



Tourism
Enhancement
Fund

ANNUAL REPORT

2022-2023

Tourism Dollars
Working for You



TABLE of CONTENTS



About Us

History and Corporate Profile - pg. 02-03

Messages

Tourism Minister's Message - pg. 04

Chairman's Message - pg. 05-06

The Board

Board of Directors - pg. 07

Reports

Board of Directors' Report - pg. 08-14

Executive Director's Report - pg. 15

Corporate Governance Report - pg. 30

Management Team - pg. 48

Outlook

Outlook & Priorities 2023-2024 - pg. 59

Financial Reports

Financials - pg. 61

Key Indicators - pg. 64

Directors' & Senior Executive

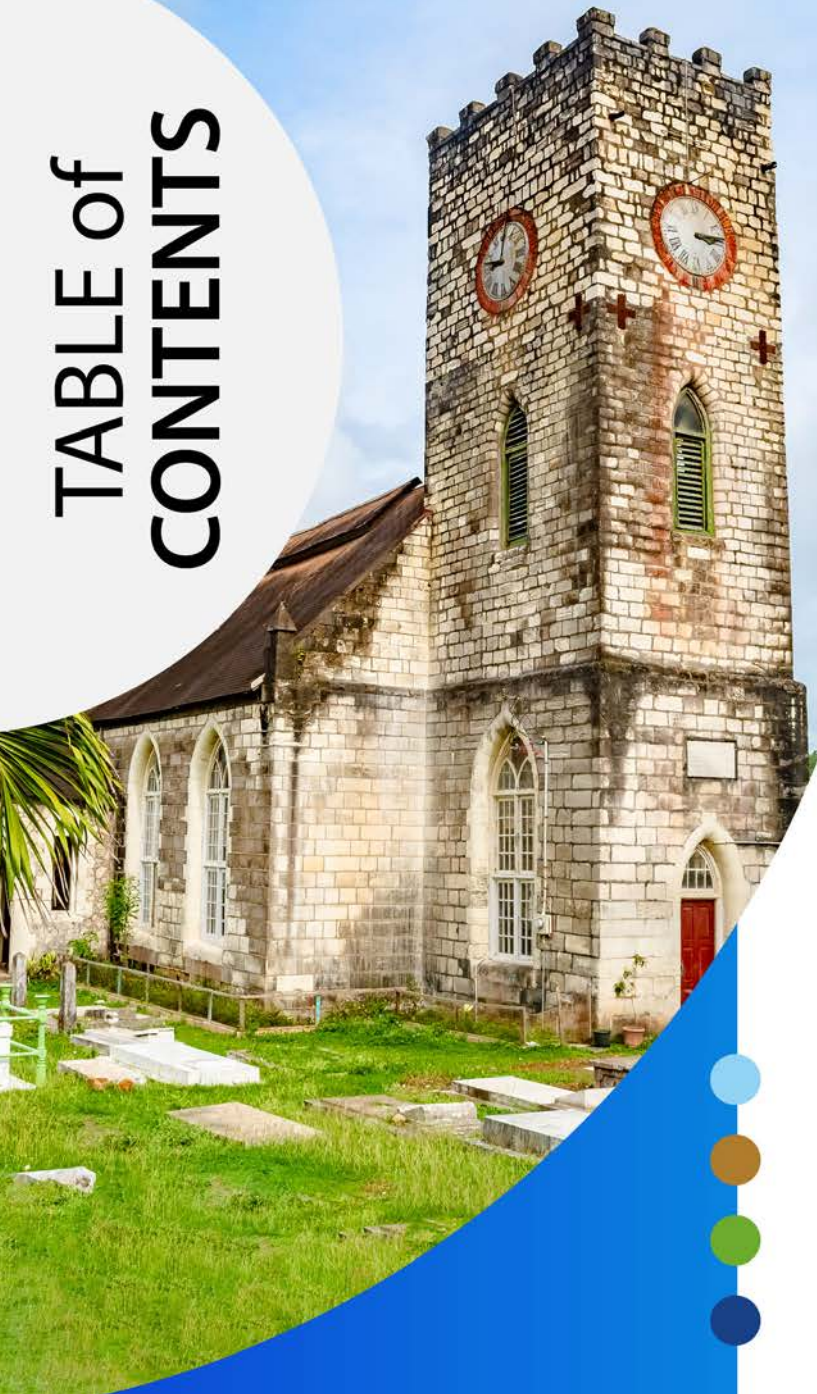
Compensation - pg. 64

Financial Statement - pg. 66

Appendices

Appendix I - pg. 99

Appendix II - pg. 103



History & 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. The diversification of Jamaica's tourism product through the development of immersive experiences within gastronomy, health and wellness, knowledge, shopping and sport and entertainment is also targeted. The Networks strategy is therefore, expected to help increase tourism spending, extend the reach of tourism earnings, and increase the sector's contribution to Gross Domestic Product (GDP).
- 2. Jamaica Centre for 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 that 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

It fills me with immense pride to present the annual report of the Tourism Enhancement Fund (TEF), reflecting our collective efforts in reshaping Jamaica's tourism sector for greater growth, prosperity, and inclusivity. As we embark on the journey, we acknowledge that tourism remains the driving force behind our nation's economic success.

Our primary goal is to ensure that the benefits of tourism reach every corner of our beautiful island, positively impacting the lives of every Jamaican. We have executed various strategic initiatives through the TEF to accomplish this vision.

Indeed, the twin themes of tourism resilience and sustainable economic growth have been the bedrock of the TEF's initiatives and operations during the review period from April 1, 2022, to March 31, 2023. We have continued to support vulnerable tourism workers by prioritizing their health and wellness. Furthermore, our focus on building the capacity of SMTEs and enhancing the skillsets required for employment has contributed to a more inclusive and thriving sector.

In line with our mandate, the TEF has implemented developmental programmes in resort areas that prioritize sustainable management of environmental resources and enhance the overall tourist experience. Collaboration with other agencies remains central to our operations, particularly in heritage preservation, entertainment, culture, and community-based tourism. Together, we amplify our impact and promote Jamaica's rich cultural heritage.

Foremost, we have taken significant steps in connecting small farmers directly with buyers within the tourism industry, generating hundreds of millions of dollars in economic activity. This commitment to supporting local agriculture strengthens the linkages between tourism and other sectors, creating a more sustainable and resilient economy.

Moreover, we have prioritized the upskilling and certification of thousands of tourism workers and high school students. Thanks to the invaluable support of the Jamaica Centre of Tourism Innovation (JCTI) and esteemed local and international partners, we provide free programmes that equip our workforce with the necessary skills, ensuring their competitiveness and marketability in the ever-evolving global tourism landscape.

In our pursuit of fostering innovation and entrepreneurship, the TEF has established the Tourism Innovation Incubator, nurturing,



The Hon.
EDMUND
BARTLETT, CD, MP

and supporting new enterprises within the sector, promoting a culture of creativity, and driving economic diversification.

Through the Tourism Linkages Network (TLN), we have facilitated invaluable marketing opportunities for Small and Medium Tourism Enterprises (SMTEs) through events like Christmas in July and Speed Networking. These platforms have allowed hundreds of local producers and entrepreneurs to engage with the hospitality sector and corporate Jamaica, expanding business opportunities and strengthening our local supply chains.

The National Beach Development Programme exemplifies our dedication to enhancing Jamaica's natural beauty. This initiative ensures that both locals and visitors have access to quality recreational spaces. I am pleased to announce that three world-class public beaches will be completed in 2024, further enhancing the appeal of our coastal attractions.

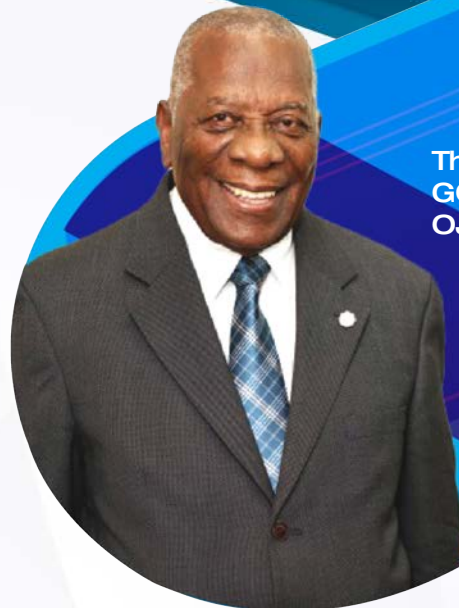
When tourism wins, we all win. The success of our tourism industry means more jobs for Jamaicans, increased opportunities for local entrepreneurs, greater consumption of local goods and services, and a substantial retention of the tourism dollar within our beloved nation.

I sincerely thank the TEF team, our industry partners, and all stakeholders for their unwavering dedication and invaluable contributions. Your passion and commitment have been instrumental in achieving the impressive results outlined in this annual report.

Let us continue to work together to shape a vibrant, resilient, and sustainable tourism sector that benefits every Jamaican.

The Hon. Edmund Bartlett, CD, MP

Chairman's MESSAGE



The Hon.
GODFREY DYER,
OJ, CD, JP

The role of the Tourism Enhancement Fund in meeting the challenge to reposition, re-engineer and revitalize our island's tourism in the critical period of the global industry's emergence from the COVID-19 pandemic has been both significant and satisfying.

Recovery in international arrivals in the course of the reporting period was steady with the United Nations World Tourism Organization reporting more than 900 million tourists internationally in 2022, double the number recorded in 2021. Based on UNWTO's projections for 2023, international tourist arrivals could reach 80% to 95% of pre-pandemic levels this year.

At the national level, in the financial year 2022-2023, we recorded total visitor arrivals of 3,857,456 with gross foreign exchange earnings of US\$4,093.1 million. Projections are for the island to welcome more than four million visitors in 2023, with potential earnings of US\$4.5 billion (J\$696 trillion) compared to pre-pandemic arrivals of 4,234,150 and earnings of US\$3.64 billion in 2019.

The road to recovery and the lessons learnt in the course of the pandemic have demanded a sharpening of the focus on resilience, sustainability, innovation and inclusiveness as integral to the vision for tourism. 'Future-fitting' or broader anticipatory strategies and processes has occupied much of the discussion on the way forward for the industry as the main driver in the post-pandemic economic recovery.

The TEF has been proactive as well as responsive in its wide-ranging developmental programmes in the course of the year. The TEF's extensive project listing in the review period, appropriately communicated under the banner "Transforming Tourism" consistently sought to look anew at the established strengths and pull factors of our island's resorts to enhance and develop the inherent attractiveness that has made Jamaica a household name as a tourist destination.

Beach development and environmental programmes, the preservation of our heritage and promotion of our culture, support for community tourism, all foundational tenets of the TEF took on added impetus in responding to the charge to 'build back stronger'.

The programmes and initiatives under the TEF's Tourism Linkages Network energetically advanced building out of the 'new architecture' required to enhance the supply side and

the retention of the tourism dollar. Intersectoral collaboration to enhance linkages with players in agricultural and manufacturing featured prominently in efforts to boost tourism linkages with other sectors of the economy. Projects in community farming and capacity building for small, medium and micro tourism enterprises ensured inclusiveness in these programmes. The thrust toward 'future-fitting' of Jamaica's small and micro tourism enterprises, including their exposure to digital technologies, has been a key element in this new dispensation.



