due to the continued impact of the COVID-19 pandemic.

The TEF supported the Vaccine Confidence Education and Social Awareness Campaign for Tourism Workers and vaccination blitzes, the thrust including Norwegian Cruise Line's committing US\$1 million to the Ministry of Tourism to facilitate vaccination of persons in the tourism sector. There was also partnership with the Private Sector Vaccination Initiative (PSVI) coming out of the Private Sector Organization of Jamaica (PSOJ) working with Jamaica Hotel and Tourist Association (JHTA) member hotels.

TEF in partnership with the JHTA facilitated the distribution of reusable masks under the COVID-19 Ambassador Programme in ten communities across the tourist resort areas and, through the TLN, supported craft vendors across the island with grants totalling \$23 million to assist with effective preparation for the reception of cruise ship visitors and compliance with the Ministry of Tourism Health & Safety Protocols.

Importantly, TEF facilitated research by the University of the West Indies on the impact of the COVID-19 pandemic on tourism workers provided useful insights into the

attitudes and behaviours of this grouping, facilitating strategic planning for the return of the workforce.

PROJECTS AND PROGRAMMES

The TEF development plans for the resort towns of Ocho Rios and Negril gained momentum in the review period, with these and other major projects being advanced through stakeholder meetings, technical assessments and the engagement of consulting expertise.

In Montego Bay, the 'Hip Strip' enhancement project Terms of References (ToRs) for electrical and underground cabling works were developed. There was renovation of the Jimmy Cliff Boulevard, erection of entrance signs for Montego Bay and launch of the Montego Bay Street View Project, a depiction of the Montego Bay Street View site on Google Maps.

The Resort Town Maintenance Programme covered the spectrum of beautification projects. There was rehabilitation of bus routes as a part of Portland's tourism product development, and of tourism routes from Montego Bay to Negril.

Drain cleaning in the vicinity of the Ocho Rios Cruise Ship Terminal, cleaning and beautification along the Palisadoes roadway, community spay and neutering of animals in tourist areas and clean-up programmes in advance of the Winter Tourist Season all received TEF support in the drive to maintain and upgrade the island's resort centres and airport routes.

The ability to promote growth in the island's tourism sector is heavily affected by conditions in communities proximate to resort centres. These are often informal or 'squatter' settlements with the attendant socio-economic, health and environmental problems.

The infrastructural project undertaken by the Tourism Enhancement Fund in partnership with the Housing Agency of Jamaica (HAJ) in the informal settlement of Grange Pen, St. James includes road construction and paving, drainage infrastructure, water supply and sewage connection to the National Water Commission; systems facilitating electricity distribution and land titling for citizens.

The numbers of tourism workers residing in informal communities such as Grange Pen is further impetus for the TEF's integral role in transformational projects such as this, to be completed in the 2022/23 financial year.

The important and often emotive issue of free, public access to well designed and maintained beaches, including public beaches in the vicinity of private developments impact both the tourist experience of Jamaica and support for the industry by Jamaicans as hosts. The TEF's major beach development programme was advanced during the review period with stakeholder engagement being a central tenet of the programme.



TEF's support for the protection and upgrade of attractions as the life-blood of the tourist industry was highlighted in such projects as the redevelopment of the iconic Holland Bamboo Avenue in St. Elizabeth in collaboration with the Park Services Division of the Ministry of Agriculture and the University of the West Indies conducting research into optimum replanting of the bamboo plants.

The significance of heritage structures to understanding the history and cultural traditions of a society ensures such structures pride of place in the tourism product and support for their preservation.

The TEF's record of rehabilitative works in this area continued in such projects as restoration of the St. James Parish Church, popular for tours by visitors including cruise ship passengers; structural assessment of the Milk River Hotel and Mineral Spa, safety upgrades at the Bath



Fountain Hotel & Spa in St. Thomas, such facilities being steeped in centuries-old folkloric traditions.

Collaborative work with Devon House Development Limited to implement the Devon House Heritage Site Improvement project is ensuring the continued central positioning of this Kingston mansion built by the island's first black millionaire, as a prized heritage structure and recreational centre for Jamaicans and visitors alike.

The TEF's role in facilitating enhancement and expansion of the tourist experience included such initiatives as branded signage for the Jamaica Blue Mountain Culinary Trail and literature for the Walking Tour of historic Port Royal.

The imperative to advance eco-tourism development and sustain protected areas found expression in the TEF'S robust support for coastal clean-up campaigns, the removal of debris, unwanted elements and sargassum from beaches islandwide and a novel project to create underwater sculptures for erection in the Ocho Rios Marine Park. Importance was attached to operational support for the Montego Bay Marine Park and for the Laughing Waters Fish Sanctuary.

Culture, Sports, Health, Education and Community Welfare



Showcasing and supporting promotion of Jamaica's unique culture continued to be among the areas taking centre-stage for the TEF. Sponsorship support included continuation of that provided to Kingston Creative in the effort to have Downtown Kingston truly representative of the cultural capital of the Caribbean.

The support of the health sector included purchase of equipment for the Mandeville Regional Hospital, provision of an additional waiting area for the outpatient clinic at the

Cornwall Regional Hospital and improvement works at the St. Ann's Bay Hospital. Fire and police stations, notably in the island's resort towns benefited from upgrades, in one instance, the provision of an ambulance and in several, supply of standby generators.

Community support included the supply of tablets and laptops for children in vulnerable communities, assistance with recreational and sports facilities, covering of a disposal site, and funding of a study on the effects of pesticides residue.

Infrastructure

There was substantial allocation of TEF funding for the enhancement and rehabilitation of roadways, with particular emphasis on those leading to attractions. Partnership requests included those from the National Works Agency and Municipal Corporations.

A brief overview of rehabilitative works would include the Mockingbird Hill Road, and the San San to Norse Hill Roadway in Portland; the John's Hall roadway leading to John's Hall Estate, a major attraction and Whyns Road, St. James.

In St Elizabeth, there was the rehabilitation of Ridge to Comma Pen Road, the Queensbury to Berkshire Road and that from Crane Road Roundabout to Parottee Beach.

Rehabilitation of the roadway from Alexandria to Ballintoy, St. Ann, ensured comfortable access from Alexandria to the Mausoleum of the iconic Bob Marley.

Other infrastructural initiatives in partnership with the National Water Commission included support for the supply and installation of transmission pipelines from Canaan Well Station to the storage reservoir at Cedar Hill, in keeping with the Canaan Adelphi Water project being executed by the TEF in rural St. James.

The TEF supported plans for improvement of the roadway from the new ROK Hotel to Downtown Kingston on the route designated the "the Kulture Key", establishment of the Phoenix Square project in Trench Town and other selected areas of Kingston and St. Andrew in partnership with the Kingston and St. Andrew Municipal Corporation.

Other initiatives in the capital city included rehabilitation of West Road leading to the Global Tourism Resilience and Crisis Management Centre on the Mona Campus of the University of the West Indies.



TOURISM LINKAGES, INNOVATION, RESEARCH AND RISK MANAGEMENT

The Tourism Enhancement Act of 2004 speaks to the Fund facilitating greater linkages to other sectors in the economy, an objective pursued through the Tourism Linkages Network (TLN) which was approved by Cabinet decision, established in June 2013 and subsequently incorporated in the administrative structure of the TEF.

The TLN operates through the Technical Working Groups of Agriculture and Manufacturing which drives economic benefits from tourism to the productive sectors. It also seeks to establish linkages along the passion points of travellers through the designated networks: 'Gastronomy'; 'Health & Wellness', 'Sports and Entertainment', 'Shopping' and 'Knowledge'.

In meeting the crisis of the COVID-19 pandemic and pivoting for future growth, Jamaica's tourism was well served by the wide-ranging activities of the TLN, as well as those of the Jamaica Centre of Tourism Innovation (JCTI) with its mandate to facilitate professional development of tourism workers and the Research and Risk Management Department (RRMD), charged with executing tourism resilience and innovation initiatives, as well as information gathering and analysis to guide decision-making for the industry.

These Departments were driven by strong partnerships, closely collaborating with the leadership in public and private sector entities, notably in the agricultural, manufacturing, tourism and export sectors as well as educational institutions.

Substantial success was achieved in a number of online fora hosted under the aegis of the TLN to sensitize and inform the public about a range of tourism-related topics directly related to the reopening of Jamaica's tourism industry, the tourism supply chain as well as sustainable tourism initiatives focused on the natural environment.

Tradeshows, perhaps most notably the 7th staging of the signature 'Christmas in July' 2021 provided opportunities for local producers of authentic Jamaican gift and souvenir items to promote their products to stakeholders in the tourism sector and corporate Jamaica.



TLN Conferences included the 3rd Annual Jamaica Health and Wellness Tourism Conference held in November 2021 at the Montego Bay Convention Centre in St. James. Festivals included the 'Taste Jamaica' event at the South Beach Wine and Food Festival (SOBEWFF) in partnership with the Jamaica Tourist Board. There were shopping showcases, notably 'Style Jamaica' and workshops reaching into such areas as Natural Skincare Product Development.



TLN partnered with the Ministry of Culture, Gender, Entertainment and Sport (MCGES) to host a Jamaica Creative Career Expo and facilitated planning for a virtual Entertainment & Sport Best Practices Conference. The highly anticipated Speed Networking event expanded tourism networking opportunities for local manufacturers of goods and service providers.

Trading on the TLN's online platform www.agrilinkages.gov.jm continued apace as well as other initiatives in the Agriculture Network. These included the Rose Hall AgriVentures Poultry Farming project, community farming projects in St. Elizabeth and St. James and completion of the strawberry cultivation programme paving the way for supplies to local hotels and businesses.

In keeping with the 'Linkages' encouragement of entrepreneurial activities feeding into the tourism sector, TLN partnered with the Ministry of Agriculture and Fisheries through the Rural Agricultural Development Authority to execute the St. Ann Agro-Tourism Business Symposium held at the Seville Heritage Park under the theme, 'Exploring the entrepreneurial opportunities in the tourism and agricultural sectors'.

Much effort in the course of the year was expended to maintain and improve the Code Functionality and Security Maintenance of the Agri-Linkages Exchange (ALEX) website the 'ALEX platform' being one of the largest digital assets of the TEF and the TLN.

JCTI Programmes facilitated the certification of tourism workers with, among others, the American Hotel & Lodging Educational Institute (AHLEI) and American Culinary Federation (ACF). The 'Level-up' Project provided training in the Arts.



The TEF through the JCTI and the Global Tourism Resilience and Crisis Management Centre (GTRCM) hosted a Certification Tradeshow in September 2021. Also on the educational front, the TEF Summer Internship Programme for 2021 concluded in August with 634 interns and 158 corporate partners.

Theming of the Artisan Village in historic Falmouth along with development of a business plan for the Artisan Village was a primary focus for the Jamaica Centre of Tourism Innovation in the course of the financial year.

Of note, the Ministry of Finance and the Public Service confirmed that Artisan Villages are properly within the purview of the TEF. There was also agreement on TEF's approach to the organisational structure of the Artisan Village at Falmouth. At the end of the year, the TEF was in the final stages of reviewing and revising the Memorandum of Understanding between TEF and Port Authority of

Jamaica to inform TEF's management of the Artisan Village at Falmouth.

Project planning for the second Artisan Village, to be located in Ocho Rios commenced in the review period. The TLN pursued close monitoring and updates to maintain robust social media engagement on TLN sites such as:

Taste Jamaica Website and Mobile Application; wellnessinJa website and mobile application; shoppinginJa website and mobile application.

The year in review was illustrative of the leadership role and forward thinking 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 on the Mona Campus of The University of the West Indies (UWI). The advent of the COVID-19 spoke directly to the soundness of a comprehensive approach to capacity building for the tourist industry and the GTRCMC's mandate to enhance global tourism destinations' ability to prepare for, manage and swiftly recover from crises or disruptions to the sector.



The Research and Risk Management Department at the TEF, closely aligned with the Global Tourism Resilience and Crisis Management Centre from inception, will continue its association with programmes to mitigate the continuing effects of the COVID-19 pandemic as the TEF pursues its commitment to supporting the recovery process and initiatives to propel renewed growth for Jamaica's tourist industry.

The completion of the TEF's Enterprise Risk Management project also fell within the scope of the RRMD.



EXECUTIVE DIRECTOR'S REPORT CAREY WALLACE, PhD

I have the pleasure of presenting the Financial and Operational Report on the Tourism Enhancement Fund (TEF) for the period April 1, 2021 to March 31, 2022.

In the wake of the COVID-19 pandemic, the TEF was once again called upon to navigate an extremely challenging period for the tourist industry globally and nationally.

While international arrivals of 415 million in 2021, represented a 4% increase over 2020 arrivals of 400 million- the worst year on record for tourism as reported by the United Nations World Tourism Organization, this

was 72% below the pre-pandemic arrivals of 1.5 billion in 2019.

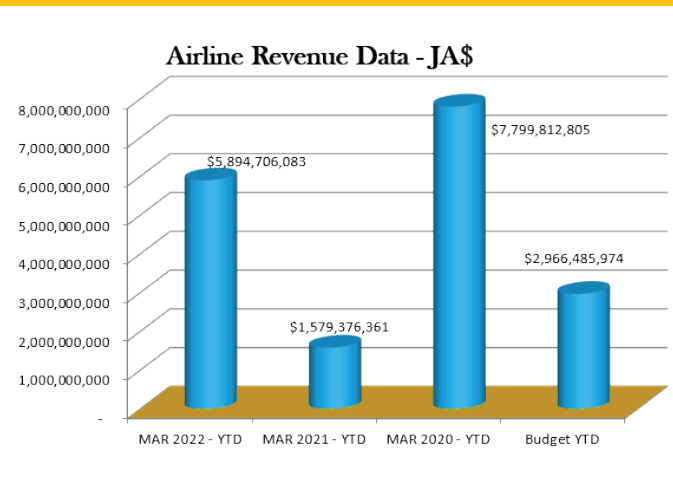
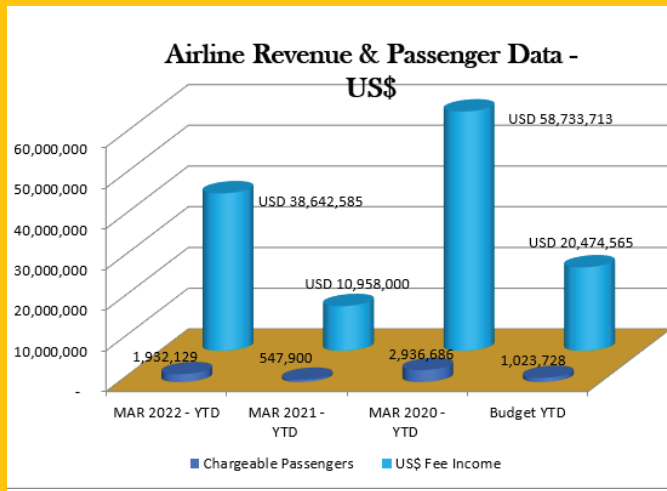
In the final Quarter of the review period, January to March 2022, international tourism continued the recovery increasingly seen in the second half of 2021. Destinations welcomed an estimated 117 million arrivals compared to 41 million during the same period in 2021. International arrivals, however, remained 61% below 2019 levels.

In Jamaica, stopover arrivals of 1,464,399 and cruise passengers numbering 70,766 in 2021 reflected the process of recovery and momentum being gathered, as the first three months of 2022 saw 510,401 stopover visitors and 99,798 cruise passenger arrivals to the island.

Collection

TEF transferred J\$4.9 billion from Airline fees and J\$13.4 million from Cruise Lines. This compared to prior year 2020/2021 when TEF transferred fees totalling \$2.2 billion to the Consolidated Fund and the benchmark 2019-2020 period when the Government received J\$7.7 billion in fees; of which J\$7.5 billion was collected from the airlines while cruise income was J\$215.8 million.