Gastronomy with the hosting of signature events and the introduction of new culinary-based experiences including 'culinary trails', Health and Wellness, capitalising on the island's growing number of spa services as well as wellness experiences; Knowledge with the emphasis on research and development and innovation in tourism; Shopping, Sport and Entertainment have all been viewed through new and exciting lenses as demonstrated in the spectrum of projects and programmes undertaken in the respective 'Networks'.

The work of the Jamaica Centre for Tourism Innovation (JCTI) in the course of the reporting period further reflected TEF's keen attention to international standards in highlighting recovery and transformation of the industry as dependent on the priorities of jobs and training, education and youth development, sustainability, and innovation.

The crisis of worker dislocation, shortage of required skillsets and the demand for new approaches to competitive positioning for our destination, further spurred the invaluable work of JCTI in its wide-ranging, collaborative training, certification and development programmes for Jamaica's existing and budding tourism work force.

The review period saw a slew of studies and the development of databases. For example, the JCTI rolled out the Database of Certified Persons. Outreach to students expanded exponentially, even as the TEF took a lead role in a most important initiative, namely, the establishment of the Tourism Innovation Incubator.

Falling under the aegis of the Research and Risk Management Department of the TEF, the Tourism Innovation Incubator, is a business development centre specific to the tourist industry. The 'Incubator' will identify, train and nurture tourism entrepreneurs, bringing their ideas to life and to the market with all the potential this holds for the enhancement of Jamaica's tourism product.

TEF remains nimble and alert to changing demands at the national and corporate levels as evidenced in organisational restructuring in the interest of Team members, for improved efficiency and in service to the industry.

I thank my fellow Directors for their unswerving commitment to fulfilling the mandate of the TEF, this being identification and implementation of projects and programmes that measurably impact the growth and sustainable development of the tourist industry for economic transformation and the benefit of all Jamaicans.

The Hon. Godfrey Dyer, OJ, CD, JP



Scenes from Mobay Reggae Night



Scenes from Speed Networking 2022



Tourism Incubator Launch

Board of Directors

Hon Godfrey Dyer, OJ, CD, JP – Chairman

Mr Joseph Issa – Deputy Chairman

Mr Ian Dear, CD, JP – Director

Mrs Judy Schoenbein, JP – Director

Dr Omar Robinson – Director

Mr Clifton Reader – Director

Mr Marc Williams, JP – 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 (MoF&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

As the industry rebounded from the devastating effects on global travel wreaked by the COVID-19 pandemic over the previous two reporting cycles, all performance indicators pointed to stronger-than-anticipated recovery reflective of pent-up consumer demand and implementation of policies to manage the recovery and repositioning of tourism for the future.

In calendar year 2022, Jamaica welcomed 2,478,386 stopover visitors, a 69.2% increase compared to 2021 and just 7.6% shy of arrivals of 2,680,920 in 2019, the pre-COVID benchmark year. A total of 852,294 cruise visitors for the year 2022 compared to minimal arrivals of 70,766 the previous year and 1,553,230 in 2019. Total visitor arrivals in 2022 numbered 3,330,80 compared to 1,535,165 in 2021 an increase of 117% rapidly moving toward total arrivals of 4,234,150 in pre-pandemic 2019.

In the last Quarter of the Fiscal Year, January to March 2023, stopover arrivals of 708,250 were 38.8% above the comparable period in 2022. Cruise passengers at 476,677 recorded an increase of 380.4%. Total visitor arrivals of 1,184,927 for that Quarter showed an increase of 46.4% over the prior year.

The Fiscal Year 2022-2023 recorded total visitor arrivals of 3,857,456, an increase of 94.5% over FY 2021-2022.

Fee income for the review period was \$7.9 billion (US\$51.03 million). This consisted of airline fees of J\$7.76 billion and cruise fees of J\$135.48 million.

In keeping with the Financial Instructions from the MoF&PS, the TEF transferred year to date US\$53.41 million to the Consolidated Fund, the principal parliamentary instrument through which

Government's revenues must be deposited and from which expenditure, via warrants, is withdrawn.

FINANCIAL HIGHLIGHTS

BUDGET

The Tourism Enhancement Fund received an approved budget of J\$2.59 billion for the financial year 2022-2023. In March 2023, an additional subvention of J\$44.6 million in the Direction & Management category was received to fund the new Compensation System that was approved for the public sector by the Ministry of Finance and the Public Service.

The final subvention of J\$2,64 billion was 7% above that of J\$2,46 billion received in the prior financial year ending 31 March 2022. Significant in assessing the financial performance/management for the fiscal year ending March 31, 2023, is the fact that YTD expenditure recorded a relatively minor variance of 0.11% above the budgeted amount.

PROJECTS AND PROGRAMMES 2022-2023

The twin themes of tourism resilience and the industry's role in driving sustainable economic growth as articulated by tourism leaders globally and at the national level, provided the firm underpinning of the initiatives and operations of the Tourism Enhancement Fund in the review period, 1 April, 2022 to 31 March 2023.

The TEF maintained its support for vulnerable tourism workers in the post-COVID environment with focus on health and wellness; building the capacity of Small and Medium Tourism Enterprises (SMTE), the need to boost workforce numbers and enhance the skillsets required for employment. TEF's funding of a COVID-19 Impact Study is indicative of its contribution to the research-driven approach being pursued in the development of recovery and growth strategies for the industry.

The TEF pursued its mandate to implement developmental programmes in the resort areas, projects encouraging better management of environmental resources and those broadly enhancing the tourist experience. Collaborative efforts with other Agencies, a central tenet of TEF's operations, were pursued in the areas of, inter alia: heritage, entertainment, culture and community-based tourism.

For the financial year 2022-2023, there was slight under-expenditure of J\$6.8M/0.3% below the YTD budget of J\$2.09 billion.

Major tourism projects included continued preliminary work and stakeholder meetings for the redevelopment of the Jimmy Cliff Boulevard in Montego Bay. There was 81% completion achieved at the Squatter Regularization at Grange Pen at the end of the reporting period. The theming of the highly anticipated Artisan Village in Falmouth was also well advanced with the opening of the facility targeted for October 2023.

The Devon House Courtyard Rehabilitation Project in capital city Kingston, representing continued development of this iconic site, was practically completed at the end of the reporting period. The Devon House attraction which in recent years has benefited from TEF investment in the addition of the Most Hon Edward Seaga multi-purpose suite, is slated to become the first designated 'Gastronomy Centre' further promoting the island's niche in culture and cuisine.

Resort upkeep projects, notably de-bushing, maintenance, drain cleaning and landscaping activities in partnership with the Municipal Corporations included support of the St Ann Municipal Corporation for work in the Turtle River vicinity of the Ocho Rios Cruise Ship Terminal.

In June 2022, the unveiling of the established Holland Bamboo nursery in St Elizabeth was the latest aspect of the restoration project for this signature attraction pursued since 2021 at a cost of \$9.3M in partnership with the Ministry of Agriculture and Fisheries' Public Garden Division.

There was much emphasis on roadways heavily traversed by tourism interests and those leading to attractions in rehabilitative infrastructural works supported by the TEF.

TEF support extended to the construction of bus stops in Montego Bay as requested by the St James Municipal Corporation; improvement of the Ocho Rios Fire Hydrant Network within the Ocho Rios resort area in partnership with the Jamaica Fire Brigade, the project to improve the water supply from Negril to Runaway Bay and renovation works at Sam Sharpe Square, Montego Bay, the memorial to national hero Sam Sharpe.

Montego Bay Convention Centre

In the broad area of tourism 'infrastructure', CCTV and air conditioning units were installed and roof repairs effected at the Montego Bay Convention Centre.

Efforts continued to improve current conditions and advance divestment plans for the Milk River Bath and Spa and Bath Fountain Hotel as well as development of the Salt River Mineral Spa in Clarendon.

Beach Development

The allocation of some \$225M from the Tourism Enhancement Fund's 2022/23 budget to ongoing development and rehabilitation of beaches islandwide speaks to the importance attached to substantially improving the experience of the island's public beaches for the local population and visitors alike.

Establishing and maintaining communication channels with all stakeholders remained an important tenet of the programme, including town hall meetings, notably for the development of Priory Beach, Orchard Beach, Success Beach and Pagee Beach, during the review period.

Culture and Heritage

The United Nations World Tourism Organization Framework Convention on Tourism Ethics highlights the convergence between tourism and culture, the increasing interest of visitors in cultural experiences, and both the opportunities and challenges this presents.

The TEF's commitment to strengthening the dialogue between tourism and culture as enshrined in the Act establishing the Fund was expressed in the support of numerous events, including the hosting of the Emancipation Jubilee at Seville by the Jamaica National Heritage Trust, support for the development of virtual tours for a number of museums, the staging of the world-renowned Reggae Sumfest, Carnival in Jamaica, the Jamaica Blue Mountain Coffee Festival, the Boston Jerk Festival, Jamaica Rum Festival and execution of the 12th annual Jamaica Poetry Festival.

There was preservation and restoration of national monuments and historic churches such as the St. James Parish Church, while funding support of \$15 million was allocated to assist with the operational expenses at the Montego Bay Cultural Centre for the 2022/2023 Financial Year.

In the sporting arena, sponsorship was afforded events ranging from the Jamaica Open Golf Championship, the Jamaica Bobsleigh team's preparation for the Winter Olympics to the Jamaica Backgammon Tournament.

The mandate to encourage better management of environmental resources continued to find strong expression in funding support for the operational expenses of the Montego Bay Marine Park during the 2022/2023 Financial Year, support for the execution of a river analysis for the Milk River Hotel and Spa as well as participation in such initiatives as the 35th annual International Coastal Clean-up Day (ICCD).

Community

Community support and outreach encompassed electrical upgrade and gas for the installation of generators at the Retreat and Gayle Police Stations in Westmoreland and St. Mary, respectively, funding for a Summer Literacy Camp for children from the Rose Mt. Garden area in St James and such initiatives as 'Destination Assurance' 2022 Labour Day Projects in partnership with the Tourism Product Development Company (TPDCo).

Conferences

The TEF supported the CanEx Jamaica Business Conference & Expo 2022 and the Jamaica International Beauty Expo, the hosting of such meetings being indicative of gathering momentum in the recovery process following the exigencies of the COVID pandemic.

There was partnership support for the Montego Bay Chamber of Commerce and Industry in executing the Mobay Expo 2022 at the Montego Bay Convention Centre and the JAMPRO Investment Forum in November, 2022. On the educational front, Mico University College Alumni Association was assisted in hosting the Centennial International Teacher Education Symposium and support afforded the University of the West Indies Students 2022 tourism summit.

TOURISM LINKAGES

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 has operated within the framework of the technical working groups – Agriculture and Manufacturing – which were established to advance the linkages across these productive sectors. The designated Networks - 'Gastronomy'; 'Health & Wellness', 'Sport and Entertainment', 'Shopping' and 'Knowledge' expand the framework to include the diversification of the tourism product.

The projects and programmes undertaken by the TEF through its Tourism Linkages Network have expanded exponentially in keeping with the thrust to regain lost ground and facilitate accelerated post-COVID tourism growth for national development.

Manufacturing Technical Working Group

Capitalising on the linkages between tourism and culture as expressed in local cuisine, food products and beverages was advanced in such marquee events as the annual Jamaica Blue Mountain Coffee Festival, the TEF sponsorship of annual events including, Restaurant Week with participation from leading restaurants islandwide; Jamaica Observer Table Talk Food Awards, Jamaica Food and Drink Festival and the observance through the

Tourism Linkages

Gastronomy Network of World Sustainable Gastronomy Day.

HEALTH & WELLNESS

TEF's continued contribution to the health and welfare of tourism workers coming out of the COVID-19 pandemic was evident in the TLN's 'Vaccine Confidence Education and Social Awareness Campaign' for employees in the industry renamed, "The Tourism Worker Wellness Programme". Other initiatives included the programme entitled, "Talk Yuh Mind" executed in April, 2022 at the University of the West Indies, in which psychologists and/or councillors were engaged in raising awareness and providing counselling solutions for industry employees in respect of COVID-19-related mental health issues.

The TEF continued to respond to appeals for partnership support including that from the South East Regional Health Authority for tented accommodation at the Princess Margaret Hospital.

The Tourism Linkages Network executed TEF's observance of Global Wellness Day 2022 while the Network's 5th annual Tourism Health and Wellness Conference on November 24-25, 2022 at the Montego Bay Convention Centre brought together leaders in the tourism health and wellness sector from Jamaica, the Caribbean Region and beyond. The conference for the first time incorporated the showcasing of local businesses offering wellness-oriented products, services and experiences across the island. The TEF-supported Island Spa Conference that sought to promote the international standards for spas to stakeholders.

BEACHES, PARKS & TRAILS MAGAZINE

The TEF, through the Tourism Linkages Network assumed the task of overseeing consultancy to develop a Guidebook Showcasing Jamaica's Beaches, Parks and Trails. This entailed the identification of the island's beaches from a GIS mapping database, National Environment and Planning Agency (NEPA) list of beaches, Jamaica Environment Trust (JET) listing and the TEF Beaches Improvement Project listing.

There were consultations in respect of trails in the Blue and John Crow Mountains as well as other parts of the island with the timely publication of the 'Beaches, Parks and Trails MAGAZINE', representing a significant step in further positioning the island's tourism assets for development and promotion.

SHOPPING

A substantial initiative through the Shopping Network was the inaugural staging of the monthly entertainment and shopping series dubbed; Mobay Reggae Nights at the Harmony Beach Park in Montego Bay which was launched in October 2022. The event hosted on the last Sunday of each month, seeks to provide 'an

authentic and inclusive Jamaican experience highlighting the best of Jamaica's culture through music, food and the creative arts.'

SPORT and ENTERTAINMENT

The requirement for capacity building within the industry has been of particular concern in the post-COVID environment with the attrition of workers during the pandemic. Capacity building workshops for the entertainment industry; working with the Jamaica Hotel and Tourist Association to ascertain staffing needs in the Entertainment Department; funding for a Conference on Best Practices in Sport and Entertainment and the production of a Demand Study related to the proposed Tourism Entertainment Academy were among the initiatives supported by the TEF Board in the category 'Entertainment and Sports'.

KNOWLEDGE

A dynamic Online Forum Series hosted by the Tourism Linkages Knowledge Network provided opportunities for visioning and sharing developmental strategies for the industry. This Knowledge series provided a platform for experts, professionals and enthusiasts to share their knowledge, expertise, and experiences on topics including, "Tourism Diplomacy", "The Impact of Tourism on Other Sectors of the Economy", "Cruise Homeporting", "Blue Ocean Strategy", "Diversification of Jamaica's Tourism Product", "Emerging Technological Trends in Tourism" and "The Groups and Conventions Market." The forum continues to be a valuable strategy for the dissemination of valuable information, ideas, and insights related to the growth of the tourism industry.

The Knowledge Network provided support for the stellar inaugural Global Tourism Resilience Conference hosted February 15-17, 2023, at the University of the West Indies Regional Headquarters in Kingston. The Conference featured an outstanding cadre of presenters, panelists and moderators addressing issues of tourism resilience and sustainability, investment and economic development.

AGRICULTURAL TECHNICAL WORKING GROUP

The Agriculture Technical Working Group's forging of increased linkages between the agricultural and tourism sectors recorded measurable success in its community farming project with farmers in St. James and St. Elizabeth benefitting from training sessions and opportunities for HEART/NSTA certification. An important aspect of the programme was the provision of water tanks to farmers supplying the tourist industry. Provision of these water tanks to registered farmers allowed for greater management of limited water resources. Provision of these water tanks to registered farmers allowed for greater management of limited water resources.

Cultivation of Berries in Jamaica

In pursuing opportunities for local farmers to expand supplies to the tourism industry, the TLN Agriculture Technical Working Group conducted an assessment of the value and production of

berries in Jamaica, primarily the blueberry, mulberry, and raspberry. Research sought to establish the current state of the berry industry and assess the demand for berries in the Tourism industry. Based on the findings, significant potential for sales of the product exists and the TEF looks to further success in experimental plots established on private farm holdings of farmers based on identified criteria.

AGRI LINKAGES EXCHANGE CENTRE (ALEX)

The establishment and functioning of the Agri Linkages Exchange Centre (ALEX), the digital agro-trading platform connecting farmers with purchasers in the tourism industry, has represented an important step in the Agriculture Technical Working Group's efforts to facilitate expansion of this critical relationship.

The Working Group's commissioning of a Business Plan for ALEX will see further Stakeholder engagements with RADA and the Ministry of Agriculture and Fisheries; assessment of the existing ALEX Platform; its capacity to provide efficient marketing services and identification of opportunities for revenue generation. This will include analysis of financial and economic viability in the medium to long term and determining the requirements for and efficacy of the Agri Linkages Exchange Centre being operated as a GOJ-approved business venture.

The ALEX Platform remains stable and for the period April 2022 to March 2023, transactions on the website reflected earnings to farmers in the sum of \$512,202,589. Approximately 1,863 farmers benefited from these sales.

The TLN commissioned Agricultural Safety Manual for Tourism Suppliers was well received by the farmers who supply ALEX, being distributed to these and other stakeholders, both electronically and in the printed format. The use of the Manual has been complemented by Agricultural Food Safety Sensitization Sessions attended by farmers, purveyors and agro-processors from across the island. The Tourism Supply Chain Study facilitated by the TLN Agricultural Technical Working Group has also contributed to knowledge of markets, sources and potential for leakage.

MANUFACTURING TECHNICAL WORKING GROUP

The Manufacturing sector suppliers have forged well-integrated tourism linkages with engagement in a variety of tourism-based businesses. Initiatives advancing the objective of the TLN Manufacturing Technical Working Group to build on these relationships included continued staging of Speed Networking Sessions, eight such exchanges between suppliers and tourism buyers having been successfully hosted.

Partnerships to assist local manufacturers included sponsorship of events such as the Jamaica Rum Festival and highly popular Reggae Sumfest.

The annual 'Christmas in July' trade show once again provided local producers with the opportunity to link directly with purchasers of gift and souvenir items for the sector. The Final Survey for the 2022 renewal of the event recorded participation by 180 manufacturers of which 132 respondents indicated earnings totalling J\$18.3 million.

'Christmas in July' suppliers participated in a number of TEF-assisted events while completion of the Christmas in July Catalogue provided yet another avenue in the thrust to address supply chain challenges being experienced by the sector.

JAMAICA CENTRE FOR TOURISM INNOVATION

The Jamaica Centre for Tourism Innovation (JCTI) was active in advancing the Government's human capital development strategy in respect of tourism, partnering with international and local entities to deliver certification programmes for workers as well as students at the secondary and tertiary levels in educational institutions in the areas of hospitality, tourism and culinary arts.

The JCTI provided assistance in responding to the demand for tourism workers as the industry rebounded, facilitating the expanding number of certification programmes delivered through the National Restaurant Association/American Hotel & Lodging Educational Institute (AHLEI) and HEART/NSTA Trust.

The Hospitality & Tourism Management (HTM) programme began working with the third cohort. Currently 308 high students from fourteen schools island wide are enrolled in Year 1 of the programme. In preparation, eighteen teachers were received the Certified Hospitality Instructor assignment to prepare them for teaching the course. An aggressive monitoring and evaluation programme was developed to track the work of teachers and students over the past year. The goal is to retain at least 85% of the cohort. Further, the JCTI is seeing to the certification of high school teachers to deliver the programme and identifying opportunities for them to participate in a programme that allows them to have a two-week furlough in a hotel to learn more about the subject they are teaching.

In respect of culinary certification, the JCTI continues to work with the American Culinary Federation (ACF). In 2022/23 more than 110 candidates, from colleges and industry participated in certification programmes. Further the American Culinary Federation Educational Institute, at the JCTI's invitation is working with three local colleges to make it possible for them to deliver the Certified Culinarian (CC) and Certified Pastry Culinarian (CPC) certification to graduates in culinary arts. If this is successful, additional funds will be available to work with cooks in the industry.

Further, the JCTI in collaboration with our partners at JHTA, HEART/NSTA Trust and the ACF are working on an expedited sous chef certification programme. Candidates will spend six months with local chefs honing their skills and be assigned to chefs in

restaurants in the United States and Canada to gain critical work experience. Thereafter, these candidates will take their certifying exams.

In an effort to increase the number of Jamaicans available to take jobs in tourism, the JCTI undertook the design and development of a Job Readiness Programme (JRP). With partners, the HEART/NSTA Trust and the AHLEI, the JCTI facilitated the development of a Job Readiness Programme for Tourism. The programme was offered by HEART/NSTA Trust and candidates will receive a certificate upon completion. In addition, candidates will have a choice of completing the Customer Service certification or the Food Safety Certification. This 3-day programme offers entry level candidates opportunities to learn soft skills as well as two certificates and help putting together a resume. At the end of the programme the JCTI hosts a Job Fair to connect successful candidates with employers. The programme is to be expanded in the new financial year.

The JCTI hosted local and international partners at the annual graduation in November 2022. It was a hybrid affair, with more than 150 persons in attendance at the Montego Bay Convention Centre and 800 persons online. Partners actually visited the hotels that had certified staff as well as colleges where students were working on certification programmes. 1,787 persons received certification, from a group of 2,008 who participated in programmes throughout the year. This represented an 89% success rate. Persons who received certifications included supervisors, tutors, experts in hospitality information analytics, chefs, customer service professionals and small food operators.

Additional strategies included:

- Conducting for the Jamaica Tourist Board (JTB), a survey of workers to establish why many had not returned to the tourism work force;
- Collaborating with the Research and Risk Management Department (RRD) and Jamaica Information Service (JIS) to deliver the JCTI Database of Certified Persons posted on the TEF website;
- Identifying of current and recent college graduates as potential candidates to begin a 3-month certification programme for Certified Hospitality Supervisor (CHS) and Certified Culinarian with JCTI paying a monthly stipend.