AIRLINE REVENUE ANALYSIS AS AT MARCH 2022							
	MAR 2022 - YTD	MAR 2021 - YTD	MAR 2020 - YTD	Budget YTD	Yr / Yr movement	Yr/Budget movement	Budget Var. Over/(Under)
Chargeable Passengers	1,932,129	547,900	2,936,686	1,023,728	252.6%	(88.7%)	908,401
US\$ Fee Income	38,642,580	10,958,000	58,733,713	20,474,565	252.6%	(88.7%)	18,168,015
JA\$ equivalent Fee Income	5,894,706,083	1,579,376,361	7,799,812,805	2,966,485,974	273.2%	(98.7%)	2,928,220,109
Average billing rate	152.5443	144.1300	132.7996	144.8864	5.8%	(5.3%)	0
Actual Exchange rate	152.8316	143.1730	132.5275	144.8864	(6.7%)	(5.5%)	0
CRUISE REVENUE ANALYSIS AS AT MARCH 2022							
	MAR 2022 - YTD	MAR 2021 - YTD	MAR 2020 - YTD	Budget YTD	Yr / Yr 2020 movement	Yr/Budget movement	Budget Var. Over/(Under)
Chargeable Passengers	45,028	-	833,285	124,118	(94.6%)	63.7%	(79,090)
US\$ Fee Income	90,056	-	1,666,571	248,236	(94.6%)	63.7%	(158,181)
JA\$ equivalent Fee Income	13,732,348	-	220,937,007	35,966,051	(93.8%)	61.8%	(22,233,703)



TRADE DEBT

Trade Debt at March 31, 2022, was US\$3.8M equivalent to J\$577.4M. Carriers that normally pay directly to the bank account had a total of \$146.6M outstanding as of March 2022. These are: Condor, SouthWest, Fly Jamaica, SunWing, Spirit, InterCaribbean, Thomas Cook, Fly Jamaica and Port Authority.

89.5% of receivables fell within the 0-30-day band and of this amount 71% belonged to the IATA group or scheduled airlines for which there is a standing automatic payment through the Airlines Bank IATA Clearing house. The other 29% belonged to Charter Carriers.

Debtors over 90 days outstanding represented 9.4% (US\$353,545) of the TEF's portfolio as of March 31, 2022.

*As of April 11, 2022, TEF had collected USD 3,048,059.74 which settled 81% of the balance outstanding as of March 31, 2022.

The court has resolved the issue of Fly Jamaica's debt of US\$180,006.40 in TEF's favour. The result of TEF's claim through the bankruptcy process is pending like other unsecured creditors as advised by the entity's attorneys via letter dated November 24, 2021.

Legal options have been explored for recovering debt from delinquent airlines. A commitment was made by the entity's attorneys to assess each case to ascertain whether there was potential return on investment for pursuing via legal channels. Legal advice was not to pursue the Thomas Cook case via the legal route.

BUDGET

The Tourism Enhancement Fund received an approved budget of J\$2,361M for the Fiscal Year 2021-22. In December 2021, TEF received an additional subvention of J\$6.2M in the Direction & Management category to fund the salary increase approved for all public sector workers. At the tabling of the second supplementary budget, TEF received an additional budget allocation of J\$92M. This represents the portion of the contribution from the Norwegian Cruise line donation to the Jamaican tourism sector's recovery programmes.

Budget allocation allowed for J\$73M to be spent on projects in the Maintenance & Rehabilitation category and J\$19M to be spent on Tourism Business Development activities.

- Original budget- J\$2,361.8M
- 2nd supplementary revision- J\$2,453.8M
- Final Subvention received- J\$2,462.1M

BUDGET ALLOCATION

The budget for the financial year 2021/2022 was allocated across the six sub-programmes of government, namely:

- Direction & Management,
- Capacity Development,
- Maintenance & Rehabilitation of Tourism Areas,
- Tourism Investment,
- Tourism Linkages Network,
- Local Supply Chain Integration.

EXPENDITURE

TEF spent a total of J\$2.9 billion for the financial year ended March 31, 2022, utilizing the total budget allocation, inclusive of internal virements of funds during the year to provide reallocations to the Maintenance and Rehabilitation of Tourism Areas.

Product Enhancement activities line item was over budget and had a variance of J\$(27.8 M/-1%) while

Business Development expenditure was under budget by \$18.4M/7%.

(See Table 2 for the expenditure as per the respective activities).

Operating expenses for the financial year totalled J\$450.6M, this being J\$25.7M/5% below the budget of J\$476.3M.

YEAR-TO-DATE EXPENDITURE BUDGET VS ACTUAL J\$000

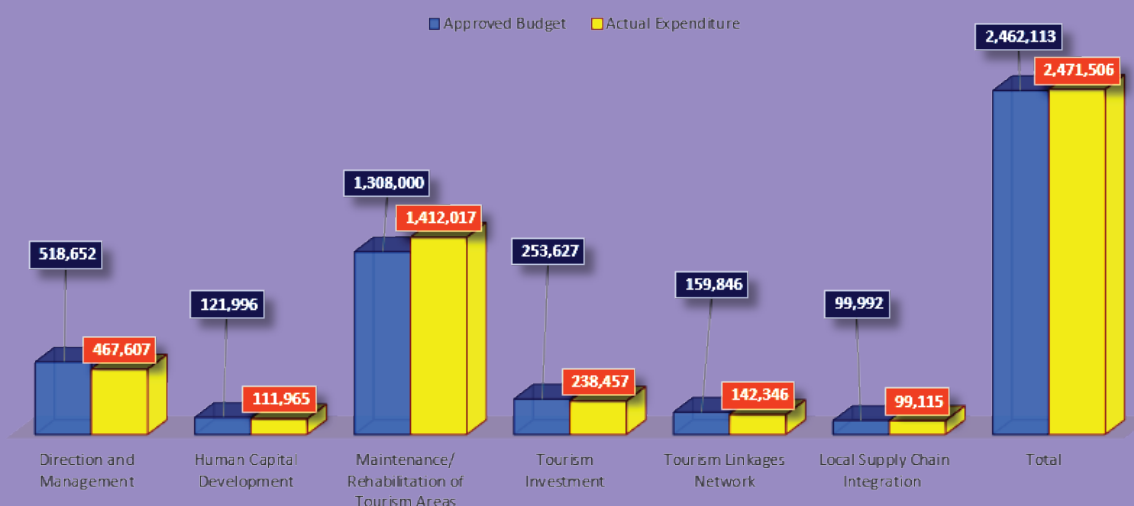


TABLE 2: Breakdown of Expenditure by Departments

Programme/ Activity Code	DESCRIPTION	2021-22					
		Approved Budget	Additional at Supplementary	Supplemental Budget	Revised Budget (Final) ***	Actual	Variance
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
652	Tourism Product Development	2,361,816	100,302	2,462,118	2,462,118	2,457,428	4,690
20	Product Enhancement	2,120,980	81,302	2,202,282	2,220,658	2,215,968	4,690
10005	Direction and Management	510,357	8,302	518,659	485,039	480,349	4,690
	TEF Management & Operations	479,287	8,302	487,589	463,375	458,685	4,690
	Tourism Research, Innovation & Entrepreneurship	31,070	-	31,070	21,664	21,664	0.00
10017	Capacity Development	121,996	-	121,996	116,722	116,722	-
10159	Maintenance/ Rehabilitation of Tourism Areas	1,235,000	73,000	1,308,000	1,380,440	1,380,440	-
	Resort Town Squatter Settlement	300,000	-	300,000	313,500	313,500	-
	Emerging Resort Area Support & Development	55,000	-	55,000	13,027	13,027	-
	TEF Beaches Development	240,000	-	240,000	231,163	231,163	-
	Enhancement of Roadways	150,000	-	150,000	281,513	281,513	-
	Development Projects	190,000	-	190,000	210,927	210,927	-
	Roads to Attractions	300,000	73,000	373,000	330,310	330,310	-
12509	Tourism Investment	253,627	-	253,627	238,457	238,457	-
21	Tourism Business Development	240,836	19,000	259,836	241,460	241,460	-
12510	Tourism Linkages Network	159,846	-	159,846	143,072	143,072	-
12511	Local Supply Chain Integration	80,990	19,000	99,990	98,388	98,388	-
	TOTAL	2,361,816	100,302	2,462,118	2,462,118	2,457,428	4,690

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

PROJECTS DEPARTMENT

The Projects Department was allocated \$1.4 billion to be disbursed on projects for the 2021-2022 fiscal year.

The budget is divided into two (2) main categories namely: Maintenance and Rehabilitation and Tourism Investment. Each category is broken down as follows:

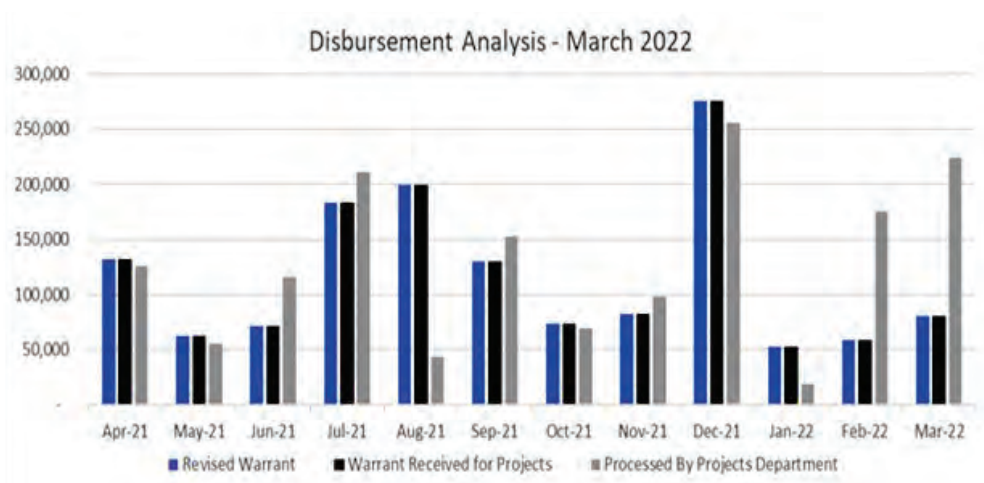
Maintenance and Rehabilitation

- Resort Town Squatter Settlement
- Emerging Resort Area Support & Development

- TEF Beaches Development
- Enhancement of Roadways
- Development Projects
- Roads to Attractions

Tourism Investment

- Eco Tourism Development to Sustain Protected Areas
- Community Tourism Activities
- Sponsorship Investment
- Grant Funding



The Projects Department maintained a full schedule of project application reviews, approvals for implementation, presentations to the Board of Directors, site visits/meetings and appraisals.

Disbursements in the course of the financial year were in some instances affected by procurement processing time, and processes in accordance with the Public Investment Appraisal Branch which supports the Ministry of Finance & the Public Service’s Public Investment Management System (PIMS).

Periods of low disbursement and curtailing of projects and activities were, however, due primarily to spikes in COVID-19 cases on the island and the subsequent restrictive measures, notably ‘no movement days’ implemented under the Disaster Risk Management Act.

The Projects Department has the particular task of de-committing projects that have been languishing on the books. At the start of the review period, there was J\$2.33 billion in outstanding amounts committed. There was steady progress in the culling exercise for such projects.

Also of significance, virements within the entity toward the end of the financial year were undertaken to better manage remaining cash flows.

COVID-19 RESPONSE

Funding Support for The Tourism Transportation Sector

There were significant initiatives to mitigate the impact of the COVID-19 pandemic on workers within the tourism sector. TEF was charged with the task of crafting a proposal to aid drivers within the Tourism Transportation Sector. This followed Tour Operators’ audience with the Ministry of Tourism lamenting the number of drivers/tour operators at risk of losing vehicles having as a consequence of COVID-related loss of income, defaulted on motor vehicle loans.

A series of collaborative meetings between the TEF, JN Bank Small Business Loans Division (JNSBL), the Ministry of Tourism and the Development Bank of Jamaica resulted in a Memorandum of Understanding offering the JNSBL & TEF Contract Carriage Default Clearance Loan.

Loan provisions for Contract Carriers made available with effect from July 2021 were as follows:

- J\$70M loan pool made available for lending to drivers/ tour operators who are members of JUTA, JCAL or MAXI;
- A maximum of J\$1M to be lent at 0% interest;
- Borrowers would have a maximum repayment period of 36 months with 8 months moratorium;
- The loan would be used to clear arrears with other financial institutions.

Assistance to vulnerable tourism workers through the Tourism Linkages Network, with administrative support from the Tourism Product Development Company Ltd. (TPDCo) also took the form of 'Resilience Kits' distributed in licensed craft markets in the resort areas, kits being inclusive of automatic dispensers with built-in temperature gauge.

WINTER TOURIST SEASON CAPACITY BUILDING SUPPORT PROGRAMME FOR CRAFT VENDORS

There are currently sixteen designated craft markets across the island with over 2,000 craft vendors assigned to each. Of this number there are over 600 licensed shop owners/ craft vendors. The craft vendors were hard-hit by the restrictions on travel as a consequence of the COVID-19 pandemic, with some unable to pay outstanding sums for retail spaces due to the lack of business engagements.

In advance of the 2021-2022 Winter Tourist Season, the TEF provided support to craft vendors by way of a one-off payment of J\$30,000.00 each to assist with settling outstanding balances or purchasing raw material for craft items.

The criteria for beneficiaries of this programme were as follows:

- Must be COVID-19 compliant
- Must be licensed craft vendors in one of the sixteen designated craft markets.

The TLN, Risk and Research Teams along with Tourism Product Development Company's Destination Managers conducted the application process for Craft vendors across the island over the period December 16-17, 2021.

The Winter Tourist Season Capacity Building Support Programme for craft vendors was deemed successful with 697 craft vendors receiving support.

COVID-19 RESPONSE - Internal

Measures taken within the TEF to protect members of staff in the context of the COVID-19 pandemic were

in accordance with the Orders under the Disaster Risk Management (Enforcement Measures). These included rotation of staff working from home alternating with coming into the office. The entity reverted to full office attendance on 14th January 2022.

COVID-19 Pandemic measures employed at the TEF included: personal protective equipment issued to travelling officers and other officers as required, provision of KN95 masks, hand sanitizers and gloves. A mail drop-box in the main lobby reduced the number of persons accessing the TEF offices. All persons conducting business at the TEF over extended periods were required to complete COVID-19 'Catch Up Surveys', wear masks and adhere to physical distancing.

The entity's COVID-19 'Catch-Up' weekly survey was revised to include Mental Wellness questions to further understand the mental state of Team members amidst the pandemic.

HUMAN RESOURCES

The expansion of the TEF to incorporate the Tourism Linkages Network (TLN), the Jamaica Centre of Tourism Innovation (JCTI) and the Research and Risk Management Department created additional demands on the support services of the Organisation including Human Resources and Finance. The operations of some of the new departments also required additional members of staff. Requests were made and approval received from the Ministry of Finance & the Public Service to fill positions for two years commencing September 1, 2021 as follows:

- Senior Projects Administrator, Projects Department;
- Project Accountant, Finance & Accounts Department;
- Linkages Development Officer, Tourism Linkages Network Department;
- Communications Officer, Communications Department (Executive Office);
- Risk Officer, Research & Risk Management Department.

NB: The Risk Officer was subsequently approved on the TEF structure.

STAFF TRAINING

The organization sought to improve staff capacity through training and development. At the end of the year, training programmes were delivered to employees totaling approximately 4,035 training hours.

Training sessions attended by members included:

- Government Accounting
- INPRI Public Sector Procurement Certification

- Enterprise Risk Management- Audit
- Delivering Extraordinary Customer Service
- SAGE – Project & Job Costing module
- Microsoft Excel training
- Project Management- MIND
- Business Etiquette
- Procurement Policies & Procedures- World Bank
- Supervisory Management
- Business Seminar Workshop
- International Financial Reporting Standards Workshop
- Middle Managers Conference
- Human Resources- (Termination/Disciplining/ Improving Poor Performance).

PENSION SCHEME

By letter dated March 1, 2022, it was confirmed that the Tourism Product Development Company’s Board of Directors has approved the TEF joining that Agency’s Pension Scheme.