Yet another high point of the review period was the TEF's collaboration with the Tourism Product Development Company Ltd. in hosting the first Tourism Career EXPO in March 2023, at the Montego Bay Convention Centre.

These initiatives were pursued even as the Agency escalated such well-established programmes as the Summer Internship Programme (SIP) which in the Review Period benefited 818

students, with J\$36M paid out in stipends. Craft Development, the second aspect of the Human Capital Development Strategy, seeks to support those entrepreneurs in the craft sub-sector interested in connecting to the tourism value chain.

The establishment of Artisan Villages, that at Falmouth being the first, represents a central pillar in meeting this objective. The TEF closed the FY 2022-23 with great anticipation of the completion of theming of the Artisan Village at Falmouth. The JCTI continues to work on plans to provide a number of financial services for the shopkeepers were being pursued and a Memorandum of Understanding informing TEF's management of the Artisan Village in Falmouth was completed with the Port Authority of Jamaica (PAJ).

RESEARCH AND RISK MANAGEMENT

The Research and Risk Management Department continued its pivotal role in facilitating research-based decisions within the Agency; closely aligning with corporate strategies to identify and prepare for risks to the Agency's objectives and the industry it serves.

The Department's driving of the Enterprise Risk Management project continued with steps taken to procure required ERM Software, advancing implementation of the ERM policy and procedures crafted in collaboration with the Bureau of Standards Jamaica. Work continued in developing the Standard Operating Procedures (SOPS) with the attendant assessment of risk in carrying out processes as mandated at the TEF.

The promotion of tourism resilience and risk management in the tourism sector was advanced with the launch of the Business Continuity Plan Guidebook and training programme, along with a Disaster Risk Management Template (a project done in partnership with the Ministry of Tourism).

The RRMD embarked on a video series for the Business Continuity Plan Guidebook, further encouraging user engagement.

The Board approved the Destination Risk Register and Action Plan for the Montego Bay Resort Area in October, 2022 paving the way for enhanced oversight and implementation of robust risk management frameworks targeting the Resort areas.

The RRMD was integral in the development of the JCTI Database of Certified Tourism workers, the launch of the 'JCTI Job Site & Directory' taking place in October, 2022. So too the Department facilitated development of the JCTI's Learning Management System, expanding its certification programmes in the wider Caribbean.

The RRMD also lead the Tourism-Entertainment Ecosystem Study, related to the proposed Tourism Entertainment Academy. This study saw the interviewing of practitioners from the cultural and creative industries, hotels, attractions and institutions with responsibility for performing and visual arts. The goal of this

Study is to ensure that the Tourism Entertainment Academy is built for purpose and directly addresses gaps within both industries.

Tourism Innovation Incubator

In September, 2022 as a highlight of the Tourism Awareness Week activities, the Research and Risk Management Department spearheaded the launch of the Tourism Innovation Incubator, announced earlier in the year by the Hon Minister of Tourism as a mechanism to identify and commercialize creative projects among Jamaicans for a more diversified tourism product.

In collaboration with the University of Technology and Founder Institute (Jamaica), an initial cohort of thirteen teams of eleven 'Innovators' presenting promising tourism business proposals was toward year-end, being guided on the path to commercialisation of their ideas with the shaping of 'Lean Canvas Validation' plans and market research.

The TEF directorship approved the allocation of J\$100M from the EXIM pool of funds earmarked for loans to MSMTES towards grant funding for participants in the programme.

Tourism Entertainment Academy

The Tourism Entertainment Academy announced for implementation in FY 2023-2024 was conceived as an avenue to enhance the training, exposure, and opportunities for employment among budding Jamaican artistes while expanding visitors' experience of authentic Jamaican culture.

Preparatory work included the RRMD embarking on an ecosystem study for the Tourism Entertainment Academy, for which the TEF allocated \$50 million in developmental funds.

The 'ecosystems study' in respect of the Creative and Cultural Industries will guide policymakers' and educational institutions' development of the conceptual designs, Master Plan and Business Plan for the Entertainment Academy, the location of which is proposed for the Montego Bay Convention Centre's lands.

ADMINISTRATION

The TEF has sought to establish and maintain a well-defined organisational structure, with effective administrative strategies in keeping with ever-evolving developmental goals within the organisation and the industry served.

In the course of the review period, the TEF embarked on two major structural changes for improved efficiencies. The transitioning of eligible members of the TEF staff to permanent employee status from contract-based employment will provide increased job security, benefits and continuity, further strengthening the foundation of the TEF's organisational success. Negotiations with

the Ministry of Finance and the Public Service for a seamless transition were ongoing during the year.

Another significant development was the TEF's carefully considered shift of its Information and Communication Technology (ICT) infrastructure and operations from the Tourism Product Development Company Ltd. to a more independent arrangement that has some shared services with E-Gov. The growth and expansion of the TEF as an entity required its looking beyond the shared services structure offered by TPDCo.

The Tourism Enhancement Fund has operated in adherence to the Government of Jamaica Procurement Guidelines and in carrying out its commitment to achieving economy, integrity, transparency and equity in the award of contracts. The Agency was consistent and timely in its submission of Integrity Commission Quarterly Contract Awards (QCA) Reports detailing the process and status of the Procurement of Projects from each of its departments.

In keeping with global and national standards, and the TEF Board's oversight responsibilities for ensuring a robust risk management framework for the Agency, special attention was given to the preparation by the Agency's Internal Auditor of the first risk-based plan for the TEF, this having being part of representation to MoF&PS for TEF to have a dedicated resource for the internal audit functions.



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, 2022 to March 31, 2023.

The overarching focus in the course of the financial year was scientifically assessing the fall-out in the tourist industry and facilitating strong recovery from the exigencies of the COVID-19 pandemic. From cautious optimism early in 2022, the industry's recovery over the review period exhibited growing momentum with international arrivals outpacing projections to record more than 900 million in 2022. This was twice the number recorded in 2021 though still 63% of pre-pandemic levels.

The Caribbean has been among the regions which have shown the fastest rates of recovery towards 2019 levels with Jamaica among the strongest performers.

Stopover arrivals to Jamaica at 2,478,386, showed a 69.2% increase over arrivals in 2021, and compared very favourably with pre-COVID arrivals of 2,680,920 in 2019. A total of 852,294 cruise visitors in 2022 compared to 70,766 in 2021 and 1,553,230 in 2019 indicate the increased upward trajectory in that sector.

Total visitor arrivals of 3,330,80 in 2022 compared to 1,535,165 in 2021, showed an increase of 117%, fast approaching total arrivals of 4,234,150 in pre-pandemic 2019.

With the dawning of the new year, notwithstanding global economic and geopolitical concerns, optimism regarding tourism's continued recovery proved justified with stopover arrivals, January to March 2023 recorded at 708,250 or 38.8% above the comparable period in 2022. At the same time, cruise passengers at 476,677 recorded a remarkable increase of 380.4%.

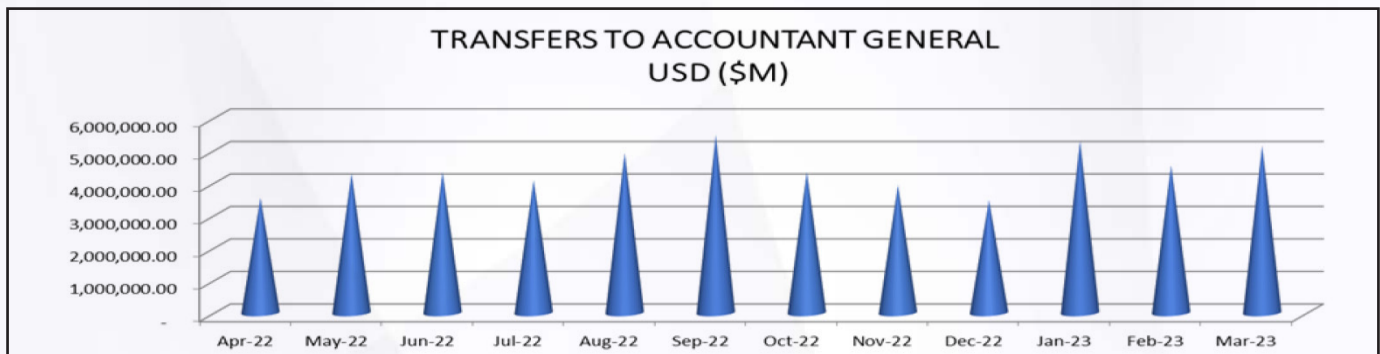
Total visitor arrivals of 1,184,927 for that Quarter showed an increase of 46.4% over the prior year.

The fiscal year 2022-2023 recorded total visitor arrivals of 3,857,456, an increase of 94.5% over FY 2021-2022, with Gross Foreign Exchange Earnings of US\$4,093.1M surpassing prior year earnings by 57% and being indicative of the robust recovery in tourism.



COLLECTION

TEF transferred J\$7.98 billion from airlines and J\$125.05 million from Cruise Lines to the Consolidated Fund. This compared to prior year 2021/2022 when TEF transferred fees of J\$4.9 billion from airlines and J\$13.4 million from Cruise Lines to the Consolidated Fund and the pre-COVID-19 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 and J\$215.8 million from the cruise lines.



AIRLINE REVENUE ANALYSIS AS AT MARCH 2023							
	MAR 2023 - YTD	MAR 2022 - YTD	MAR 2019 - YTD	Budget YTD	Yr / Yr movement	Yr/Budget movement	Budget Var. Over/(Under)
Chargeable Passengers	2,858,380	1,932,129	2,762,515	1,706,024	47.9%	(67.5%)	1,152,356
US\$ Fee Income	57,167,600	38,642,580	55,250,294	34,120,480	47.9%	(67.5%)	23,047,120
JA\$ equivalent Fee Income	8,741,463,692	5,894,706,083	7,068,984,187	4,962,779,459	48.3%	(76.1%)	3,778,684,232
Average billing rate	152.9094	152.5443	127.9447	145.4487	0.2%	(5.1%)	0
Actual Exchange rate	149.9642	152.9092	123.5735	145.4487	1.9%	(3.1%)	0
CRUISE REVENUE ANALYSIS AS AT MARCH 2023							
	MAR 2023 - YTD	MAR 2022 - YTD	MAR 2019 - YTD	Budget YTD	Yr / Yr 2020 movement	Yr/Budget movement	Budget Var. Over/(Under)
Chargeable Passengers	495,489	45,028	790,412	124,118	-	(299.2%)	371,371
US\$ Fee Income	990,978	90,056	1,580,824	248,236	-	(299.2%)	742,742
JA\$ equivalent Fee Income	150,499,295	13,732,348	204,181,836	35,966,051	-	(318.4%)	114,533,244

Table 1: Airline Revenue as of March 2023

AIRLINE AND CRUISE FEES RECEIVABLES ANALYSIS (Actual billing) AS AT March 2023					
	31-Mar-2023				Total
	0-30	31-60	61-90	over 90	
	USD				
Port Authority	179,955.00	-	-	-	179,955.00
Fly Jamaica				180,006.40	180,006.40
IATA	3,278,482.18			(3,904.26)	3,274,577.92
IAMJET	5,938.80			20.70	5,959.50
Condor	35,946.40			50,329.08	86,275.48
Air Transat	126,047.60		15,092.00		141,139.60
AJAS	119,128.80	19,639.20	32,888.80	1,378.00	173,034.80
Sunwing/Southwest			-	0.40	0.40
Spirit	2,105.03				2,105.03
InterCaribbean	-	-	0.60	33.80	34.40
Thomas Cook Airlines				116,894.40	116,894
Ja. Dispatch				0.10	0.10
TOTAL	3,747,603.81	19,639.20	47,981.40	344,758.62	4,159,983.03
	90.1%	0.5%	1.2%	8.3%	

TRADE DEBT

The Trade Debt as of March 31, 2023 was J\$623.85M, of which 90.1% fell within the 0-30-day band. Members of the International Air Transport Association (IATA) group or scheduled airlines that normally pay directly to the bank account through the Airlines Bank IATA Clearinghouse, accounted for 87%, the other 13% being attributable to Charter carriers.