PROJECT OVERVIEW



An overview shows projects and programmes pursued under the aegis of the Tourism Enhancement Fund in the Financial Year 2021-2022 varying widely in scope but with the principal objective of measurably impacting the growth and development of tourism in Jamaica.

Quantum improvement in ‘resort town squatter settlements’ has been an imperative under the broad category of ‘Maintenance and Rehabilitation of Tourism Areas’.

The Grange Pen Squatter regularization project in St. James which commenced in the 2019-20 financial year with funding support of J\$963 million allocated to the Housing Agency of Jamaica (HAJ), has represented one of the

largest TEF programmes targeting infrastructural upgrades in informal settlements proximate to the island’s resorts. Progress of this project in the review period was, at times, constrained by gang violence and resourcing challenges with HAJ. Notwithstanding, the Grange Pen project was at 71% completion at the end of FY 2021-22.

The Beaches Development Programme, another of the major initiatives closely touching and concerning the socio-economic dynamics of tourism and community interchange progressed with targeted beaches at varying stages of project execution.

At Alligator Pond, St. Elizabeth, the initial stages of the project saw renderings completed; the Orchard Beach development project, Hopewell, Hanover received Public Investment Appraisal Branch (PIAB) concept approval; townhall meetings encouraged community engagement in the Winnifred Beach Development in Portland and beach redevelopment in Priory, St. Ann; while execution proceeded at the Rio Nuevo Beach albeit with some delays contributing to an underspend in the Ocho Rios area.



On the environmental front, the shoreline protection project at Island Village in Ocho Rios achieved practical completion at year-end 2021. There was a reduction of the scope of works occasioning discussion with the implementing agency, the Port Authority of Jamaica and requested review by the TEF Board in respect of the agreed split in the investment by the respective entities.

There was commencement of preliminary work on the ‘Hip Strip’ Development project announced in June 2021, which envisages comprehensive upgrading of the popular Montego Bay Hip Strip, located along Jimmy Cliff Boulevard (formerly Gloucestershire Avenue), in the resort city. The sum of \$150 million was earmarked in the 2021/22 Budget for the project, which is to form part of the focus on reimagining and transforming the Hip Strip and by extension Montego Bay.

Success can be claimed in the ‘Street View project’ being piloted in Montego Bay given reports on the number of views. Support for the Montego Bay Convention Centre with the provision of CCTV cameras and air conditioning units; the rehabilitation of bus routes in a number of tourism areas including the Buff Bay Valley, formed part of the resort maintenance and development initiatives in the course of the year.

At historic Devon House in the capital city Kingston, rehabilitation work on the multipurpose building was at practical completion at year end and ground-breaking took place on March 17, 2022 for the Courtyard Rehabilitation project. Restoration of Heritage structures, reflective of the rich history and triumphs of the nation continued to be among priority projects in the review period.

Redevelopment of the Alpha Mercy Historical Centre, Amphitheatre and Museum was among the projects representing the commitment to preservation and promotion of creative expression as an integral part of the island’s appeal. This was also demonstrated in continued support for the Downtown Kingston Art District Community Events through Kingston Creative Limited.

A listing of projects including: Enhancement of roadways, notably roads to attractions; development projects; ecotourism investment to sustain protected areas, Community tourism activities; sponsorship investment and grant funding is found in APPENDIX 1.

TLN/JCTI/RRMD



The Tourism Enhancement Fund’s incorporation of the Tourism Linkages Network, the Jamaica Centre of Tourism Innovation and the Research and Risk Management Department significantly expanded the Project profile and activities falling directly within the ambit of the Agency. The forging of partnerships and collaborative programmes

across sectors and entities, always an imperative, has also expanded exponentially in keeping with the structure and operations of the TEF.

A full calendar of activities attended the Tourism Linkages sub-sets: Gastronomy, Health and Wellness, Knowledge, Sport, Entertainment, Shopping as well as the Agriculture and Manufacturing Technical Working Groups.

GASTRONOMY NETWORK



Highlights of the initiatives and achievements of the ‘Gastronomy Network’ include:

- Creation of an online database of local suppliers of coffee and coffee-infused products;
- Establishment of a Chefs’ Advisory Committee as a sub-committee of the Gastronomy Network;
- Observance of significant dates e.g. ‘World Gastronomy Day’ to highlight the linkages between Jamaica’s agricultural and gastronomy sectors;



- ‘Taste Jamaica’ Pop Up Cooking Classes with JAMPRO Export MAX III with participation of a number of Resorts;
- Sponsorship of participation in South Beach Wine and Food Festival, (February, 2022) in collaboration with the Jamaica Tourist Board;
- Sponsorship support of the Jamaica Food and Drink Festival (JDFD), November – December 2021 featuring Multiple Day and Night events at the JDFD Kitchen in Kingston;
- Jamaica Blue Mountain Coffee Festival- March, 2022 including the Farmers’ trade day, coffee workshops, ‘Sip and Shop’, conducted throughout the month of March, with the festival/marketplace day at Devon House planned for Saturday, April 2, 2022;
- Execution of the Gastronomy Tourism Satisfaction Survey determining current attitudes towards culinary tourism in Jamaica;
- Completion of signage for the Blue Mountain Culinary Trail.

international guidelines and recommendations for spa operations serving the tourism sector in Jamaica during the COVID-19 crisis;

- Hosting of a Global Wellness Day, June 2021- featuring a pre-recorded panel discussion uploaded to the TEF social media accounts;
- Natural Skincare Product Development Workshop- in person/online session(s) – November 2021;
- Hosting of the 3rd Jamaica Health and Wellness Tourism Conference, Montego Bay Convention Centre in St. James/live streaming via social media- November 2022, promoting the country as a health and wellness

HEALTH AND WELLNESS NETWORK



The initiatives of the Health & Wellness network took on particular significance in the face of the COVID-19 pandemic, the imperative being to ensure the safety of guests and employees without reducing quality service while accelerating the thrust toward increased resilience as the tourism sector reopened.

Output through sponsorship and collaborative efforts included:

- Production of a COVID-19 Safety Manual for the Jamaican Spa Sector providing comprehensive



destination under the theme ‘Refresh, Reboot, Reawaken – the new world of health and wellness’;

- Updating of GIS Mapping of Health and Wellness Tourism Assets/sites across Jamaica conducted through the Tourism Linkages Network in 2018. This mapping exercise resulted in an inventory of health and wellness resources, including mineral baths, spa services and facilities, parks and recreational spaces with associated GPS coordinates.

KNOWLEDGE NETWORK

- Study of the 'Impact of COVID-19 on Tourism Workers' - The results of sponsored research by the University of the West Indies on the impact of the COVID-19 pandemic on Tourism Workers providing useful insights into the attitudes and behaviors of Tourism workers during the period; numbers of persons furloughed from hotels, attractions, restaurants, the transportation sector, etc. at varying periods in the course of the pandemic;
- Online forum series creating a dominant tourism presence in both traditional and social media. Topics: "Tourism Diplomacy – Rebuilding Tourism Safely" - May 7; "How Tourism has impacted other sectors" - May 14; "Cruise Homeporting: Benefits for our destination"- May 27;
- Online Forum Series- 7-week virtual knowledge series

To sensitize and inform the public about a range of topics directly related to the reopening of Jamaica's tourism industry, the tourism supply chain as well as sustainable tourism initiatives focused on the natural environment; included industry leaders, institutional partners, community voices, entrepreneurs and cross-industry experts:

- June 5- World Environment Day- Theme "Reimagine, Recover, Restore";
- June 7- World Food Safety Day;
- June 8- World Oceans Day - The second fully virtual celebration of United Nations World Oceans Day highlighted the theme of The Ocean: Life and Livelihoods. This forum focused on local fishing sanctuaries and marine parks across resort areas in Jamaica;
- June 11- "Destination Weddings and benefits to Jamaica";
- Knowledge Network Forum: "Diversification of Jamaica's Tourism Product" – October 28, 2021;
- Webinar - "Blue Ocean Strategy" which calls for the creation of business models that depart from traditional models based on competition and standardization - November 25, 2021, streamed via TEF accounts on Facebook, Instagram and YouTube;
- Online forum - "Emerging technological trends in Tourism"- January 27, 2022;
- Online Forum - "The Groups & Conventions Market: Operating in the New Normal"- February 24, 2022.

COVID-19 VACCINATION JINGLE

An initiative of the Knowledge Network, the Jingle was produced by Talent Laalee, singer of the widely popular 'Dirt Bounce' song and dance and intended to encourage Tourism workers to avail themselves of the COVID-19 vaccinations.

SHOPPING, ATTRACTIONS AND TRANSPORTATION NETWORK



The 'Style Jamaica' Accessories catalogue was produced and posted to the TLN Issuu account as an electronic magazine. A number of hard copies were also published and shared with tourism entities.

The 'Christmas in July' 2021 Tradeshow was successfully held on July 22, 2021 at The Jamaica Pegasus hotel in Kingston with the main address brought by the Hon Minister of Tourism. There was participation by 151 manufacturers with over 1,171 viewers on YouTube and 2,400 on Instagram. Live-streaming of the event was shown on the social media pages of TEF partners namely Jamaica Business Development Corporation, Jamaica Promotions

Corporation (JAMPRO), the Jamaica Manufacturers & Exporters Association (JMEA) as well as the Ministry of Tourism.

SPORTS AND ENTERTAINMENT NETWORK

Following a presentation to a multi-ministry task force, a demand study was commissioned by the Research and Risk Management Department to ascertain the entertainment needs of the tourism sector. It was determined that a Tourism Entertainment Academy was a requirement to further advance the creative industries serving the island's tourist industry. A budgetary allocation of \$50 million was made for the Tourism Entertainment Academy is to be developed on the Montego Bay Convention Centre lands.

The established 'DJ' Academy Jamaica continued to provide training for disc jockeys, AV technicians, entertainment staff and managers employed to and being prepared for employment within the tourism sector.

Ahead of the establishment of a performing arts academy in Montego Bay, the Network's 'Level Up' Capacity Building Training Programme featured plans for intensive 'Masterclass workshops' led by industry experts, the objective being capacity-building for budding artistes and entertainers for the tourist industry.

TOP EVENTS JAMAICA

Maintenance of the Top Events Jamaica website and App continued, the project, in tandem with the Jamaica Tourist Board travel agent network, utilizing 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.

SUPASTAR PROJECT

Plans were advanced for the production of a film with segments highlighting powerful cultural themes in the promotion of Destination Jamaica, each segment featuring personalities and masters in the respective areas:

THEME: Athletics- 'Forging Speed'

THEME: Music- 'Creating the Sound of Jamaica'

THEME: 'Crafting Culture'.

AGRICULTURE TECHNICAL WORKING GROUP

The Tourism Agri-Linkages Exchange (ALEX), Jamaica's first digital agro-trading platform connecting farmers with purchasers in the tourism industry, continued to trade steadily with the number of farmers engaged increasing in tandem with the recovery of the tourism and hospitality sector. Over the months of the COVID-19 pandemic, the TLN Agriculture Technical Working Group collaborated

with the Rural Agricultural Development Authority (RADA), to mitigate losses to farmers from the closure of hotels through easier access to restaurants and supermarkets to sell their produce.

Other initiatives have included facilitation of the Jamaica Tourism Supply Chain Study, providing market analysis of aggregate tourism supply to capitalize on market trends, reduce the leakage of tourism supplies that can be competitively sourced locally and increase the retention of the tourist dollar with positive impact on the local economy.

Other achievements by the TLN Agriculture Technical Working Group included the commissioning of a Food Safety Manual, authored by Dr. Aisha Bailey Jones of MLR Technology and Innovation, aimed at enhancing the capacity of farmers to implement best food safety practices ensuring protection of end consumers in the tourism market.

FARMING PROJECTS - ST. ELIZABETH



A cluster of 25 farmers in the Newells, Clarendon Park and Treasure Beach communities of St. Elizabeth was identified to benefit from the TLN capacity building project to improve the knowledge base, exposure to good agricultural practices, marketing, post-harvest care, logistics and agribusiness management.

WATER TANKS FOR FARMERS

Another successful programme staged by the TLN in keeping with its Agriculture working group mandate, was the supply of 650-gallon water storage tanks to seventy farmers thereby supporting irrigation systems and production for the tourism sector.

ROSE HALL AGRI-VENTURES POULTRY FARMING PROJECT

Broiler and layer chickens were delivered to farmers under the Rose Hall Agri-Ventures Poultry Farming Project,

facilitating sales of eggs to restaurants in the Rose Hall area. The layer hens allowed the farmers to yield 12-13 flats of 30 eggs per day. At year-end, the poultry farming project in Lilliput St. James seeking to increase the capacity of new and existing poultry farmers had been successfully completed.

STRAWBERRY DEVELOPMENT PROGRAMME

The TLN concluded its Strawberry Development Programme in the course of the review period, having built eleven strawberry houses, each structure comprising 3,000 sq. ft. and accommodating 2,200 plants. Farmers found a ready market for their strawberries in line with a 2018 study on the development of the local berry industry. The TEF will assess and submit to the Ministry of Agriculture and Fisheries, the total acreage of strawberry production sponsored by the Agency, further explore the value and production of berries in Jamaica and assess demand for berries within the tourist industry.

Projects through the TLN Agriculture Technical Working Group have been pursued with close collaboration between RADA Agro-Marketing Officers from each Parish office, the Chief Executive Officer of RADA, Mr Peter Thompson and the ALEX Coordinator and Supervisor.

MANUFACTURING TECHNICAL WORKING GROUP

Initiatives advancing the objectives of the TLN Manufacturing Technical Working Group included the 8th staging of the Speed Networking Event hosted in March, 2022 at the Montego Bay Convention Centre. The event attracted 120 suppliers and 50 hotel buyers.

In addition to the established exchange between suppliers and hoteliers, there were resource persons from the Ministry of Tourism on hand to answer questions related to pensions and incentives. There were also representatives from the Jamaica Centre of Tourism Innovation (JCTI) to address tourism training and certification as well as from the EXIM Bank providing information on financial opportunities.

Facilitating the growth and development of Small and Micro Tourism Enterprises continued as a major focus in the review period with the execution of plans for highlighting digital technologies and other 'Future fitting' for the sector.

JAMAICA CENTRE OF TOURISM INNOVATION (JCTI)

The goal of the JCTI to implement the Government's Human Capital Development Strategy in respect of tourism was pursued with:

- Certification programmes for workers in hospitality, tourism and culinary arts;

- Certification programmes for college students and recent graduates in hospitality, tourism and culinary arts;
- Certification programmes in hospitality for students in high schools;
- Certification of tutors to facilitate the delivery of certification programmes.

The JCTI partners with the American Hotel & Lodging Educational Institute (AHLEI) and American Culinary Federation (ACF) to provide tourism certification.



The JCTI worked diligently to respond to the demand for tourism workers as the industry recovered from the fall-out in employment occasioned by the COVID-19 pandemic. In doing so, JCTI continued collaborative efforts with hoteliers as well as its training and certification partners, HEART/NSTA Trust and local colleges offering degrees in hospitality, tourism and culinary arts.

Certification initiatives by the JCTI included:

- Working with HEART/NSTA Trust to certify tutors for ServSafe certification and other courses for hotel workers including the 'Certified Guest Service Gold Practitioner';

- Training of tutors to deliver the American Hotel & Lodging Educational Institute (AHLEI) Customer Service Professional Certification, recognised as the leading course in the industry;
- Development of a Learning Management System (LMS) to deliver specific online courses across Jamaica and the region;
- Development of a Database of Workers with certification in hospitality, tourism and culinary arts;
- Piloting of the Hospitality & Tourism Management Programme (HTMP) in local high schools and community colleges;
- Working with the Ministry of Education and Youth to complete the certification of teachers at CHI Level 2 to deliver the HTMP;
- Collaboration with the Law Faculty of the University of the West Indies (UWI) to deliver the course, 'Tourism & The Law'.

There was considerable focus by the JCTI on facilitating training for small properties across Jamaica, including Negril, Manchester and Portland to deliver the Certified Hospitality Supervisor (CHS) and CSS designations. There was collaboration with the TLN to improve the quality of wait staff in restaurants listed on the tasteJamaica app, thus supporting the Gastronomy Agenda.

JCTI and the Global Tourism Resilience and Crisis Management Centre hosted a Certification Tradeshow in September 2021 and in February 2022 facilitated the launch of a Certificate in Hotel Industry Analytics (CHIA) webinar.

Other achievements included the successful completion of the first year of the Hospitality & Tourism Management Programme in local high schools and community colleges. Under a new MOU with HEART/NSTA Trust, a database for courses with dual certification will be administered by the HEART Assessment Centre & Dual Certification Unit.



The JCTI and Global Tourism Resilience and Crisis Management Centre's successful online Conference on Certification introduced owners and operators of hotels and attractions, Human Resource Directors as well as university faculty and students in hospitality, tourism and culinary arts to internationally benchmarked certification programmes available locally often at deeply discounted rates.

CRAFT DEVELOPMENT INSTITUTE (CDI)

The completion of the first of the Artisan Villages in historic Falmouth was keenly anticipated at year-end as theming, establishment of the entertainment spaces and setting up the operational structure and systems progressed.

As part of the effort to ensure that the Artisan Village at Falmouth is a world-class commercial centre, TEF has pursued discussions with the JN Bank to provide a number of financial services for the shopkeepers, to include: financial advisory services, POS and Inventory management systems, bank accounts, loans, credit cards as well as an onsite ABM taking deposits and delivering US\$ and J\$.

SUMMER INTERNSHIP PROGRAMME

The TEF Summer Internship Programme which has played an important role in positioning high school students for careers in hospitality, tourism and the culinary arts, concluded on 13th August 2021, with 634 interns, 158 employers and a total of 650 jobs available. All candidates were invited to complete the AHLEI's Guest Service Gold Certification. In addition to the AHLEI Certificate, successful candidates have access to the NCTVET Certification.

RESEARCH AND RISK MANAGEMENT DEPARTMENT (RRMD)

The Research and Risk Management Department continued to effectively manage the TEF's social media presence. Indeed, the efforts to ramp up the impact of the TEF's digital assets as a direct response to the global pandemic have been successful with increased traffic coming to platforms such as the Taste Jamaica app, Wellnessinja.com, shoppinginja.com and Agrilinkages.

Projects pursued by the RRMD on behalf of the respective TEF Departments included development of JCTI "Job Site"/ JCTI Directory in collaboration with the Jamaica Information Service (JIS). This will serve as a database for all Jamaican residents who have been certified by JCTI partners as well as the hosting of blogs and posting of articles highlighting employment in the hospitality and culinary sectors.

Another initiative of the RRMD was the development of a Business Continuity Plan (BCP) with attendant workshops

and presentations including that arranged by the RRMD to TEF Heads of Departments by the Public Investment Management Secretariat (PIMSEC) on the criteria of projects to be submitted to PIMSEC and the process of approval.

Other key RRMD projects for the TEF were the JCTI Learning Management System, the TEF Business Continuity Plan and Standard Operating Procedures (SOP), the successful completion of the Enterprise Risk Management (ERM) project; initiating groundwork for development of the Tourism Entertainment Academy and in respect of the Tourism Innovation Incubator, a multi-agency task force created in March 2022.

An ERM Committee was established and updated Risk Registers are submitted by each department for review by the Manager of the Research and Risk Management Department on a quarterly basis. The implementation was executed using the consultancy services of the Bureau of Standards Jamaica (BSJ) and resulted in the development of the ERM Policy and Procedures, the draft Risk Appetite Statement for approvals and templates for risk reporting and analysis.

The RRMD facilitated Data Protection Act Sensitization Sessions with the Heads of Department.

STANDARD OPERATING PROCEDURES

In keeping with steps to ensure increased efficiency of the TEF, the decision was made to engage the BSJ to facilitate documenting the Standard Operating Procedures (SOPs) throughout the Agency. The project is currently underway and is expected to be completed by the second quarter of the 2022/23 financial year.

ACKNOWLEDGEMENTS

I should like to express my appreciation to the Chairman and Board of the TEF for their leadership and wise counsel during an extraordinary period of challenge and increasing momentum in the march to recovery for tourism.

I should like to also thank and commend the Management Team and staff of the TEF for their commitment to meeting the demand for new methodologies, for reworking and remodelling within the industry to support the rapid recovery vital to our island's economy and the welfare of our people.



Carey Wallace, PhD



DIRECTORS' PROFILE

BOARD OF DIRECTORS

HON. GODFREY DYER, OJ, CD, JP **Chairman**



The Hon Godfrey Dyer has served as Chairman of the TEF Board of Directors since 2016. He previously served in this capacity from 2007 to 2011.

A former member of the Jamaica Constabulary Force (JCF) at the rank of Detective Corporal, Mr. Dyer's foray into tourism began in 1972 with his establishment of a Resort Villa Management Company and purchase of the then sixteen-bedrooms Wexford Court Hotel which he operated and expanded to sixty-six rooms over the next twenty-nine years.

In 1983, he co-founded the Hot 102 radio station and served as its Executive Director for more than 25 years. Ten years later, he co-founded Jamaica's number one music festival, Sumfest, and served as its Chairman for the first three years and thereafter as Deputy Chairman.

Mr. Dyer served as Chairman of National Hotels and Properties, a wholly-owned subsidiary of the Urban Development Corporation and in the same period, actively supervised the operations of the Oceana Hotel in Kingston and the Mallards Beach in Ocho Rios.

He has served as President of the Montego Bay Co-op Credit Union, President of the Montego Bay Chamber of Commerce and Industry, the Associated Chambers of Commerce of Jamaica and as Vice President of the Private Sector Organization of Jamaica. His directorships have included The Jamaica Telephone Company, JAMPRO, the Jamaica Co-operative Credit Union League Limited, Caribbean Hotel and Tourist Association, Jamaica Pegasus Hotel and Jamaica Tourist Board.

He is a past Governor for Kiwanis with responsibility for Eastern Canada and 14 countries in the Caribbean as well as a past president of the Kiwanis International Foundation.

Mr. Dyer is the 2022 recipient of an honorary doctoral degree in Hospitality and Tourism Management from the University of the Commonwealth Caribbean.

In 2018, he was conferred with the Order of Jamaica (O.J.) for outstanding contribution to tourism.

BOARD OF DIRECTORS



MR. JOSEPH ISSA Deputy Chairman

Mr. Joseph Issa, a Certified Public Accountant (CPA), businessman and philanthropist is the founder of the Cool Group, which comprises over 50 companies.

A graduate of the College of the Holy Cross in Worcester, Massachusetts, his first business venture, the Cool Oasis petrol station was the catalyst for the Group becoming the largest Jamaican-owned operator of petrol stations. His business endeavours extended to the distribution of automotive, household and other products under the Cool brand.

Mr. Issa has held various managerial positions at the Grand Lido Negril and Couples Resorts which operated under the SuperClubs chain of resorts.



MR. IAN DEAR, CD, JP

Mr. Dear is the founder, Chairman and Chief Executive Officer of the Margaritaville Caribbean Group (MCG), a leading hospitality company which has two subsidiaries publicly traded on the Jamaica Stock Exchange.

Under Mr. Dear's leadership the Company's portfolio has expanded to include a diverse range of hospitality concepts in 53 locations throughout the Caribbean.

He is a Justice of the Peace for the parish of St. James and maintains active involvement in several community service organizations. He currently serves as Chairman of the Board of the Tourism Product Development Company Limited (TPDCo.), TransJamaican Highway (TJH) and the Airports Authority of Jamaica (AAJ).

He has served on the boards of the Jamaica Hotel and Tourist Association, the Private Sector Organization of Jamaica, Young Presidents' Association, the Montego Bay Chamber of Commerce and Industry, the Jamaica Cruise Council and the Attractions Association of Jamaica.

In 2020, Mr. Dear was conferred with the Order of Distinction in the rank of Commander for his contribution to Caribbean Tourism and Real Estate Development.

BOARD OF DIRECTORS



MRS. JUDY SCHOENBEIN, JP

Having graduated from the St. Godricks Hotel Management and Hospitality School in London, Mrs. Schoenbein gained early experience in the hospitality sector working in all departments of the Washington Hotel in London.

She joined the Runaway Bay Hotel in Jamaica, before entering the field of villa management. She worked to promote Mandeville initially before expanding beyond the parish of Manchester to Clarendon, St. Elizabeth and Westmoreland, lobbying the Ministry of Tourism and the Jamaica Tourist Board to promote the combined area as the “South Coast” with a tag-line “Off the beaten track”. This was accepted as the marketing tool, and she put together packages which welcomed travel writers and visitors to the area.

She is a former General Manager of the Appleton Estate Rum Tour, developing such features as rail transportation from Montego Bay, further developing and managing a Heritage tour by trolley through the resort town. Establishing her own company, Braemar Tours Ltd. the tour was later expanded to Ocho Rios.

Mrs. Schoenbein is a Justice of the Peace and a Director of Jamaica Cruise Council Ltd. She has served as Area Chairman of the Jamaica Hotel and Tourist Association (JHTA), Vice President of the JHTA representing the Allied Sector, Vice President of the Association of Jamaica Attractions and Director of the Tourism Product Development Company Ltd.



MR. OMAR ROBINSON

Mr. Robinson is currently the Chief Administrative Officer of Arya Resorts Management Company Ltd., having previously served as General Manager of the Round Hill Hotel and Villas. His experience in the tourism industry spans over 20 years during which he held several managerial positions including Resident Manager at Sandals Resorts.

He holds a B.Sc. in Professional Management, majoring in Hospitality Management and an M.Sc. in Organizational Leadership from the Nova Southeastern and Southern New Hampshire Universities, respectively. He also holds a Master Certificate in the Essentials of Hospitality Management from Cornell University and is currently pursuing doctoral studies in Organizational Leadership with Creighton University in Nebraska, USA.

He has served as a director on several public, private sector and NGO Boards. He lectures part-time in tourism-related courses at the Western Hospitality Institute and leadership/management courses at the University College of the Caribbean.

BOARD OF DIRECTORS

MR. CLIFTON READER



Mr. Reader is the Managing Director of Moon Palace Jamaica, Palace Resort's first property outside of Mexico. In addition to his responsibility for overseeing the overall operations of the resort including staff development, budgeting and guest satisfaction, he has oversight of new projects at the property.

He has been the President of the Jamaica Hotel and Tourist Association (JHTA) since September 2021. He also serves as a Councillor for the Ocho Rios Runaway Bay Chapter of the JHTA and a Board Director at the Jamaica Tourist Board.

Mr. Reader's career in hospitality spans over three decades. He previously served as General Manager of the Sunset Jamaica Grande Resort & Spa, as General Manager of Beaches Negril Resort & Spa and Beaches Sandy Bay. He is President of the Moon Palace Foundation, the social and welfare arm of Moon Palace Jamaica Grande.

He holds a B.Sc. in Hotel Management from The University of the West Indies and a Master of Business Administration from Nova Southern University.

MR. MARC WILLIAMS, JP



Mr. Marc Williams is the Managing Partner at Williams McKoy & Palmer, Attorneys-at-Law and specializes in Conveyancing, Estate Planning and Corporate law.

He was previously a Senior Associate at Lydian Wealth Management in Washington, D.C. Mr. Williams began his career at Citigroup New York as a financial analyst in their Investment Banking division, Smith Barney.

He served as a Director of Wigton Wind Farm Ltd. and the Jamaica Urban Transit Company Ltd. (JUTC). He currently sits on the Board of the National Insurance Fund (NIF) and is a consultant and legal adviser to a number of businesses in the Region. Mr. Williams holds a BA in Economics from Williams College, an LLB from the University of London, Queen Mary School of Law and a Series 65 Investment Adviser License.

He serves on the Jamaica Football Federation Competitions & Regulations Committee and chairs the Kingston and St. Andrew Football Association (KSAFA).

BOARD OF DIRECTORS

MS. CAROLYN CAMPBELL



Ms. Carolyn Campbell is a Budget Director in the Public Expenditure Division of the Ministry of Finance and the Public Service. She has responsibility for budget allocations for a number of Ministries and Departments ensuring that financial resources are efficiently appropriated and managed to support national priorities.

Ms. Campbell holds a Master of Business Administration and a B.Sc. in Management Studies, both from the University of the West Indies.

MR. DONOVAN WHITE



Mr. Donovan White has been the Director of Tourism at the Jamaica Tourist Board (JTB) since 2018, bringing to the JTB over 20 years' experience as a senior executive in marketing and business development.

He is responsible for promoting and further enhancing Jamaica's reputation as a premier destination in the global marketplace, leveraging existing industry relationships with investors, hoteliers, visitors and key stakeholders to help the JTB embrace new global paradigm shifts in tourism.

At the JTB, Mr White has led the strategic positioning for the destination's continued growth trajectory with Jamaica exceeding four million visitor arrivals in 2018 and 2019. He has placed great emphasis on technology, guiding the implementation of several award-winning digital activations including 'Join Me in Jamaica' and 'Escape to Jamaica'.

He spearheaded the launch of the destination's "Heartbeat of the World" campaign, strengthening Jamaica's position as a global culturally relevant brand. Under his leadership, the destination has re-entered the Asian markets of Japan and India.

BOARD OF DIRECTORS



MRS. BARBARA BEVERLEY RUSSELL

Well-known restaurateur Barbara Russell and her husband owned and managed the Feeding Tree Restaurant in Mandeville, Manchester from 1975-1986. The couple subsequently relocated to Montego Bay, where they owned and operated the popular Pier One open-air Restaurant Bar and Entertainment Centre.

Mrs. Russell undertook the operations of the refectory at Cazumar in Montego Freeport providing meals for the Business Process Outsourcing workers. She later managed the Montego Bay Yacht Club until her retirement.



MR. JORDAN ELLIOTT SAMUDA

Mr. Samuda is the Chief Administrative Officer (CAO) of Sandals Resorts International, having responsibility for the Procurement, On-Property Revenue, Transportation, Aviation and Marine Divisions as well as the Environment Health and Safety Division.

Prior to his appointment as CAO, Mr. Samuda headed the company's expansive global supply chain which services 21 resorts under the Sandals, Beaches and Grand Pineapple brands. He first led the Division as Group Manager and later as Group Director.

He has been instrumental in creating sustainable linkages between the tourism sector and several other industries including manufacturing, agriculture, distribution and logistics across the Caribbean Region.

Mr. Samuda holds the Chartered Director designation from the Caribbean Governance Training Institute. He serves on the Board of the Factories Corporation of Jamaica.

BOARD OF DIRECTORS



MR. DAVID DOBSON

Mr. David Dobson is Chief Technical Director at the Ministry of Tourism. He has been instrumental in providing critical oversight in the successful formulation and introduction of an array of policies and programmes that are currently shaping and benefitting Jamaica's tourist industry.

Jamaica's healthcare system has also benefited from Mr. Dobson's leadership, technical coordination and organizational skills. He has served as Chief Executive Officer for the Kingston Public, Spanish Town and Bellevue Hospitals as well as Parish Manager for the Kingston & St. Andrew Health Services and the St. Catherine Health Services

He is a member of Jamaica's Air Policy Committee, as well as a member of The National Quality Council.



DR. CAREY WALLACE (Ex-Officio)

Executive Director

Dr Carey Wallace has been the Executive Director of the Tourism Enhancement Fund since March 1, 2017, with responsibility for directing and managing the Agency in fulfilling its mandate of promoting growth and development in the local tourism sector.

Prior to joining TEF, Dr. Wallace was a Senior Consultant with T2 (UK) Limited, a leading provider of Psycholinguistics.

Dr Wallace's experience in Tourism spans some 23 years. He held the position of Chief Executive Officer of S. Manley Wallace & Sons, expanding the family enterprise from one hotel to a group of companies, including three hotels, a shopping mall and a nightclub. Before joining the family business, he was Managing Director of Mariner's Resort, transforming the hotel from a bed-and-breakfast to a successful all-inclusive.