Debtors over 90 days outstanding represented 8.3% (US\$344,758.62) of the TEF's portfolio as of March 31, 2023.*

The Board approved the submission to the Cabinet Office for the write-off of sums owed by the bankrupt airlines:

Fly Jamaica – US\$180,006.40

Condor – US\$49,878.28

Thomas Cooke Airlines – US\$116,894.40

In June, 2022, TEF was onboarded to IATA's new customer portal, APPS – (Airline Partners Payment Solutions) a Data Management System and Web-based user interface for its customers. APPS is a real-time, user-friendly interface for billing data management, tracking of historical data operations, dispute management, and returned data solutions.

* NB As of April 6, 2023, the TEF had collected USD 3,314,410.58 which settled 80% of the balance outstanding as of March 31, 2023.

BUDGET

The Budget approved for the financial year 2022-2023 for the Tourism Enhancement Fund was J\$2.590 billion. In the tabling in Parliament of the 4th Supplementary Estimates, there was an additional sum of J\$44.6 M allocated to the TEF in the Direction & Management category, this to fund the Compensation Review for the public sector approved by the Ministry of Finance and the Public Service. As such, the final budget for the TEF for FY 2022/2023 was J\$2.63 billion.

The amount of \$40.2 million represents the additional portion towards the 10% increase of salary for the financial year 2022-2023 and was paid out in March 2023. The balance of \$4.4M represents the cost for the one-off payment to FY 2021/22 Travelling Officers which was paid out in January 2023.

The TEF recorded a fair financial performance for the financial year 2022-2023 ended March 31, 2023, with a YTD over-expenditure variance of 0.11% above the budgeted amount. At the beginning of 2022-2023, the TEF received \$252 million above the budgeted subvention for the month of April 2022 and was able to utilize the excess funds by adjusting the monthly expenditures throughout the financial year.

The Revenue/Government Subvention of J\$2.63 billion for the review period was 7% above the subvention of J\$2.46 billion received in the prior financial year as of March 2022.

Overall YTD exchange loss of J\$1.64 million was due to fluctuations in the value of the Jamaican dollar for the financial Year.

Warrant Analysis as at March 31, 2023									
Months	Warrant Budgeted	Warrant Requested	Warrant Received (via lodgement to account)	Amount Spent	Amount Returned by MoT or other beneficiaries	Balance	Balance in Bank Account (End of month)	% Spent/ Request	% Spent/ Received
April 2022	361,315,584	391,314,000	377,575,413	107,240,474	-	270,334,939	285,182,058	27%	28%
May 2022	147,438,134	197,903,504	188,629,125	207,740,015	-	(19,110,889)	271,615,406	105%	110%
June 2022	177,098,464	79,572,897	61,033,025	137,681,741	-	(76,648,716)	187,896,790	173%	226%
July 2022	265,840,047	135,120,742	126,150,539	156,636,294	-	(30,485,756)	166,445,508	116%	124%
August 2022	357,723,641	201,876,739	193,120,504	208,838,002	8,211,465	(7,506,033)	153,688,721	103%	108%
September 2022	184,362,541	177,070,216	168,942,805	154,357,691	1,308,449	15,893,562	167,915,312	87%	91%
October 2022	154,469,266	200,017,492	193,086,529	171,815,922	-	21,270,606	164,758,899	86%	89%
November 2022	136,077,704	264,103,224	254,226,321	193,086,529	-	61,139,792	228,813,467	73%	76%
December 2022	337,847,467	355,563,771	343,673,426	463,258,701	4,391,410	(115,193,865)	114,303,273	130%	135%
January 2023	94,574,419	161,864,949	151,873,908	179,561,452	-	(27,687,545)	100,283,977	111%	118%
February 2023	230,873,495	274,791,089	265,092,152	251,477,473	-	13,614,679	101,789,306	92%	95%
March 2023	183,005,548	191,427,687	174,051,242	279,827,687	4,424,413	(101,352,032)	12,176,010	146%	161%
Total	2,630,626,310	2,630,626,310	2,497,454,988	2,511,521,982	18,335,737	4,268,743		95%	101%

Table 3: Warrant Analysis as of March 31, 2023

BUDGET ALLOCATION

The Budget for the financial year 2022/2023 was allocated across the six sub-programmes of Government, namely:

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

The YTD expenditure in the programme categories and by the respective TEF Departments is delineated in Table 4.

YEAR-TO-DATE EXPENDITURE BUDGET VS ACTUAL J\$'000 MARCH 31, 2023

■ Approved Budget ■ Actual Expenditure

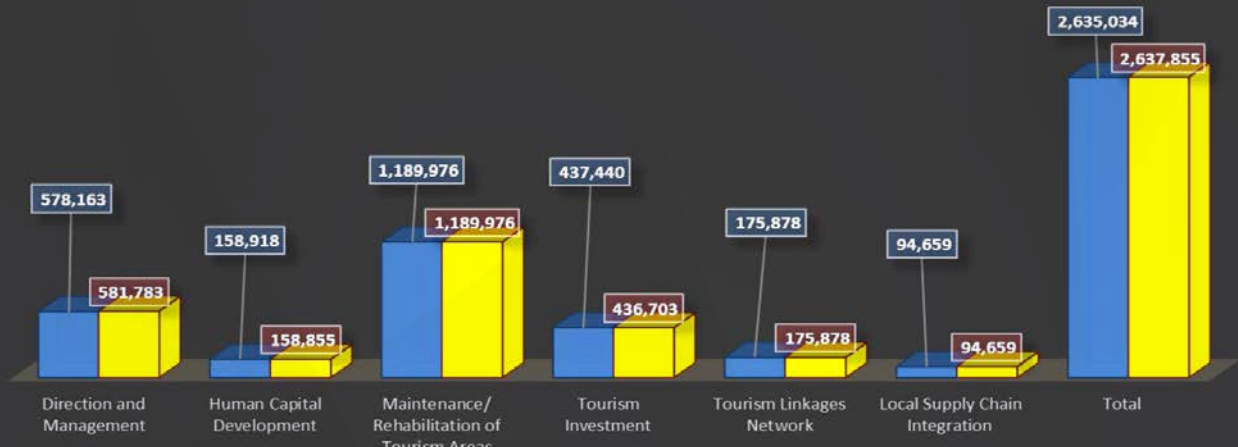


Table: Breakdown of Expenditure by Departments

DESCRIPTION	2022-23 (J\$'000)					
	Annual Budget		Year to Date			
	Final Approved Budget 2021-22	Final Approved Budget 2022-23	Budget Warrants Received	Actual	YTD Variance	YTD Variance Percentage (%)
Tourism Development	2,462,118	2,630,667	2,635,034	2,636,395	(1,362)	0%
Tourism Product Enhancement	2,193,979	2,377,429	2,381,797	2,383,158	(1,362)	0%
Direction and Management	518,658	573,757	578,163	579,524	(1,362)	0%
TEF Management & Operations	487,588	541,957	546,362	547,724	(1,362)	0%
Tourism Research, Innovation & Entrepreneurship	31,070	31,800	31,800	31,800	-	0%
Capacity Development	121,996	154,495	154,496	154,496	-	0%
Maintenance/ Rehabilitation of Tourism Areas	1,308,000	1,207,435	1,207,397	1,207,397	-	0%
Resort Town Squatter Settlement	300,000	280,000	282,657	282,657	-	0%
Emerging Resort Area Support & Development	55,000	80,000	135,116	135,116	-	0%
TEF Beaches Development	240,000	225,000	84,685	84,685	-	0%
Enhancement of Roadways	150,000	320,000	439,272	439,272	-	0%
Roads to Attraction	373,000	245,000	215,697	215,697	-	0%
Devon House Pop Up Kitchen	-	57,435	40,205	40,205	-	0%
Development Projects	190,000	-	9,765	9,765	-	0%
Tourism Investment	253,627	441,742	441,741	441,741	-	0%
Tourism Business Development	259,837	253,238	253,237	253,237	-	0%
Tourism Linkages Network	159,846	158,698	158,697	158,697	-	0%
Knowledge Network	22,385	25,198	21,833	21,833	-	0%
Health & Wellness Network	31,160	25,000	34,924	34,924	-	0%
Gastronomy Network	33,500	38,500	26,712	26,712	-	0%
Shopping Network	30,500	38,000	36,845	36,845	-	0%
Sports and Entertainment Network	42,301	32,000	38,383	38,383	-	0%
Local Supply Chain Integration	99,900	94,540	94,540	94,540	-	0%
Agriculture Technical Working Group	45,950	52,500	48,694	48,694	-	0%
Manufacturing Technical Working Group	54,040	42,040	45,846	45,846	-	0%
TOTAL	2,462,118	2,630,667	2,635,034	2,636,395	(1,362)	0%

Table 4: Expenditure by Departments as of March 31, 2023

The amount spent on the overall Tourism Development Programme of the Government was J\$2,637.9M YTD. This was J\$2.8M/0.1% above the YTD budget of J\$2,635M. The YTD variance of J\$2.8M/0.11% was from the Product Enhancement activities while Tourism Business Development fully expended its 2022-23 budgetary allocations.

OPERATING EXPENSES

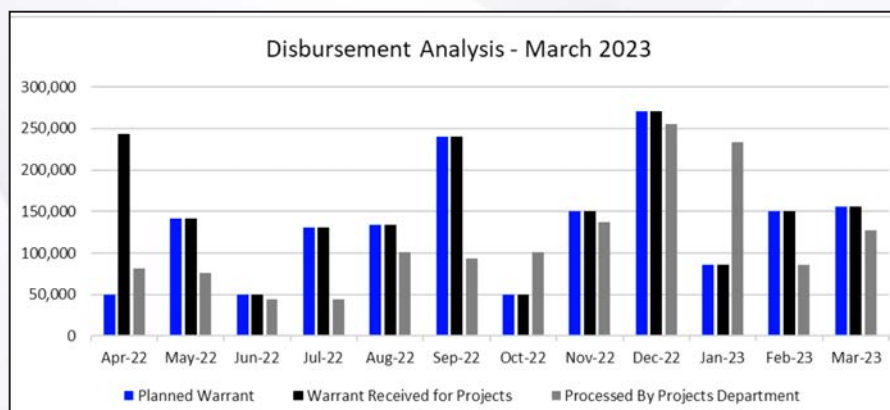
There was an over-expenditure YTD amount of J\$10M/6% vis a vis the YTD budget of J\$536.9 million. This was J\$105.5M/22% above the actual prior YTD expenditure of J\$450.8M for March 2022.