Dr Wallace holds a B.Sc. in Computer Science from the University of the West Indies, an MBA in Finance from Cornell University, New York and a Doctor of Philosophy in Social Psychology from Cardiff University in Wales, He is a certified Project Management Professional.

Corporate Governance Compliance

In pursuit of its policy objectives in the course of the review period, as indeed throughout its history, the TEF sought to ensure compliance, responsiveness and efficiency in keeping with the Corporate Governance Framework for Public Bodies in Jamaica.

Operational changes included the separation of the Finance and Audit Committee with Director Jordan Samuda retaining Chairmanship of the Audit Committee, and the Finance Committee being chaired by Director Carolyn Campbell. Revised Charters/Terms of Reference for both the Audit and Finance Committees were endorsed and approved by the Board. Audit reports indicated substantial progress in resolving some of the outstanding issues that the Committee had been monitoring.

As per the mandate of the Audit Committee and the Board, the development of an Enterprise Risk Policy in keeping with steps to minimize financial, strategic and operational risks, keep fully attuned to regulatory mandates and enhance operational efficiency was pursued.

A Procurement Committee Charter was tabled and approved by the TEF Board. Scrutiny of projects at the procurement stage took on added significance in the context of global supply chain disruptions brought about by the COVID-19 pandemic. The reporting of the quarterly Public Bodies Contract Award reports to the Office of the Contractor General was maintained.

The Board approved the procurement process and engagement of Charlton Hylton and Company as the external auditor for the Tourism Enhancement Fund.



BOARD COMPOSITION

The TEF Board consists of 13 members in accordance with the TEF Act, which stipulated that the board shall consist of a minimum of 9 members and a maximum of 13 members appointed by the Minister with responsibility for Tourism. As per the Act, the Board has representatives from the Jamaica Hotel and Tourist Association (JHTA), the Tourism Product Development Company Limited (TPDCo), the Ministry of Finance and the Public Service (MoFPS), the Jamaica Tourist Board (JTB) and the Ministry of Tourism (MoT).

The composition of the Board has the right mix of skills, qualifications and experience among its appointed Directors as the members are experienced in tourism, finance, business leadership and law. Thus, the skills, knowledge and experience of the Directors are ideally consistent with the mandate and operation of the Fund.

The Board is responsible for the strategic management and oversight of the operations of the Fund, overseeing good financial and cultural governance, reviewing, approving and monitoring the implementation of projects and programmes which enhance the growth and development of the tourism sector. The Board also reviews with Management, the strategic environment, the emergence of new risks and opportunities and the implications for strategic direction. The five sub-committees that were in effect at the end of the reporting period assist the Board with its duties to effectively govern the operations of the TEF. These were: the Projects Committee, the Audit Committee, the Finance Committee, the Human Resources Committee and Procurement Committee.

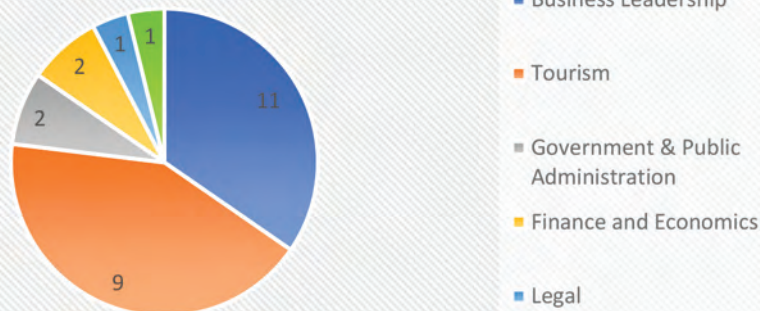
COMPETENCY LEVEL

Yes- competencies already possessed by an individual prior to being appointed to the Board
 Acquired- the competencies were developed since being appointed to the Board

Specialised Competencies

Competencies	No. of Directors
Finance and Accounting - Conversant with the requirements for sound financial governance and contemporary financial management practices including the fiduciary responsibilities of Boards and the principles of financial accounting, financial auditing and financial reporting	2
Information and Communications Technology - Understands the impact which Information and Communications Technology (ICT) has on the effectiveness of an organization	2
Citizen-Centric - Sensitive to the corporate social responsibilities of organizations and understands the requirements and expectations of citizens and customers of the Organization	3
Legal – Conversant with legal principles, practices and their application to the Organization	1

Talents & Skills of the Board





Sub-Committees' Report

PROJECTS COMMITTEE

In addition to reviewing all applications for funding or partnership support that are submitted to the TEF, the Projects Committee assists the Board of Directors in its responsibility in the oversight of matters relating to the planning and execution of projects that are funded and/or undertaken by the Fund. Approximately 104 projects were submitted to the Projects Committee for funding/partnership consideration during the course of the year. As per a directive from the Projects Committee, the Projects Department conducted three stakeholder meetings in the Montego Bay, Ocho Rios and Negril Resort Areas with the aim of identifying and implementing transformational tourism projects for each resort area.

Membership: Joseph Issa (Chairman), Barbara Russell, David Dobson, Ian Dear, Judy Schoenbein, Omar Robinson, Dr Carey Wallace (Executive Director)

AUDIT COMMITTEE

Following good corporate governance practices, the Audit and Finance Committee was separated. The Audit Committee's role is to ensure that effective internal controls are in place and are being followed, oversee the Fund's risk management portfolio and ensure that the annual external audits are conducted on time. The committee held two (2) meetings during the reporting period. The key activities conducted were the review of the 2020/2021 Audited accounts, the independent auditors' management letter and management's responses. The Committee provides continuous monitoring of management's response to audit findings for completeness and the full implementation of agreed recommendations. The Committee also reviewed and recommended for Board approval, the annual audit plan to be conducted by the Internal Auditor.

Membership: Jordan Samuda (Chairman), David Dobson, Marc Williams

FINANCE COMMITTEE

The Finance Committee acts in an advisory capacity to the Board on the overall financial condition of the TEF and provides advice to the Board on partnership arrangements where appropriate. The Committee also monitors, evaluates, advises and makes recommendations to the Board on all financial matters and policies of the organization including the annual budgets of the TEF. The review and adoption of monthly, quarterly and annual financial statements as well as the monitoring of the TEF's fiscal performance against its budget are other key responsibilities of the Committee.

Membership: Carolyn Campbell (Chairman), Barbara Russell, David Dobson, Clifton Reader

Sub-Committees' Report - Cont'd

PROCUREMENT COMMITTEE

The Procurement Committee is responsible for oversight and monitoring of the procurement processes and procedures operating within the TEF to ensure compliance with its Procurement Policy and the Government of Jamaica's Public Procurement Regulations.

The Committee oversees the manner in which TEF procures goods, services and works, whether by way of formal contracts or otherwise, and to which authority is granted to authorize procurements and the conclusion of contracts up to specified limits approved by the Board of Directors. During the course of the year, the Committee met nine (9) times.

Membership: Omar Robinson (Chairman), Marc Williams, Jordan Samuda, Judy Schoenbein, Dr Carey Wallace (Executive Director)

HUMAN RESOURCES (HR) COMMITTEE

The HR Committee was created to assist the Board and management of the TEF in the development and oversight of human resources strategies and policies designed to increase the present and future contribution of its human capital. The Committee is responsible for ensuring that policies and practices are in place to facilitate the development of the entity's talent and corporate social responsibility. During the reporting period, the Committee met with management to ensure that all HR-related issues identified in the Management Letter that was submitted by the external auditor were addressed. The Committee met twice during the reporting period when various pension options for staff were reviewed and a recommendation made to the Board. The organization's Policies and Procedures Manual was reviewed by the Committee and it was recommended that management further refine the document for resubmission.

Membership: Marc Williams (Chairman), David Dobson Jordan Samuda, Dr Carey Wallace (Executive Director)



No. of Board and Committee Meetings	12	8	1	1	2	9
Directors	Board	Projects	Audit	Finance	HR	Procurement
Hon. Godfrey Dyer, Board Chairman	12	7				
Mr. Joseph Issa, Deputy Chairman	10	6				
Dr. Carey Wallace, Executive Director-Ex-Officio	10	6	1	1	2	5
Mrs. Barbara Russell	9	7		1		
Ms. Carolyn Campbell	10			1	2	
Mr. Clifton Reader	8			0		
Mr. David Dobson	12	7	1	1	2	
Mr. Donovan White	7					
Mr. Ian Dear	10	8				
Mr. Jordan Samuda	2*		1		1	
Mrs. Judy Schoenbein	11	8				9
Mr. Marc Williams	8		1		2	5
Mr Omar Robinson	12	8				9

* - Director Samuda was on a leave of absence for six months.

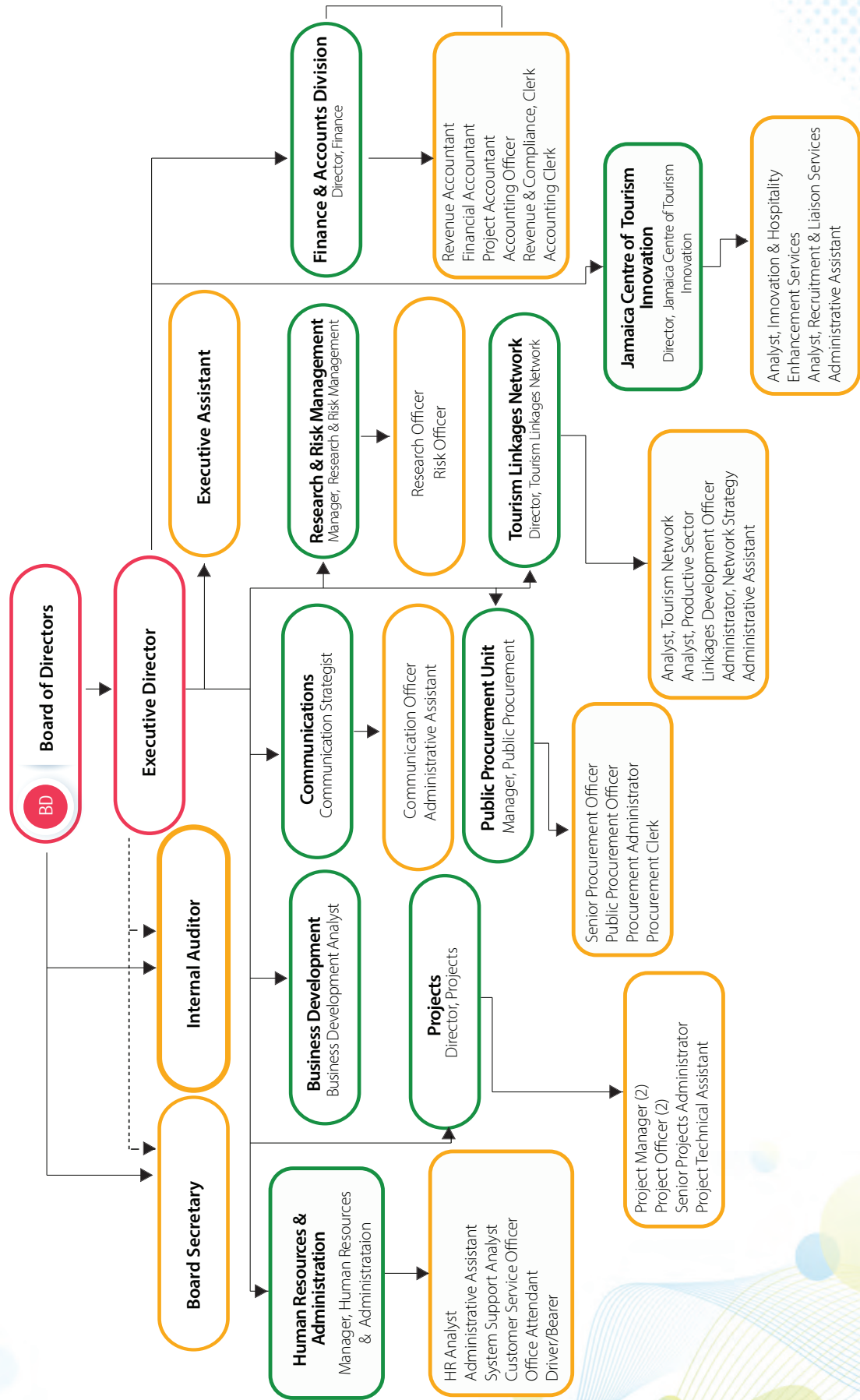
CORPORATE SOCIAL RESPONSIBILITY

Despite the reduction of the entity’s budget due to the coronavirus pandemic, the TEF continued its corporate social responsibility efforts by giving support to the wider community. In partnership with Elitte Club Limited, the TEF purchased sixteen tablets for students from vulnerable communities in Kingston and St. Catherine. Between July and August 2021, 665 tertiary and high school students benefitted from the TEF Summer Internship Programme.

This was done in partnership with several government and private sector entities across the island. Some well-needed appliances, namely, a washing machine and refrigerator were purchased for the St. Andrew Parish Church Home for Girls.



Organisational Structure





Management Team

SENIOR EXECUTIVES



Dr Carey Wallace
Executive Director



Ms Carol-Rose Brown
Director, Jamaica Centre
of Tourism Innovation
Department



**Mrs Carolyn
McDonald-Riley**
Director, Tourism Linkages
Network



**Mrs Francine
James-Prince**
Director, Finance



Mr Johan Rampair
Director, Projects



Management Team

MIDDLE MANAGERS



Mr Adrian Chin
Manager, Public
Procurement



Mrs Terriann East-Oldham
Manager, HR &
Administration



Ms Gis'elle Jones
Manager, Research
& Risk Mgmt



Mr Recardo Hanson, ESQ
Internal Auditor



Mr Nalford Hyde
Project Manager



Ms Tisheecka Clarke
Analyst, Productive Sector



Management Team

MIDDLE MANAGERS



Ms Simone Clarke
Analyst, Tourism Networks



**Dr Shelly-Ann
Whitely-Clarke**
Analyst, Recruitment
& Liaison



Ms Tanisha Cunningham
Board Secretary



Mrs Diane Brown-Allen
Revenue Accountant

OUTLOOK AND PRIORITIES 2022-2023

By the end of the Reporting Period, the United Nations World Tourism Organization (UNWTO) had revised its outlook for 2022 following stronger-than-expected results in the first quarter of 2022, significant increases in flight reservations, and prospects from the UNWTO Confidence Index. International tourist arrivals have been projected to reach 55% to 70% of 2019 or pre-pandemic levels in 2022, these outcomes depending on factors such as the rate at which destinations continue to lift travel restrictions, the evolution of the war in Ukraine, the possibility of new outbreaks of the coronavirus and global economic conditions, particularly inflation and energy prices.

Destination Jamaica exceeded visitor arrivals and spend projections with total visitor arrivals of 1,995,635 and estimated gross spend of \$2.6 billion for FY 2021-2022, encouraging projections of 2.29 million stopover visitors and 1.34 million cruise arrivals in FY 2022-23 with a total visitor spend of about \$4 billion. Full recovery is seen as likely in September 2023 as opposed to earlier projections of the first quarter of 2024.

Jamaica was among the first destinations to receive the World Travel & Tourism Council's "Safe Travels" recognition with programmes which allowed the island to safely reopen. The health and safety of Jamaicans and visitors continue to be high priorities for the island's tourism leadership and supporting Agencies in post-COVID strategies for recovery in the months ahead.

Inaugural flights, including to the Ian Fleming International Airport in St Mary, expanded or increased rotations and resumed routes into the island; longer stays representing about a 9% increase as well as increased spend per visitor all augur well for the industry in the year ahead.

The 'Build back stronger' mantra as it applies to the TEF encompasses those priorities identified for the island and the Region, notably investment by the tourist industry in infrastructural improvements, human capital development, strategies for sustainable development and increased resilience to mitigate future crises.

The TEF will pursue its investment programmes as critical to building out Jamaica's tourism product, providing the funds necessary to construct and upgrade tourism projects and infrastructure essential to the development and growth of the sector. This is in tandem with Jamaica's robust tourist investment climate, which anticipates some \$2 billion being invested to bring 8,500 rooms on stream over the next five to ten years.

The TEF's Resort Development programme will see advancement of the \$1 billion upgrade to the 'Hip Strip', located along Jimmy Cliff Boulevard in the resort city of Montego Bay.

Also in St. James, TEF will pursue its partnership with the Housing Agency of Jamaica (HAJ) to improve the infrastructure (road, water, sewage) for residents, including tourism workers in the informal settlement of Grange Pen, St. James. The total area being covered by the development is 98 acres, which includes 535 residential lots with general scope of works spanning road construction and paving, drainage infrastructure, water supply and sewage connection to National Water Commission, electricity distribution and land titling.

This transformational project will be completed in the 2022/23 financial year.

NEGRIL DESTINATION MANAGEMENT PLAN

Much of the foundational engagement with stakeholders has taken place in pursuit of the Negril Destination Management Plan to upgrade this Resort, aptly marketed as the 'Capital of Casual'.

To be finalized in financial year 2022-2023, the Negril Destination Management Plan will scope and refine the 13 catalytic projects identified in the recent destination assessment. The investments envisaged include marquee projects such as a town centre and beach park, a craft market, a farmers' market, and a fishing village.

These projects are aimed at reinvigorating the economic, creative and cultural essence of Negril, expanding economic opportunities for locals and enhancing the unique, authentic visitor experience for which the Resort has been widely recognized.

Developmental, rehabilitative and maintenance programmes across the resort centres will continue to be targeted, inclusive of roadways leading to attractions and collaborative efforts as mandated in the TEF Act impacting heritage, entertainment, culture, environment and community tourism.

The TEF will have in view, under its funding category 'emerging resort areas', support of the announced development of the Eastern parish of St. Thomas as a premier sustainable destination. In seeking to capitalize on the unique ecosystems and cultural heritage of the parish, initiatives identified for the coming financial year include development of Rocky Point Beach, establishment

of wayfinding stations in Yallahs, rehabilitation of the road to Bath Fountain Hotel and Spa, and rehabilitative work on the facility itself, as well as leveraging strategic partnerships to develop heritage sites such as Fort Rocky and the Morant Bay Monument.

In the southern parish of Clarendon, a \$30 million upgrade of the historic Milk River Bath and Spa facility is slated to take place during financial year 2022-2023.

TEF NATIONAL BEACH DEVELOPMENT PROGRAMME

The TEF National Beach Development Programme will continue to be pursued with the development of another fourteen beaches across the island in a project aimed at ensuring public access to first-class recreation spaces. Targeted beaches include: Rio Nuevo, St. Mary; Alligator Pond, St. Elizabeth; Rocky Point Beach, St. Thomas and Cuts River, Manchester.

Upgrading works include changing and restroom facilities, perimeter fencing, parking, gazebos, bandstands, children's play areas, seating, lighting, walkways, electricity, water and sewage treatment facilities.

LINKAGES PROGRAMME

The Tourism Linkages Network (TLN), a Division of the Tourism Enhancement Fund will be guided by the Tourism Networks Policy and Strategy which was approved by the Houses of Parliament as a White Paper in June 2020. Diverse and substantial projects under the aegis of the TLN, including a number of annual events, will continue the thrust to capitalize on the value chain with multiple forward and backward linkages to the agricultural, industrial and service sectors of the economy.

There will be continued emphasis on capacity building among small enterprises, farmers, food processors, manufacturers and craft vendors, among others, thus boosting the ability to consistently supply the tourist industry with products and fresh produce meeting qualitative and quantitative requirements, deepening public-private sector collaboration and building networks and connections between tourism and non-tourism players.

The TEF anticipates the revision announced by the Hon Minister of Tourism, of the Tourism Networks Policy and Strategy to be more closely aligned with new strategic directions under the Blue Ocean Strategic Framework, positioning the sector to respond effectively to global trends in tourist demand post-COVID-19.

TOURISM ENTERTAINMENT ACADEMY

The need for a permanent performance and arts space for highlighting and developing Jamaica's artistic talent is well recognized. As announced by the Most Hon Prime Minister, Andrew Holness during his contribution to the 2022/23 Budget Debate in March, the Tourism Enhancement Fund has allocated \$50 million to develop a Tourism Entertainment Academy on the Montego Bay Convention Centre lands. The Academy will be marketed as an attraction for visitors to experience Jamaica's authentic cultural products including stage shows, theatre, dance recitals, art exhibitions, museums/installations/galleries. It is expected that programmes developed for the Academy will ultimately increase the opportunities for employment for Jamaican artistes by enhancing skills and increasing exposure.

Construction of the academy is slated to commence in FY 2023-24 under the aegis of the Entertainment and Events Committee of the Tourism Recovery Task Force.

TRAINING OF TOURISM WORKERS

The TEF's role in facilitating training programmes for tourism workers through the Jamaica Centre of Tourism Innovation (JCTI) has taken on increased urgency in the wake of the COVID-19 pandemic with the attendant loss of some 20,000 hospitality workers to other sectors or Regions. The JCTI's provision of a range of certification programmes with local and international partners will continue with strong emphasis on offering programmes online aiding the development of human resources and fostering tourism sector innovation.

A priority is also the JCTI's creation of a Database of Certified Persons, which will facilitate the recruitment of tourism workers.

TOURISM INCUBATOR

The Hon. Edmund Bartlett, Minister of Tourism, has announced the allocation of \$31 million towards creation of an Innovation-Based Tourism Incubator with the Research and Risk Management Department (RRMD) and JCTI having responsibility for executing this project, beginning with production of a concept document. The Tourism Incubator's identification of creative concepts and new thinking among Jamaicans is expected to further help to diversify the island's tourism product.

TOURISM PERFORMANCE

FORECAST FISCAL YEAR
[APR – MAR]

TOURISM PERFORMANCE FISCAL YEAR

	2019'20	2020'21	2020'21 /2019'20	2021'22	2022'23	% Change
Stopovers p	2,546,754	480,867	-81.1%	1,798,263	2,290,587	27.4%
Cruise Passengers p	1,373,352	0	-	197,372	1,341,826	579.8%
Visitor Arrivals	3,920,106	480,867	-88.1%	1,995,635	3,632,413	82.0%
Estimated Gross Foreign Exchange Earnings (US\$ Million)	3,474.3	699	-79.9%	2,630.3	4 089.9	55.5%

Provisional Estimate

JAMAICA



FINANCIAL REPORTS



The Tourism Enhancement Fund has again been able to effectively manage its funds for the 2021/2022 financial year while executing its mandate of promoting growth and development in the tourism sector, encouraging better management of the environmental resources in Jamaica, enhancing the country's overall tourism experience, and providing for the sustainable development of the tourism sector.

The Board and Management continue to monitor the financial status of the organization, to ensure its sustainability and

the most efficient use of funding to implement projects and programmes geared towards the enhancement of the sector. Although the activities of the Fund for the financial year were impacted negatively by the COVID-19 pandemic, several projects in our core areas were implemented directly by the TEF or in partnership with some of our key stakeholders. We were also able to provide support to several tourism entities and individuals who were affected by the pandemic. These included craft vendors and operators in the tourism transportation sector.

BUDGET - FINANCIAL YEAR 2022/2023

TOURISM ENHANCEMENT FUND INCOME & EXPENDITURE SUMMARY				
	Budget 2022/23	Estimated 2023/24	Projected 2024/25	Projected 2025/26
	J\$ 000	J\$ 000	J\$ 000	J\$ 000
INCOME				
Revenue – Government Subvention	2,590,436	2,618,643	2,640,782	2,862,935
Interest Income	21,057	21,478	21,908	22,346
Currency Gain/ Loss				
TOTAL INCOME	2,611,493	2,640,121	2,662,690	2,885,281
EXPENSES				
Project Expense				
National Projects	290,044	288,736	246,719	382,765
Kingston & St. Andrew	294,088	294,088	302,910	311,997
South Coast	85,140	85,140	87,694	90,325
Montego Bay	632,622	632,622	651,601	671,149
Ocho Rios	115,000	115,000	118,450	122,004
Portland	37,500	37,500	38,625	39,784
Negril	114,507	114,507	117,942	121,481
Falmouth	30,278	30,278	31,186	32,122
	1,599,178	1,597,871	1,595,128	1,771,627
TLN	253,238	260,611	262,688	284,853
JCTI (CDI,AV & JCTI)	204,495	210,630	216,949	223,457
RISK & RESEARCH	31,800	32,754	33,737	34,749
	489,533	503,995	513,373	543,059
Total Project Expense	2,088,711	2,101,865	2,108,501	2,314,686
Operating Expense				
Bad Debt expense	-	-	-	-
Staff costs	373,403	384,605	396,143	408,028
Administration expense	68,752	70,815	72,939	75,127
Depreciation	13,529	13,934	14,352	14,783
Property expense	31,302	32,241	33,208	34,205
Total Operating expense	486,986	501,595	516,643	532,142
TOTAL EXPENSES	2,575,696	2,603,461	2,625,144	2,846,828
CAPITAL EXPENDITURE	14,740	15,182	15,638	16,107
TOTAL EXPENDITURE	2,590,436	2,618,643	2,640,782	2,862,935
OPERATING SURPLUS/(DEFICIT)	35,797	36,661	37,546	38,453

Income & Expenditure Forecast		
Year Ending 31 March	Mar-23	Mar-22
	J\$M	J\$M
Government Subvention	2,590	2,462
Projected Interest & Other Income	21	25
Total Projected Income	2,611	2,487
Project Financing & Support	2,088	1,975
Operating Expenses	487	459
Total Projected Expenses	2,575	2,434
Total Capital Expenditure	15	28
Total Expenditure	2,590	2,462
Projected Surplus	21	25



Directors' Compensation

Year Ended March 31, 2022				
Name of Director	Position	Fees	Travelling & Toll	Total
		(J \$)	(J \$)	(J \$)
Godfrey Dyer	Chairman	\$ 400,500.00	\$ 265,847.80	\$ 666,347.80
Joseph Issa	Deputy Chairman	\$ 238,800.00	\$ 37,888.20	\$ 276,688.20
Ian Dear	Director 1	\$ 249,500.00		\$ 249,500.00
Judy Schoenbein	Director 2	\$ 326,800.00	\$ 45,101.20	\$ 371,901.20
Marc Williams	Director 3	\$ 185,900.00		\$ 185,900.00
Jordan Samuda	Director 4	\$ 53,100.00		\$ 53,100.00
Donovan White	Director 5	\$ 95,400.00		\$ 95,400.00
David Dobson	Director 6	\$ 286,700.00	\$ 45,436.00	\$ 332,136.00
Barbara Russell	Director 7	\$ 230,900.00	\$ 38,500.00	\$ 269,400.00
Omar Robinson	Director 8	\$ 390,400.00	\$ 90,460.60	\$ 480,860.60
Carolyn Campbell	Director 9	\$ 190,900.00		\$ 190,900.00
Clifton Reader	Director 10	\$ 127,200.00		\$ 127,200.00
		\$ 2,776,100.00	\$ 523,233.80	\$ 3,299,333.80

Senior Executive Compensation - Year ended March 31, 2022

Year Ended March 31, 2022						
Senior Executive Title	Name	Salary	Travelling Allowance	Gratuity/Incentive/ Vacation Leave	Pension or Other Retirement Benefit	Total
		(J \$)	(J \$)	(J \$)		(J \$)
Executive Director	Dr. Carey Wallace	\$ 12,655,516.41	-	\$ 4,687,255.49	-	\$ 17,342,771.90
Director, Projects	Johan Rampair	\$ 7,734,189.12	\$ 1,697,148.00	\$ 2,760,643.84	-	\$ 12,191,980.96
Director, Finance	Francine James-Prince	\$ 7,734,189.12	\$ 1,697,148.00	\$ 2,764,757.60	-	\$ 12,196,094.72
Director, Jamaica Centre of Tourism Innovation	Carol Rose Brown	\$ 8,060,400.92	\$ 1,697,148.00	\$ 3,206,688.50	-	\$ 12,964,237.42
Director, Tourism Linkages Network	Carolyn McDonald-Riley	\$ 8,060,400.92	\$ 1,697,148.00	\$ 3,640,063.82	-	\$ 13,397,612.74
Manager, Human Resources & Administration **	Terrinn East-Oldham	\$ 8,120,898.00	\$ 1,697,148.00	\$ 2,879,154.73	-	\$ 12,697,200.73
		\$ 52,365,594.49	\$ 8,485,740.00	\$ 19,938,563.98	-	\$ 80,789,898.47

**Manager paid at the Director Level



AUDITED FINANCIAL REPORT

Tourism Enhancement Fund

Financial Statements
31 March 2022



Tourism Enhancement Fund

Index

31 March 2022

	Page
Independent Auditor's Report to the Directors	
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 - 30



10 Holborn Road, Kgn. 5, Ja., W.I.
Tel: (876) 926-4546, 926-6310, 631-8533 - Cell: (876) 386-2618
TeleFax: (876) 631-7555 - E-mail: crhylton@yahoo.com



Independent auditor's report

To the Directors of Tourism Enhancement Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tourism Enhancement Fund (the Fund), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 March 2022, and of its financial performance and its cash flows for the year then ended then ended in accordance with International Financial Reporting Standards (IFRSs).

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 are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements that give a true and fair view in accordance with IFRSs, 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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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.

Independent auditor's report (Cont'd)

To the Directors of Tourism Enhancement Fund

Report on the audit of the financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.



Chartered Accountants
July 22, 2022

Tourism Enhancement Fund
Statement of Comprehensive Income
Year ended 31 March 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Income	6	2,417,527	2,956,816
Other Income	7	6,047	2,217
Interest income	8	19,291	22,795
Tourism Enhancement Projects expenditure	9	(1,999,743)	(2,487,358)
Operating expenses	10	(458,685)	(384,888)
Net impairment gains/(losses)	16	6,932	(22,065)
Other gains and losses	10	(948)	(26,145)
Finance cost	12	(3,078)	(3,267)
Operating (Deficit) Surplus		(10,500)	58,105
Taxation	13	-	-
Net (Deficit) Surplus, being Total Comprehensive (Loss) Income for the Year		(11,657)	58,105

Tourism Enhancement Fund

Statement of Financial Position


31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Non-Current Assets			
Property, plant and equipment	14	70,370	36,058
Right-of-use asset	15	29,431	28,399
Long-term receivables	16	1,331,948	1,303,773
		<u>1,431,749</u>	<u>1,368,230</u>
Current Assets			
Receivables and prepayments	17	52,320	33,007
Cash and cash equivalents	18	12,152	79,641
		<u>64,472</u>	<u>112,648</u>
Current Liabilities			
Payables and accruals	19	86,324	61,644
Current portion of lease liability	15	17,414	12,642
		<u>103,738</u>	<u>74,286</u>
Net Current (Liabilities) Assets			
		<u>(39,266)</u>	<u>38,362</u>
		<u>1,392,483</u>	<u>1,406,592</u>
Accumulated Funds			
Accumulated surplus		1,375,189	1,386,846
Non-Current Liability			
Lease liability	15	17,294	19,746
Total shareholders' equity and liabilities			
		<u>1,392,483</u>	<u>1,406,592</u>

Approved for issue by the Board of Directors on July 22, 2022 and signed on its behalf by:


Chairman


Chairman, Audit Committee

Tourism Enhancement Fund
Statement of Changes in Equity
Year Ended 31 March 2022
 (expressed In Jamaican dollars unless otherwise indicated)

	Accumulated Surplus \$'000
Balance at 1 April 2020	1,328,741
Net surplus, being total comprehensive income for the year	<u>58,105</u>
Balance at 31 March 2021	1,386,846
Net deficit, being total comprehensive loss for the year	<u>(11,657)</u>
Balance at 31 March 2022	<u><u>1,375,189</u></u>

Tourism Enhancement Fund
Statement of Cash Flows
Year Ended 31 March 2022
(expressed In Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Net (deficit) surplus		(11,657)	58,105
Depreciation	14,15	28,636	23,614
Interest income	8	(19,291)	(22,795)
Interest expense	12	3,078	3,267
Write-off of loan interest accrual	10	948	31,019
(Decrease) Increase in loss allowance		(7,104)	22,065
Unrealized foreign exchange gain, long term receivable		(5,529)	(6,095)
		(10,919)	109,180
Changes in operating assets and liabilities			
Receivables and prepayments		(19,313)	21,336
Payables and accruals		24,680	(27,312)
Net cash (used in)/provided by operating activities		(5,552)	103,204
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(48,206)	(7,253)
Interest received		6,664	7,003
Long-term receivables, net		(3,863)	(3,454)
Net cash used in investing activities		(45,405)	(3,704)
Cash Flows from Financing Activity			
Lease payments	15	(16,532)	(14,109)
Net cash used in financing activity		(16,532)	(14,109)
(Decrease) Increase in cash and cash equivalents		(67,489)	85,391
Cash and cash equivalents at beginning of year		79,641	(5,750)
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	12,152	79,641

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(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 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 traveler 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.