Tourism Enhancement Fund Schedule of Budget/Actual Expenditure Financial Year 2022-23						
	Approved Budget	Approved Budget	Actual Expenditure		Balance Available	% Utilization
	April 21 - Mar 22	April 22 - Mar 23	March	YTD Mar 2022	Mar-23	Mar-23
Project Expenditure	1,974,530,000	2,088,669,500	208,992,323	2,081,882,460	6,787,040	100%
Operational Expenditure	459,025,000	536,943,286	78,964,843	546,020,467	(9,077,181)	102%
Total Project & Operating	2,433,555,000	2,625,612,786	287,957,166	2,627,902,927	(2,290,141)	100%
Capital Expenditure	28,563,000	9,420,000	844,264	9,951,667	(531,667)	106%
Total Expenditure	2,462,118,000	2,635,032,786	288,801,430	2,637,854,595	(2,821,809)	100%

PROJECT EXPENDITURE

Actual expenditure for all project-related programmes in the course of the Review Period was J\$2,082 billion. There was slight under-expenditure of J\$6.8M/0.3% below the YTD budget of J\$2,089 billion. This was mainly in the project category: 'Resort Areas' in respect of Negril J\$20.2M/86%, Montego Bay J\$20.9M/5%, South Coast J\$6M/7%, Ocho Rios J\$4.9M/3%, Portland J\$2M/6% and Falmouth J\$1.2M/4%.

The YTD Project Expenditure went over budget in the project category for 'National' J\$44.2/4% and Kingston & St. Andrew by J\$4.1M/2%. The project expenditure was J\$56.3M/3% above the corresponding period in the prior year of J\$2,025.6 million.



Projects Approval Impact on Budget

The approval of projects for implementation within the 2022-2023 financial year as well as expenditure on approved projects not completed in previous financial years impact the current budget.

The Table below indicates the Year-to-Date impact of these projects.

PROJECTS BUDGET REPORT

CATEGORY	APPROVED BUDGET	BUDGET EXPENDITURE		
		PLANNED EXPENDITURE YTD	ACTUAL PROCESSED YTD	% BUDGET PROCESSED
Maintenance and Rehabilitation of Tourism Areas	\$1,207,435,000.00	\$1,224,335,000.00	\$1,194,044,983.24	98.9%
Resort Town Squatter Settlement	\$280,000,000.00	\$280,000,000.00	\$168,371,407.83	60.1%
Emerging Resort Area Support & Development	\$80,000,000.00	\$80,000,000.00	\$63,538,461.19	79%
TEF Beaches Development	\$225,000,000.00	\$225,000,000.00	\$201,056,575.72	89%
Enhancement of Roadways	\$320,000,000.00	\$387,500,000.00	\$593,779,330.88	186%
Roads to Attractions	\$245,000,000.00	\$194,400,000.00	\$166,321,707.62	68%
Devon House Pop Up Kitchen	\$57,435,000.00	\$57,435,000.00	\$977,500.00	2%
Tourism Investment	\$391,742,000.00	\$374,842,000.00	\$318,184,300.86	81.2%
Environment & Eco Tourism Development	\$8,000,000.00	\$8,000,000.00	\$24,199,444.95	302.5%
Tourism Historic & Cultural Investment	\$5,000,000.00	\$5,000,000.00	\$9,611,249.39	192%
Tourism Sponsorship	\$41,000,000.00	\$48,500,000.00	\$83,892,008.93	205%
Development of Transformational Projects	\$307,742,000.00	\$269,842,000.00	\$130,688,250.69	42%
Grant Funding	\$30,000,000.00	\$43,500,000.00	\$69,793,346.90	233%
TOTAL BUDGET	\$1,599,177,000.00	\$1,599,177,000.00	\$1,512,229,284.10	94.6%

Instances of low disbursements versus warrants requested/received largely flowed from delays in the commencement of planned projects requiring significant disbursements. Efforts were maintained to achieve exceptional and timely outcomes in the management of TEF projects undertaken with its partners by the respective Departments. Project Officers in some instances relocated to project sites where a closer managerial role was deemed necessary for required outcomes.

PROJECT OVERVIEW

Assessing, funding and collaborative implementation of multiple transformative projects are central to the Tourism Enhancement Fund's fulfilling its mandate to facilitate measurable, accelerated growth and development for tourism in Jamaica.

The Projects Department of the TEF maintained a full slate of application reviews, presentations for Board approval, and oversight of project implementation. TEF maintained its fundamental role in the maintenance and rehabilitation of tourist areas, tourism investment and developmental projects. The respective Tourism Linkages Network Departments initiated wide-ranging programmes to increase local linkages to the industry. There were aggressive measures to boost certification of tourism workers and pursuit of research and innovation for 'future fittings', resilience and risk reduction in relation to the industry.

An overview of developmental projects would highlight the Artisan Village at Hampden Wharf, as one of the most ambitious undertakings, this being an outgrowth of the Falmouth Historic District renovation project. The concept of the establishment of Artisan Villages, Falmouth being the first of five proposed, is expected to provide an avenue for Jamaican artists and craft persons to enhance and expose their creativity as integral to visitor's authentic experience of the island.

At the end of the reporting period, work to effect theming for the Artisan Village at Hamden Wharf was well advanced with the respective outlets, artisan shops, façade and stage, landscaping and offices, including that for the TEF, at various stages of procurement, award of contracts, design development and construction.

Squatter Regularization in Resort Towns - Grange Pen

The Government's commitment to infrastructural upgrades in informal or 'squatter' settlements in the vicinity of the island's resorts was pursued in the Grange Pen Squatter regularisation project in St. James. This major project commenced in the 2019-20 financial year with funding support of J\$963 million allocated to the Housing Agency of Jamaica (HAJ).

The project was 81% complete at the end of the reporting period. Having fallen somewhat behind schedule, projections are for completion in the second quarter 2023/2024 financial year.

Devon House Courtyard Rehabilitation

At historic Devon House in capital city Kingston, the Courtyard Rehabilitation project was practically completed at the end of the FY. The scope of the project representing continued upgraded at this heritage site, included demolition of existing standing structures and pavements within the courtyard, construction of new gazebos, paved areas, softscapes, seating, and infrastructure services. The scope variations were attributed to additions to the designs in order to achieve the project objectives. Consequent cost and schedule variations of the project were within allowable limits.

INFRASTRUCTURE



Rehabilitation of roadway leading to Milk River Hotel & Spa

As in the past, road rehabilitation in tandem with the Municipal Corporations and National Works Agency, featured heavily among TEF infrastructural projects benefiting citizens and enhancing the tourist experience of the island. An overview of projects would include: rehabilitation of the Guilsbro Road, Latium, St James; a section of the Thatch Hill roadway leading to the renowned Blue Hole attraction in St Ann; the Buff Bay Valley Bus Route to Kingston (Wakefield to Hardware Gap); the roadway from the Ocho Rios by-pass to Pineapple Craft

Market in Ocho Rios, St. Ann, the New Castle to Papine main road and that from Windsor to the Moore Town Road. Of note, Moore Town was inscribed in 2008 on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity.

The intent to effect raised pavement and road markings along tourism routes was pursued on the Montego Bay to Negril route where the works were at practical completion. The scope of the project included asphaltic concrete road repairs, installation of raised pavement markers and road markings.

Continued efforts to revitalise Kingston in keeping with its designation as a UNESCO Creative City of Music and marketing nomenclature as the 'Cultural Capital of the Caribbean' included the installation of raised pavement markers and road markings from the Norman Manley International Airport to the intersection of South Camp Road. The project spanning some 22 km of roadway and including beautification and road improvements was undertaken in collaboration with the National Works Agency with a budget of J\$15 million.

In respect of cultural support in the capital city, significantly, since 2019, the TEF has committed some J\$35M to implementing the Downtown Art Walk through Kingston Creative Limited.

Installation of signage in resort areas was advanced in Montego Bay with construction of the Ironshore sign featuring 3D lettering while the project to construct architecturally styled bus sheds in resort towns added to the aesthetics of the resorts and safety of commuters.

ENVIRONMENTAL



Support for projects and programmes to facilitate better management of the island's environmental resources, a clear mandate in the TEF Act of 2004, has included ongoing partnership with the White River Marine Association for the maintenance and development of the White River Fish Sanctuary.

The project has encompassed support of measures to reverse decline in the coral reef systems and fish population at this and other facilities such as the Montego Bay Marine Park.

The TEF supported International Coastal Cleanup Day (ICCD) 2022 in partnership with the Jamaica Environment Trust (JET) with 150 participants from the Ministry of Tourism and its agencies participating in the Port Royal Cleanup.

Plans facilitating the repositioning of the island’s internationally recognised mineral baths and spa in Milk River proceeded apace with developmental works at this, and the Salt River Mineral Spa in Clarendon.

There were further steps to protect and revitalise the Holland Bamboo Avenue attraction in St Elizabeth, a centrepiece for tourism, with the establishment of a bamboo nursery. This followed extensive support for replanting exercises, establishment of irrigation systems and general upgrading of the area.

BEACH DEVELOPMENT



The upgrading of recreational facilities, notably the TEF beach development programme has been a major area of investment in meeting the needs and expectations of Jamaicans and visitors alike. The programme has continued to attract widespread interest with community engagement as an important tenet in its execution.

Harmony Beach Park, one of Montego Bay’s most extensive public beach facilities, owned and operated by the Urban Development Corporation, has been a standout example of this programme with the TEF having contributed approximately J\$600 M toward the \$13B cost of this development. The review period saw the Beach Park hosting the monthly TEF-facilitated ‘Mobay Reggae Nights’ further expanding the cultural and recreational offering in the Resort.

The public beaches being developed under the Programme are:

- Orchard, Hanover
- Rio Nuevo, St. Mary
- Alligator Pond, St. Elizabeth

- Murdock, St. Mary
- PRIORITY, St. Ann
- Success, St. James
- Paggee, St. Mary
- Winnifred, Portland
- Watson Taylor Beach Park, Hanover
- Calabash Beach, St. Elizabeth
- Coral Gardens Beach, St. James
- Flavours Beach, St. Ann
- Norman Manley Beach Park, Westmoreland
- Rocky Point Beach, St. Thomas

The TEF’s projects in the course of the review period were demonstrative of ongoing support for the preservation of heritage sites, cultural and educational programmes, community events and conferences, health initiatives for tourism workers and the citizenry at large.

There was funding allocation to assist with equipping police stations, particularly in resort areas and enhancing the working environment for other essential workers.

A number of projects, including those undertaken under the aegis of the Tourism Linkages Network, were reflective of the ideal of the tourist industry’s benefits being felt at the micro and macro levels in respective communities.

***A listing of TEF Projects 2022-2023 may be found in APPENDIX 1**

TLN/JCTI/RRMD



The Tourism Enhancement Fund’s incorporation of the *Tourism Linkages Network, the Jamaica Centre for 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, also expanded exponentially in keeping with the structure and operations of the TEF.

The sub-sets within the TEF Linkage Network are often referred to as representing the ‘passion points’ of the tourism experience in Jamaica, these being: Gastronomy, Health and Wellness, Knowledge, Sport & Entertainment; Shopping as well as the Agriculture and Manufacturing Technical Working Groups.

Gastronomy Network

One highlight of the review period for the Gastronomy Network was the successful staging of the Jamaica Blue Mountain Coffee Festival on the Newcastle Grounds in March 2023. The event once again brought to the fore the synergies between food and beverages culture, the profile of a destination and the opportunities for further capitalizing on these linkages.

The Festival included a full schedule of events including a Farmers Trade Day, organized in partnership with RADA with support from the Jamaica Social Investment Fund (JSIF), Guardian Life and the Jamaica Agricultural Commodities Regulatory Authority (JACRA). Additional farmers workshops were organized by the Jamaica Coffee Growers Association.

The highlighted event, a Festival Marketplace Day showcased local suppliers of coffee and coffee-related products on the Newcastle Parade Grounds, as well as an Artisan Pavilion, Mixology competition and Barista competition aimed at encouraging excellence in coffee brewing. For the second year in a row, the Festival also incorporated the “Sip & Shop Promotion”, a month long promotion of coffee and coffee-related businesses across the island to drive audience engagement beyond the single Marketplace day.

The Festival also featured an associated Virtual Forum under the theme: ‘Inspiring the future of Entrepreneurship in Coffee’, as a lead-up event which provided farmers and coffee purveyors with the opportunity for capacity building in sustainable farming practices and information on entry points to the tourism value chain.

Functional ‘Key Performance Indicators’ were used in respect of specific aspects of the annual festival as a measurement tool to determine success of the 2023 activation.

Support for various food events, including festivals and awards as well as International ‘Gastronomy’ Day observances ensured expanded reach and influence for this ‘Network’.

Sport and Entertainment Network

Jamaica’s international profile in sport and entertainment provides a strong basis for increased linkages and economic opportunities. The inaugural and monthly ‘Mobay Reggae Nights’ at Harmony Beach Park, highlighted synergies between entertainment and shopping tourism and proved a highlight among the events facilitated in the course of the FY.

Expectations were high for the hosting of *Carnival in Jamaica* with execution objectives supported by the TEF including the

hosting of international media participating in a ‘bespoke’ itinerary covering the carnival season and complementary destination experiences. TEF also facilitated the establishment and cataloguing of carnival businesses in a ‘Carnival Business Registry’.

The redesign and relaunch of the ‘Top Events in Jamaica’ Website and Mobile App under the aegis of the Top Events in Jamaica Digital Marketing initiative of the Sport & Entertainment Network also advanced the objective of fully engaging the visitor seeking to maximize the Jamaican entertainment experience.

The TEF also supported a Virtual Summit on ***The Future of Sport and Entertainment Tourism Experiences*** which included local and international experts. The Summit was organized in order to bring together a line-up of thought leaders who are experiencing early stages of the anticipated “new normal” world, pioneering how sports and entertainment will function in the years to come.

Members of the Network were also involved in the production of a Demand Study on the proposed Tourism Entertainment Academy.

Shopping Network

The excitement generated by Jamaican style and fashion was captured and promoted in the Shopping Network’s ***Style Jamaica: Jamaica 60 themed Collection Catalogue***. This digital available was professionally produced and featured local designers who manufactured Jamaica-themed fashion and accessories aligned with our celebration of 60 years of independence.

Knowledge Network

The Knowledge Network played an important organising and supporting role as in February, 2023, the island took centre stage in hosting the Global Tourism Resilience Conference, at the University of the West Indies Regional Headquarters.

Speakers, panelists and moderators included the Prime Minister of Jamaica, the Most Hon. Andrew Holness, Former Prime Minister of Jamaica, the Most Hon. Percival James Patterson and Minister of Tourism in Jamaica, the Hon Edmund Bartlett. Other notable speakers included, His Excellency, Luis Almagro, Secretary General of the Organization of American States; Hon Kenneth Bryan, Minister of Tourism for the Cayman Islands; Dr. Taleb Rifai, Chairman of ITIC Ltd and Invest Tourism Ltd and Co-Chair, Global Tourism Resilience & Crisis Management Centre; Dr. Adam Stewart, Executive Chairman, Sandals Resorts International and the ATL Group; and Mrs. Nicola Madden-Greig, President, Caribbean Hotel and Tourism Association (CHTA) and Mr. Omar Robinson, Chairman for the Knowledge Network.

There was also strong representation from the North American, African and Caribbean Regions with several Ministers of Tourism and industry leaders.

The topics for the Knowledge Online Forum Series hosted by the Tourism Linkages Knowledge Network reflected key areas for tourism innovation including; “Blue Ocean Strategy”, “Diversification of Jamaica’s Tourism Product”, and “Emerging Technological Trends in Tourism”. As a virtual forum, the content has the potential to reach a vast and diverse audience worldwide, positioning the TEF as a tourism institution that is invested in the production of insightful, credible and informative content from industry experts. The forum continues to be a valuable strategy for the dissemination of valuable information, ideas, and insights related to the growth of the tourism industry.



AGRICULTURE & MANUFACTURING TECHNICAL WORKING GROUPS

Activities through the Technical Working Groups established to advance the linkages in agriculture and manufacturing reaped substantial success. Farmers in St. James and St. Elizabeth benefited from the TLN’s Community Farming Project, training being provided in planting and maintenance of crops as well as participating farmers becoming qualified for HEART/NSTA certification.

Agriculture Technical Working Group

The Agriculture Group’s efforts saw 70 Farmers benefiting from the receipt of water tanks to support irrigation systems on farms that supply the Tourism sector. The FY closed with farmers in St. James officially receiving water tanks under Phase II of the Project.

The initiatives in collaboration with the Rural Agricultural Development Authority (RADA), seek to emphasize crops captured under the TLN investment profiles as well as the TLN commissioned Demand Study.

Agri Linkages Exchange Centre (ALEX),

At the end of FY 2022-2023, the Agri linkages Exchange Centre (ALEX), the agro-trading platform connecting farmers with purchasers in the tourist industry, was able to report 1,830,407 kgs in sales of produce via the platform, valued at \$512 million with the participation of 1,863 farmers and 40 buyers in the ‘Exchange’.

Decisions on creating a path for the future and strengthening the impact of ALEX will flow from recommendations in the final report from the Consultant for this Programme, strategies as outlined in the completed Business Plan for the Agri Linkages Exchange and assessment by RADA to ascertain how the programme can be merged with its operations.

The Agriculture Technical Working Group has been pleased to be associated with the publication of the Agricultural Supplies Food Safety Manual targeting primarily agricultural tourism suppliers. Developed in collaboration with the Ministry of Agriculture and Fisheries, the Bureau of Standards, the Rural Agricultural Development Authority; the Jamaica Manufacturers and Exporters Association and the Ministry of Health, the Manual will serve as a resource tool for farmers who supply the Agro-Link Exchange platform and other participants in TLN projects. Areas covered include, food safety hazards, good hygiene practices, farm and waste management.

BERRIES IN JAMAICA

Exploration of the potential for berry farming for supply to the tourism sector constituted another significant initiative under the aegis of the Agriculture Technical Working Group. Much interest has been generated as experimental plots on private farm holdings have been identified to take this project, managed by the Ministry of Agriculture and Fisheries Research Division to the next level.

Manufacturing Technical Working Group



Initiatives and projects to advance linkages between Jamaica’s tourist industry and the island’s manufacturing sector included creation of a Manufacturing Directory available in print and via on-line search engine platforms; development of the “Opportunities Investment Forum”; quarterly meetings to establish a Hotel Purchasing Managers’ Committee; organization of mini-expositions and participation in the Jamaica Product Exchange (JAPEX).

‘Speed Networking Sessions’ between suppliers and tourism buyers have been highly successful with the eighth staging in March 2023 seeing participation from suppliers, Human

Resource Managers, Purchasing Managers and representatives from the JMEA, JHTA, JCTI, EXIM Bank and the HEART Trust.

The July 2022 staging of the Christmas in July trade show again proved a successful avenue for local producers to promote Jamaican gift and souvenir items to potential purchasers in the tourism sector and corporate Jamaica. Business Development Sessions coordinated by the TEF in collaboration with entities such as the Scientific Research Council (SRC), Development Bank of Jamaica (DBJ), Exim Bank, JN Small Business Loans and JAMPRO highlighted products and services available to facilitate growth and expansion of Micro, Small and Medium Tourism Enterprises.

The TEF was instrumental in publishing the Christmas in July Catalogue and facilitating suppliers' participation and exposure in other TEF events and fora.

Jamaica Centre for Tourism Innovation

The JCTI, with its local and international educational partners, aggressively pursued its objectives of facilitating human capital development for the tourist industry 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; and
- Certification of tutors to facilitate the delivery of certification programmes.

In paving the way for the future, the Hospitality and Tourism Management (HTM) Programme in High Schools continued with 309 students representing 14 institutions. A total of 28 teachers were certified through the JCTI to deliver the programme.

In February, 2023, the JCTI hosted the first Tourism Career Expo. This event featured more than 30 non-traditional tourism careers. Over 500 students from 18 high schools and nine Colleges with thirty companies were represented at the 'EXPO'.

Additional highlights of JCTI activities in the review period include production with the Jamaica Hotel and Tourist Association, of a digital Database of certified tourism workers enabling certified individuals to upload their resumes and credentials. Prospective employers are similarly able to post available jobs. The JCTI has also expanded Chef certification in colleges; and certification programme to expedite development of sous chefs.

The Summer Internship Programme saw increased numbers of participants with 818 students successfully completing four-week internships with options for further training. In the wider sphere, the JCTI is pursuing its programme to develop 'Job Readiness' for potential recruits to the tourism labour market who have no credentials. Plans were centred on candidates receiving NCTVET

certification with skills training geared to persons entering the industry.

Research & Risk Management Department

Under the aegis of its Research & Risk Management Department (RRMD), the TEF advanced its Enterprise Risk Management (ERM) project establishing a policy for strategically identifying, assessing and preparing for potential hazards to the organization's operations and objectives. By year-end, the Draft ERM Policy and Draft Risk Appetite were before the Audit Committee of the Board of Directors for endorsement.

Tender evaluation for the provision of Enterprise Risk Management Software was in train with software training initially targeting Internal Audit and the RRM team.

Business Continuity Plan (BCP) Guidebook

Practical completion of a Video Series (Animation Component) was achieved with scheduling of the final deliverable and plans in place for the Department to hand over the BCP Training project to the Tourism Product Development Company. Review of the draft of the Standard Operating Procedures was in train.