The Fund billed gross tourism enhancement fees for the fiscal year of \$6,722.482 million (US\$44.201 million) less exemptions of \$811.41 million (US\$5.324 million) for a net of \$5,911.072 million (US\$38.877 million). In 2021, the comparative amounts were gross fees of \$1,759.758 million (US\$12.355 million) less exemptions of \$154.496 million (US\$1.066 million) for a net of \$1,605.262 million (US\$11.289 million).

Fees collected after deduction of commissions charges were remitted inclusive of bank interest payments (US\$46,307) to the Accountant General's Department to a total of \$4,969.935 million (US\$32.807 million) (2021: \$2,153.28 million (US\$15.107 million)). Commission expenses are charged at 2% of net billings by airlines and 1.65% by the International Air Transport Association (IATA).

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. 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. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) **Statement of compliance**

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) **Basis of preparation**

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets.

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.

(c) **Reporting currency**

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

2.1 Amendments to IFRS that are mandatorily effective for the current year

In the current year the company has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the accounting period that begins on or after 1 January 2020.

The application of these amendments has not had any impact on the amounts reported or the presentation and disclosures in these financial statements but may impact the accounting for future transactions and arrangements.

<u>Amendments to Standards</u>		Effective for annual periods beginning on or after
IFRS 16	Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification	1 April 2021
IFRS 4, 7, 9, 16, IAS 39	- Interest Rate Benchmark Reform – Phase 2 :Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021

These amendments to IFRS are not considered relevant to the Fund.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (continued)

2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards, Interpretations and amendments thereto were in issue but were not effective or early adopted for the financial period being reported on:

		Effective for annual periods beginning on or after
<u>New Standards</u>		
IFRS 17	Insurance Contracts	1 January 2023
	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	1 January 2023
<u>Revised Standards</u>		
IFRS 3	Business Combinations	
	- Amendments updating a reference to the <i>Conceptual Framework</i>	1 January 2022
IFRS 1, 9, 16 IAS 41	Amendments arising from 2018 – 2020 Annual Improvements to IFRS : Subsidiary as a first-time adopter; Fees in the 10% test for derecognition of a financial liability; Amendment to IFRS 16 lease example; Taxation in fair value measurements (agriculture)	1 January 2022
IFRS 4	Insurance Contracts	
	- Fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 is now revised to 1 January 2023	1 January 2023
IAS 1	Presentation of Financial statements	
	- Amendments regarding the classification of liabilities as current or non-current	1 January 2023
	- Disclosure of Accounting policies and amendments also to IFRS Practice Statement 2	
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	
	- Amendments regarding the definition of accounting estimate	1 January 2023
IAS 12	Income Taxes	
	- Amendment regarding deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IAS 16	Property, Plant and Equipment	
	- Amendment prohibiting deducting from cost of PP&E, amounts received from selling items produced while the entity is preparing the asset for its intended use	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent	
	- Amendments regarding the cost to include when assessing whether a contract is onerous	1 January 2022

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

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: Classification of Liabilities as Current or Non-current**

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. This amendment is not expected to impact on the financial statements of the Fund.

- **Amendments to IAS 1: Disclosure of Accounting Policies**

In February 2021, the IASB issued amendments to IAS1 and *IFRS Practice Statement 2 Making Materiality Judgements* with the aim of assisting entities to provide accounting policy disclosures that are more useful by:

(1) Replacing the requirement to disclose '*significant*' accounting policies with a requirement to disclose '*material*' accounting policies

(2) Adding guidance on how to apply the concept of materiality in making decisions about accounting policy disclosures. Guidance and examples are provided to assist the process of application. Entities will need to consider the size of transactions, other events or conditions and their nature in making the assessment.

The amendments may impact the accounting policy disclosures of entities as judgment is required to determine if accounting policy disclosures are material or not. Careful consideration will have to be given to standardized information or those that only duplicate or summarises the requirements of IFRSs in deciding whether to remove or retain these as material in enhancing the usefulness of the financial statements.

The amendments are effective for annual reporting period beginning on or after January 1, 2023 with earlier adoption permitted.

The Fund has not yet performed a detailed review of its accounting policies in light of the amendment.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

- **Amendments to IAS 8: Definition of Accounting Estimates**

In February 2021, the IASB issued amendments to IAS 8 introducing a new definition of accounting estimates. The amendment clarifies the distinction between changes in accounting estimates, changes in accounting policy and the correction of errors. Clarification is also given on how entities use measurement techniques and inputs to develop accounting estimates

The amendments apply to changes in accounting policies and changes in accounting estimates are effective for annual reporting period beginning on or after January 1, 2023 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Fund's financial statement.

- **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have an impact on the Fund.

- **Amendments to IAS 8: *definition of accounting estimated***

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- Clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

- **Amendments to IAS 8: *definition of accounting estimated* (continued)**

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after 1 January 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The Fund does not expect any significant impact on its financial statements on implementing the amendments on the effective date.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (continued)

2.3 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.

2.4 Income recognition

2.4.1 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.

2.4.2 Government subvention is received principally as an allocation from the Ministry of Finance & the Public Service and is recognised at fair value where there is reasonable assurance that the subvention will be received and the Group will comply with all attached conditions. Income is recognised on the accrual basis.

2.5 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, fixtures and leasehold improvements	5 - 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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (continued)

2.6 Leases

As Lessee

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.

2.7 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.

2.8 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.

2.9 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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (continued)

2.10 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.

2.11 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.

(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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

2.11 Financial instruments (continued)

Financial liabilities (continued)

(iii) Measurement (continued)

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.
- 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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

2.11 Financial instruments (continued)

Financial liabilities (continued)

(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 (PO), 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.

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 monitors 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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(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 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.

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 since recognition.

Maximum exposure to credit risk

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

	2022	2021
	\$'000	\$'000
Long-term receivables	1,331,948	1,303,773
Other receivables	40,075	25,790
Cash and cash equivalents	12,152	79,641
	<u>1,384,175</u>	<u>1,409,204</u>

Impairment of financial assets

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

(iv) Debt instruments carried at amortised cost

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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 financial instruments at amortised cost that are considered to have low credit risk are cash and cash equivalents. 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 (PO), 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 for long term receivables at the end of the reporting period amounting to is \$134.990 million (2021: \$142.094 million). The movement in loss allowance is as follows.

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

	Long term Receivables \$'000
At 1 April	142,094
Decrease in loss allowance	<u>(7,104)</u>
At 31 March	<u>134,990</u>

(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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk

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 \$'000	Total \$'000
Financial Liabilities					
Payables	11,976	1,354	14,241	4,726	32,297
Lease liability	1,576	3,153	14,833	18,983	38,545
31 March 2022	13,552	4,507	29,074	23,709	70,842
Payables	9,153	448	-	19,855	29,456
Lease liability	1,208	2,417	11,291	20,921	35,837
31 March 2021	10,361	2,865	11,291	40,776	65,293

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

(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 except for a long-term receivable balance that is US\$ denominated with total exposure at year-end of \$87.5 million (2021: \$81.97 million). 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.

The effect on net income of the Fund to a 8% devaluation and 2% revaluation of the J\$ against the US\$ on the foreign currency denominated receivable, all other variables being constant, would be a \$7.0 million increase in net income and \$1.75 million decrease in net income respectively (2021: 6% and 2% respectively with an impact of \$4.92 million increase and \$1.64 million decrease in net income).

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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

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.

	2022						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	No Specific maturity \$'000	Non- Interest Bearing \$'000	Total \$'000
Assets							
Long-term receivables	103,419	2,336	6,277	76,876	1,048,887	94,153	1,331,948
Other receivables	168	-	-	8,241	-	31,666	40,075
Cash and cash equivalents	12,112	-	-	-	-	40	12,152
Total financial assets	115,699	2,336	6,277	85,117	1,048,887	125,859	1,384,175
Liabilities							
Payables	-	-	-	-	-	32,297	32,297
Lease liability	1,343	2,715	13,355	17,295	-	-	34,708
Total financial liabilities	1,343	2,715	13,355	17,295	-	32,297	67,005
Total interest repricing gap	114,356	(379)	(7,078)	67,822	1,048,887	93,562	1,317,170

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	2021					
	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
Assets						
Long-term receivables	42,034	6,177	38,383	1,129,686	87,493	1,303,773
Other receivables	143	287	1,306	7,528	11,249	20,513
Cash and cash equivalents	79,601	-	-	-	40	79,641
Total financial assets	121,778	6,464	39,689	1,137,214	98,782	1,403,927
Liabilities						
Payables	-	-	-	-	29,456	29,456
Lease liability	979	1,979	9,684	19,746	-	32,388
Total financial liabilities	979	1,979	9,684	19,746	29,456	61,844
Total interest repricing gap	120,799	4,485	30,005	1,117,468	69,326	1,342,083

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

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 loans (net of impairment) approximates their carrying value as they represents revolving loans at special rates that are available for on-lending when repaid.

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. Income

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

	2022 \$'000	2021 \$'000
Subvention	2,462,113	2,956,816
Return of subvention	(44,586)	-
	<u>2,417,527</u>	<u>2,956,816</u>

During the financial year approximately \$44.5 million was refunded to the Accountant General from subvention received in the 2021 financial year. This is in keeping with the requirements of the Financial Administration and Audit Act (FAA) to return unexpended funds of the financial year.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

7. Other Income

	2022 \$'000	2021 \$'000
Foreign exchange gain (net)	4,434	2,210
Project income	1,613	7
	<u>6,047</u>	<u>2,217</u>

8. Interest Income

	2022 \$'000	2021 \$'000
Financial instruments measured at amortised cost		
Long term receivables	16,490	20,875
Bank deposits	2,637	1,759
Other	164	161
	<u>19,291</u>	<u>22,795</u>

9. Tourism Enhancement Projects

	2022 \$'000	2021 \$'000
Falmouth	16,653	94,699
Kingston & St. Andrew	147,990	291,258
Montego Bay	641,444	395,554
National projects	848,496	1,177,241
Negril	31,090	66,707
Ocho Rios	175,060	204,274
Portland	46,039	37,301
South coast	91,971	220,324
	<u>1,998,743</u>	<u>2,487,358</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

10. Expenses, gains and losses

	2022	2021
	\$'000	\$'000
Operating Expenses		
Auditors' remuneration	1,900	1,900
Board expenses	6,295	7,159
Depreciation	28,636	23,614
Directors' fees	2,776	3,033
General Consumption Tax	19,381	14,535
Information technology	8,088	5,909
Marketing and public relations	6,796	6,746
Travel, entertainment and accommodation	15,831	6,325
Management fees (Note 16(b))	1,650	2,395
Professional fees	6,279	3,347
Property expenses	27,330	24,376
Staff costs (Note 11)	311,655	265,861
Other	22,068	19,688
	<u>458,685</u>	<u>384,888</u>
Other gains and losses		
Write-off of loan interest accrued	948	31,019
Write-back MBCC excess loss provision	-	(5,277)
Other gain	-	403
	<u>948</u>	<u>26,145</u>

11. Staff Costs

	2022	2021
	\$'000	\$'000
Wages and salaries	168,686	149,181
Statutory deductions	13,519	9,239
Travelling allowance	44,510	41,252
Gratuity	32,278	29,972
Vacation leave	12,826	1,845
Training and development	6,779	3,015
Health Insurance	15,090	13,681
Other	17,967	17,676
	<u>311,655</u>	<u>265,861</u>

Number of employees -

	2022	2021
Full time	<u>49</u>	<u>44</u>

Vacation leave accrued and expenses as at 31 March 2022 aggregated \$9.615 million (2021: Nil)

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

12. Finance cost

	2022 \$'000	2021 \$'000
Interest on lease liability	<u>3,208</u>	<u>3,267</u>

13. Taxation

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

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

14. Property, plant and equipment

	Furniture, Fixtures & Leasehold Improvements \$'000	Computers & Equipment \$'000	Office Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At Cost-					
At 1 April 2020	19,068	22,582	6,791	23,669	72,110
Additions	246	6,717	290	-	7,253
At 31 March 2021	19,314	29,299	7,081	23,669	79,363
Additions	28,543	6,629	13,034	-	48,206
At 31 March 2022	47,857	35,928	20,115	23,669	127,569
Depreciation -					
At 1 April 2020	5,212	10,618	2,606	13,326	31,762
Charge for the year	1,811	5,568	674	3,490	11,543
At 31 March 2021	7,023	16,186	3,280	16,816	43,305
Charge for the year	1,840	7,472	1,244	3,338	13,894
At 31 March 2022	8,863	23,658	4,524	20,154	57,199
Carrying amount-					
31 March 2022	38,994	12,270	15,591	3,515	70,370
31 March 2021	12,291	13,113	3,801	6,853	36,058

15. Leases

The Fund as a lessee.

(i) Amounts recognised in the statement of financial position

	2022 \$'000	2021 \$'000
Right-of-use asset		
Buildings	29,431	28,399
Lease liabilities		
Current	17,414	12,642
Non-current	17,294	19,746
	34,708	32,388

(ii) Amounts recognised in the statement of comprehensive income

Surplus/(deficit) for the year include the following amounts relating to leases:

	2022 \$'000	2021 \$'000
Depreciation expense on right-of-use asset	14,742	12,071
Interest expense on lease liability (note 12)	3,078	3,267
Expense relating to short term leases	5,003	4,082

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

15. Leases (continued)

At 31 March 2022, the Fund is committed to \$3.950 million (2021: \$3.124 million) for short term leasing of space to facilitate office operations.

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

The total cash outflow for leases in 2022 was \$16.532 million (2021: \$14.109 million).

Net debt reconciliation

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

	2022 \$'000	2021 \$'000
Lease liability		
Net debt as at 1 April	32,388	43,230
Additional lease obligations	15,774	-
Cash flows- Lease payments	(16,532)	(14,109)
Non-cash flows - Interest expense	3,078	3,267
Net debt as at 31 March	<u>34,708</u>	<u>32,388</u>
	2022 \$'000	2021 \$'000
Maturity Analysis		
Year 1	19,562	14,916
Year 2	9,319	15,628
Year 3	4,173	5,293
Year 4	4,382	-
Year 5	1,109	-
	<u>38,545</u>	<u>35,837</u>
Less unearned interest	<u>(3,837)</u>	<u>(3,449)</u>
	<u>34,708</u>	<u>32,388</u>
<i>Analysed as:</i>		
Non-current	17,294	19,746
Current	17,414	12,642

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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

16. Long-term receivables

	2022 \$'000	2021 \$'000
JNBSL loans (Note 16(a))	293,954	290,091
JNBSL energy loan (Note 16 (b))	20,000	20,000
EXIM loans (Note 16(c))	1,000,000	1,000,000
Shovel Ready project (Note 16(d))	100,743	95,214
	<u>1,414,697</u>	<u>1,405,305</u>
Less loss allowance	<u>(134,990)</u>	<u>(142,094)</u>
	1,279,707	1,263,211
Interest receivable	<u>52,241</u>	<u>40,562</u>
	<u>1,331,948</u>	<u>1,303,773</u>

- 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 million 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 Fund incurs management fees for JNBSL loan administration at 5% of funding disbursed.

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 2022 was \$257.745 million (2021: \$257.745 million). Loan balances on-lent aggregated \$213.92 million (2021: \$224.51 million) at the end of the reporting period with an allowance for expected credit losses of \$123.956 million (2021: \$117.425 million).

- b) Under an agreement dated 19 June 2014, with JNBSL, the Fund has committed to provide a maximum of \$50 million to JNBSL for on-lending to entrepreneurs in the tourism industry for tourism related activities specifically as it relates to energy 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 loans on-lent are credited to the Fund. The Fund incurs management fees for JNBSL loan administration at 5% of funding disbursed.

The total disbursed by the Fund at 31 March 2022 was \$20 million (2021: \$20 million). Loan balances on-lent aggregated \$5.232 million (2021: \$7.159 million) at the end of the reporting period with expected credit losses assessed at \$1.024 million (2021: \$NIL).

- c) Under an agreement dated 21 September 2016, with the EXIM Bank Jamaica (EXIM Bank), the Fund committed to provide a maximum of \$1 billion to EXIM Bank at 1.25% for on-lending to small and medium sized enterprises (SMTE) in the tourism industry. It is intended for loans made by EXIM 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% for on-lending to EXIM qualifying borrowers. The Fund earns interest at the agreed rates on the disbursed committed sums outstanding. EXIM earns an agreed spread on loans on-lent to applicants.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

16. Long-term receivables (Continued)

c) (continued)

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 2022 was \$1 billion (2021: \$1 billion) and allowance for expected credit losses was \$3.419 million (2021: \$17.009 million).

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 2022 amounted to \$100.743 million (2021: \$95.214 million).

SRIP	2022 \$'000	2021 \$'000
Foreign currency component –US\$572,525	87,500	81,971
Local currency component	13,243	13,243
	<u>100,743</u>	<u>95,214</u>
Expected credit loss	(6,591)	(7,661)
	<u>94,152</u>	<u>87,553</u>

17. Receivables and prepayments

	2022 \$'000	2021 \$'000
Warrant receivable	7,566	7,519
Ministry of Tourism	2,705	4,936
Deposits	18,596	836
Staff receivables	9,228	9,656
Taxation recoverable	2,768	2,767
Other receivables	1,980	2,843
Prepayments	9,477	4,450
	<u>52,320</u>	<u>33,007</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

18. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Cash at bank and in hand	12,152	79,641
	<u>12,152</u>	<u>79,641</u>

19. Payables and accruals

	2022 \$'000	2021 \$'000
Payables	9,284	9,601
Gratuities	23,013	19,855
GCT	28,432	18,681
Withholding taxes	11,755	10,747
Vacation accrued	9,615	-
Accruals	4,225	2,760
	<u>86,324</u>	<u>61,644</u>

20. Related Party Transactions and Balances

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

	2022 \$'000	2021 \$'000
Due from related parties		
Ministry of Tourism	2,705	4,936

- (b) At 1 October 2017, the Fund undertook the responsibility of managing the Montego Bay Business Convention Centre (MBCC), an arrangement that was approved by Cabinet. The balances with MBCC amounting to \$149.683 million which was fully provisioned was derecognised at the end of the 2021 financial year based on Cabinet Decision 12 April 2021 giving approval for write-off the balance.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2022

(expressed In Jamaican dollars unless otherwise indicated)

20. Related Party Transactions and Balances (continued)

(c) Key management compensation:

	2022 \$'000	2021 \$'000 Restated
Salaries and other short-term benefits -		
Salaries	52,366	48,740
Gratuities	12,245	14,928
Other short-term benefits	<u>23,963</u>	<u>21,144</u>
	<u>88,574</u>	<u>84,412</u>
Directors' emoluments -		
Fees	2,776	3,033
Other short-term benefits	<u>523</u>	<u>367</u>
	<u>3,299</u>	<u>3,400</u>

APPENDIX I

PROJECTS OVERVIEW

“Tourism Dollars Working for You”

RESORT AREA IMPROVEMENT

- General Beautification Programme in Kingston and St. Andrew
- Palisadoes Beautification and Upgrade Works
- Installation of Raised Pavement Markers and Road Markings in the Kingston Resort Area
- Beautification and Clean-up Activity for Ocho Rios
- Beautification and Clean-up Activity for Negril
- Pre-Winter Tourist Season Beautification
- Installation of Raised Pavement Markers and Road Markings along Tourism Routes from Montego Bay to Negril
- LED Elegant Corridor Ocho Rios Lighting Project- Phase 2

TOURISM SUPPORT PROJECTS

- Signage Programme for Montego Bay
- Improvement in Water Supply-Negril to Runaway Bay-Canaan Well Redevelopment
- Beach Clean-up and Sargassum Removal Programme 2021/22
- Montego Bay Cultural Centre-Operational Support 2021/22
- Street View for Resort Areas (Ocho Rios)
- Development of Street Views for the Montego Bay Resort Area
- Literature for the Port Royal Historic Walking Tour
- Fire Alarm System Upgrade for the Bath Fountain Hotel and Spa
- Security Services for the Hampden Wharf Artisan Village

ENVIRONMENTAL

- Spruce Up Jamaica Programme 2021
- Retirement Disposal Site Rehabilitation 2021
- Beautification & Maintenance Works for Harbour View to Downtown
- Beautification of May Pen and its Environs
- Cleaning of the Crane Road Roundabout to Parrottee Beach Roadway
- Ocho Rios Drain Cleaning- 2021/22
- Turtle River Drain Cleaning- 2021/22
- Beautification Programme - General Cleaning and Painting of Kerbs
- Mammee Bay/Old Fort Bay/Laughing Waters Fish Sanctuary- Operational Support 2021/22
- International Coastal Clean-up Jamaica 2021
- Cleaning the Proposed area for the Grange Pen Mini-Stadium Construction
- Montego Bay Marine Park - Operational Support 2021/22
- Landscaping of the St. James Parish Library Grounds

INFRASTRUCTURAL IMPROVEMENT AND ENHANCEMENT

- Development of Statue Monuments for the Harmony Beach Park
- Rehabilitation of Bluefields Beach Park
- Trench Town Boys’ Town Reggae Skate Park
- Salt River Mineral Spa Attraction
- Repairs to the Montego Bay Convention Centre Building
- De-Bushing and Repairs of Grave Slabs of the Pye River Cemetery
- Renovations to the Negril Fire Station- Phase 2

- Sanitary Conveniences for the St. James Parish Church Hall
- Redevelopment of Holland Bamboo
- Restoration of the St. James Parish Church
- Stone Wall and Sidewalk Construction along Cottage Road, St. James

MEETINGS/CONFERENCES/EXHIBITIONS

- Community Education Workshop on Marine Conservation
- Kingston Biennial Exhibition

HEALTH/EDUCATION/SECURITY/COMMUNITY DEVELOPMENT

- Improvements at the St. Ann's Bay Regional Hospital
- Support for GTRCMC Community-Based Tourism Initiative
- JamaicaEye Programme for the Duke Street Refurbishing Project
- Installation of an Access Control at the Portland Divisional Headquarters
- Operational Support for the Committee for the Upliftment of the Mentally Ill (CUMI)
- Community Spay and Neutering of Animals in Tourism Areas 2021
- Building Forward Stronger Together Community-Based Tourism Initiative- Phase 2
- Purchase of Refurbished Golf Carts for the Cornwall Regional Hospital
- Vaccination Blitz for Tourism Workers
- Purchase of a Tent for the Outpatient Clinic of the Cornwall Regional Hospital
- Purchase of Equipment for the Mandeville Regional Hospital
- Purchase of a Tent for the Outpatient Clinic of the Cornwall Regional Hospital
- Repair of Ambulance at the Ironshore Fire Station

HERITAGE, CULTURE & SPORTS

- Improvement Works at the Seville Heritage Great House Museum
- Devon House Courtyard Rehabilitation
- Manning's School Building Restoration Project
- Devon House Heritage Site Improvement
- Jamaica Open Golf Championship 2021

- Montego Bay Convention Centre- Basketball Court
- Purchase of a Commercial Lawn Mover for Jarrett Park
- Christmas Tree Lighting Ceremony in Montego Bay

ENHANCEMENT OF ROADWAY/ROAD LEADING TO ATTRACTION

- Rehabilitation Works along Barnett to Adelphi Main Road
- Rehabilitation of Hurlock Road
- Rehabilitation of the Roadway leading from Rest Square to Milk River Hotel and Spa
- Rehabilitation of Peter Pan Avenue in Brandon Hill
- Norman Manley Boulevard Road Rehabilitation
- Rehabilitation of Whyms Road
- Rehabilitation of Paisley Road
- Rehabilitation of Porto Bello Drive
- Rehabilitation of Roadway from Alexandria to Ballintoy – Phases 1&2
- Improvement of the Roadway leading from the ROK Hotel to Kulture Key
- Rehabilitation of the John's Hall Main Road
- Rehabilitation of the Queensbury to Berkshire Roadway
- Rehabilitation of Ridge to Comma Pen Road, St. Elizabeth
- Rehabilitation of the San San to Norse Hill Road (Additional Funding)
- Mockingbird Hill Road Rehabilitation
- Improvement of the Road leading to the Bath Fountain Hotel and Spa
- Renovation of the Jimmy Cliff Boulevard
- Stone Wall and Sidewalk Construction along Cottage Road, St. James

TOURISM INVESTMENT/NGO PARTNERSHIP

- Building Forward Stronger Together Community-Based Tourism Initiative- Phase 2
- Development of a Master Plan Concept for the Fort Montego
- JHTA Sexual Harassment Workshop 2021
- JHTA Christmas Treat 2021
- Frontline Honour Awards 2021
- Retirement Luncheon for the Region 4 of the Jamaica Fire Brigade

- Christmas Luncheon for Retired Members of the Jamaica Constabulary Force Benevolent Society
- Kiwanis Club of Rose Hall Fundraiser Charity Dinner
- District Grand Masters Installation Ceremony
- Purchase of a Laptop and Printer for the Psychiatric Social Workers
- Participation in a Technical Robotics Competition
- St. James Parish Development Committee- Operational Support 2022/23
- Tourism Workers Pension Scheme Official Launch and Enrolment Exercise
- Commemoration of Dr Arthur Wint in South Manchester
- Christmas 2021 Treat and Dinner in St. James and Hanover
- Development of Underwater Sculptures
- Creative City Tourism Hub: The Last Mural Mile
- The National Tourism Debate 2021

TOURISM LINKAGES NETWORK (TLN) PROJECTS

- Implemented capacity building programme for DJs in the tourism industry
- Bolster the content available on the www.shoppingja.com and the connection of local designers who have participation of the Style Jamaica series with potential buyers
- Distribution of care packages throughout the Negril area in partnership with the Negril Chambers of Commerce
- Marketing campaign to promote the Taste Jamaica mobile app and website
- Produced and created demonstration videos on how to create Spa experiences at home using locally available products and raw materials
- Supported small tourism properties by providing Tourism Protective Kits to assist with meeting the guidelines of Ministries of Tourism and Health & Wellness COVID-19 Safety Protocols
- Social media marketing to maintain the online presence of Carnival in Jamaica
- Conducted Digital Marketing and Social Media Customer Service for Business
- Workshops for small entrepreneurs
- Hosted the Global Tourism Resilience Crisis Management Centre Lecture under the theme:

Managing the Hurricane Season in the Shadow of the coronavirus pandemic

- Hosted a hybrid Christmas in July Tradeshow 2021
- Constructed five (5) watersheds/greenhouses to strawberry farmers to increase the production of strawberries locally
- Produced a series of engaging, relevant and authentic videos that package and position Jamaica's entertainment, sport, wellness, cultural and culinary activities as part of the tourism experience
- Assessment of the impact of the coronavirus on the Creative Industry in Jamaica
- Provided spa practitioners with information on spa standards while enhancing their capacity to provide safe service delivery incorporating established COVID-19 safety protocols
- Beautification of communities in preparation for Emancipation and Independence Celebrations 2021 in partnership with the Ministry of Culture, Gender, Entertainment & Sport (MCGES)
- Hosted the Global Tourism Resilience Crisis Management Centre Lecture Series
- Salary and training for the telemarketing staff employed to the Agri Linkages Exchange Centre (ALEX) in partnership with the Rural Agricultural Development Authority (RADA)
- Sponsored RADA's St Ann Agro-Tourism Business Symposium
- Knowledge Network webinars to inform the public about the projects/programmes of the TLN
- Planned and executed the second annual Jamaica Health and Wellness Tourism Conference
- Sponsorship of the 2021 Jamaica Food and Drink Festival
- Planned and executed the 4th staging of STYLE Jamaica
- Implemented the Rose Hall Agri-Ventures Poultry Farming project
- Implemented community farming projects in St Elizabeth and St James
- In partnership with the JHTA, provide and distribute reusable face masks in communities under the COVID-19 Ambassador Programme
- Sponsorship- Jamaican Legion Poppy Appeal
- Executed the 2022 Jamaica Blue Mountain Coffee Festival

- Sponsorship support towards the 2021 staging of Jamaica Poetry Festival
- Hosted the 2021 Speed Networking Event
- Promoted the 2021 Reggae Month Events in partnership with MCGES
- Sponsorship of the Annual Red Rose for Gregory concert hosted in honour of Gregory Anthony Isaacs O.D
- Winter Tourist Season Capacity Building Support Programme for Craft Vendors
- Supastar Project – docu-series of experts in the different tourism linkages field

JCTI/CDI

- Online Certification and Practicals in Guest Room Attendant, Public Area Sanitation Attendant, Laundry Attendant, Certified Banquet Server, Hospitality Team Leader, ServSafe, Certified Hospitality Supervisor and Certified Restaurant Server
- Introduction to Spanish
- TEF 2021 Summer Internship Programme
- ACF Fees & Culinary Exams
- Bartending Certification
- Hospitality and Tourism Management (HTM) and Ministry of Education partnership- AHLEI Hotel and Tourism Management Programme for high school students in grades 11-13

- JCTI Annual Conference
- JCTI Expo
- Public Education Programme
- Training, geared towards longevity of Artisan craft and development
- Theming of Artisan Village, Falmouth

RESEARCH & RISK MANAGEMENT DEPARTMENT (RRMD)

- Business Continuity Plan Template for the Tourism Sector
- Implementation of the Enterprise Risk Management Project- Phase II
- Documentation of the TEF Standard Operating Procedures (SOPs)
- Data Transformation Pilot Project: Development of a Job Site and Learning Management System
- Development of a web-based platform to house ONRTIP's Human Trafficking E-learning Tool
- TEF Innovation-Based Tourism Incubator



APPENDIX II

TOURISM LINKAGES COUNCIL

Adam Stewart (Chairman)

Kevin Hendrickson (Deputy Chairman)

Anup Chandiram (Chair- Shopping Network)

Nicola Madden-Greig (Chair – Gastronomy Network)

Kamal Bankay (Chair- Sports & Entertainment Network)

Omar Robinson (Chair- Knowledge Network)

Kyle Mais (Chair – Health & Wellness Network)

Garth Walker (Co-Chair – Health & Wellness Network)

John Byles (Co-Chair – Shopping Network)

Wayne Cummings (Chair – Agriculture Working Group)

John Mahfood (Chair – Manufacturing Working Group)

Diane Edwards

Dr Derrick Deslandes

Dr Henry Lowe

Lenford Salmon

Lisa Bell

Pamella Wade-Fearon

Professor Lloyd Waller

Richard Pandohie

Donovan White

Dermon Spence

Aswad Morgan

Keith Duncan

Wilfred Baghaloo

Clifton Reader

NOTES



Tourism dollars working For you 



Designed and printed by the
Jamaica Information Service
January 2023