In the wider sphere, the TEF Board approved the Destination Risk Register for the Montego Bay Resort Area, as the first among the island's Resorts, advancing its mandate in respect to the description of risk, the potential impact and remedies within the sector.

Tourism Innovation Incubator Project

The launch of the Tourism Innovation Incubator represents an important initiative by which the TEF, in collaboration with its partners is identifying promising business ideas for tourism development and setting young entrepreneurs on the path to commercialization.

Managed through the Research and Risk Management Department, the Project provides the young innovators with access to training, finance, market research, direct coaching and mentoring for the successful development of their nascent enterprises and ultimate contribution to the tourism business landscape.

The Tourism Innovation Incubator Magazine, published at year end, in outlining the Project concept and implementation strategy, will assist in introducing the concept to potential participants, industry players and the wider public.

Cody AI

In the thrust to operate at optimum levels, the RRMD has been asked to spearhead the piloting of Cody AI, an artificial intelligence software using natural language programming to accept requests and provide responses based on documents that are uploaded.

The TEF Procurement Department has been selected for the pilot, using public documents only.

Tourism Entertainment Academy (TEA)

The RRMD and Projects Department of the TEF commenced collaboration in the course of the review period on the development of the Tourism Entertainment Academy, announced as a permanent performance and arts space for highlighting and developing Jamaica's artistic talent. Procurement for architectural services for development of an Architectural Masterplan for the Academy in St. James was in progress at year-end and data collection for the TEA Ecosystem Study ongoing.

Collaboration between the TEF, the Ministry of Culture, Gender, Entertainment and Sport (MCGES) and a number of Entertainment Industry Associations allowed entertainers and entertainment practitioners within their respective databases to be surveyed in advancing this Study.

Procurement

In keeping with the Government of Jamaica's Public Sector Procurement Procedures, Integrity Commission Quarterly Contract Awards (QCA) Reports were consistently submitted, detailing the process and status of the Procurement of Projects from each Department:

- At Tender
- At Evaluation
- Procurement Committee
- Contract in Draft
- Contract in Execution
- Lists of procurement and stages reached.

The Procurement Department has committed to completing Framework Agreements for at least four sets of repetitive acquisition.



ADMINISTRATION

The Reporting Period was characterized by major structural changes within the TEF in keeping with compensation restructuring at Governmental level and to create better efficiencies at the Agency. The FY saw the majority of staff members who were engaged on a temporary basis being

transitioned to the establishment. Negotiations with the MOF&PS were ongoing over the period of transition including seeking and receipt of approval of nine new positions.

These changes resulted in an increase in the total established posts by eighteen, increasing the complement to fifty-seven on the establishment, six remain temporary with fixed terms, and overall increase of the staff complement to sixty-three. Recruitment is on-going for eleven vacant posts.

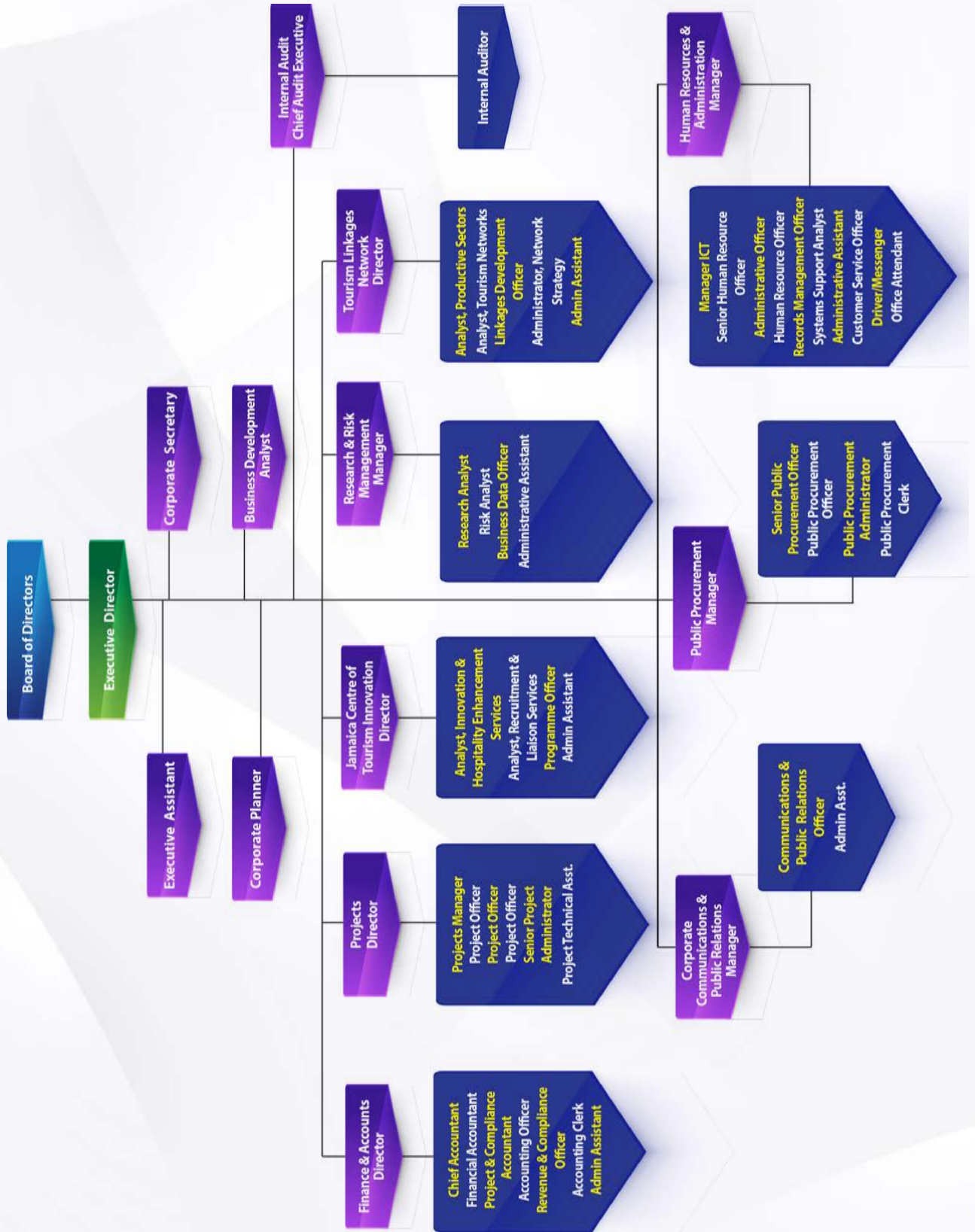
The new compensation structure of the TEF was developed by the Transformation Implementation Unit (TIU) at the MOF&PS, the aim having been to settle by the end of financial year 2022-2023.

Revisions in the Pension Scheme applicable to members of staff were also pursued in keeping with the entity's trust to transition staff from contract to permanent.



Revised Organizational Chart

As of January 3, 2023



MyHR+ System and Audit Plan for 2022/2023

Increased efficiencies in Human Resources (HR) processes, greater access to information, data analysis and informed decisions, cost effective security and disaster recovery are among the benefits that will flow from plans to go digital with the HR files through the MyHR+ System. The TEF was selected by the MOF&PS as one of the pilot organizations for the software being introduced across the public sector.

Also of note in the review period, is a three-year audit plan was prepared by the internal Auditor, the first risk-based plan done for the TEF.

Upgrade/Optimizing ICT infrastructure

A major step toward greater operational efficiency has been the transitioning of TEF's ICT infrastructure and operations from TPDCo to a more independent arrangement that has some shared services with E-Gov. This is reflective of TEF growth and attendant expanded ICT requirements.

Human Resource Development

The TEF staff benefited from a number of training sessions as outlined below, in the course of the FY.

- INPRI Public Sector Procurement Certification Series Level 4
- Making Effective Public Policy
- Supervisory Management
- Transitioning from Team Member to Team Leader/ Supervisor
- Strategic Human Resources Management
- SSPS software
- Capacity Building in Results-based Monitoring and Evaluation Systems
- International Public Sector Accounting Standards
- Emoluments and Payroll Taxes
- SAGE 300 (Accounting System)
- Receivables Management (MIND)
- Business Continuity Plan Training

Enterprise Risk Management (ERM) training took place through the Research & Risk Management Department and included Risk Ambassadors for each Department being selected and exposed to on-line training.

Acknowledgments

I should like to express my appreciation to the Chairman and Board of the TEF for their leadership and wise counsel during a dynamic period of recovery and transformation for tourism.

I thank and commend the Management Team and Staff of the TEF for their commitment to meeting the demands of the new post-COVID-19 dispensation with its new methodologies and vision for the industry- all with a view to supporting quantum development for tourism, the economy and the people of Jamaica.

Carey Wallace, PhD



ACF Culinary Exam



Launch of the Beaches, Parks & Trails Guidebook



Honey Vera's Display at the Health & Wellness Conference

CORPORATE GOVERNANCE REPORT

PROFILES - BOARD OF DIRECTORS



THE HON. GODFREY G. 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 1977 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.



MR. JOSEPH ISSA, JP
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.

CORPORATE GOVERNANCE REPORT

PROFILES - BOARD OF DIRECTORS



MR. IAN DEAR, CD, JP
Director

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.), Trans Jamaican 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.



MRS. JUDY SCHOENBEIN, JP
Director

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 tagline "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.

CORPORATE GOVERNANCE REPORT

PROFILES - BOARD OF DIRECTORS



DR. OMAR ROBINSON
Director

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.



MR. CLIFTON GEORGE READER, JP
Director

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.

CORPORATE GOVERNANCE REPORT

PROFILES - BOARD OF DIRECTORS



MR. MARCI WILLIAMS, JP
Director

Mr. Marci 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 Licence.

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



MS. CAROLYN CAMPBELL
Director

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.

CORPORATE GOVERNANCE REPORT

PROFILES - BOARD OF DIRECTORS



MR. DONOVAN G. WHITE
Director

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.



MRS. BARBARA RUSSELL
Director

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. Russel 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
Director

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.

CORPORATE GOVERNANCE REPORT

PROFILES - BOARD OF DIRECTORS



MR. DAVID WAYNE DOBSON, JP
Director

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.

Board Skills, Experience and Attributes

The TEF Board of Directors possesses a broad range of relevant financial and other skills, knowledge, and experience necessary to guide the business of the Fund. The Board uses a competency profile and specialised competency matrices to illustrate the key skills and experience the TEF Board is seeking to achieve in its membership collectively and the number of Directors with each skill and experience. The two matrices also assist in identifying focus areas for the continuing education and professional development of Directors. The competencies matrices are set out in Figures 1 and 2.




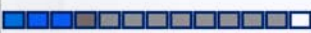














Figure 1 – Competency profile as at 31 March 2023

TEF Board of Directors Competency Profile													
COMPETENCY DESCRIPTOR	G. Dyer	J. Issa	B. Russell	C. Campbell	C. Reader	D. Dobson	D. White	I. Dear	J. Samuda	Schoenbain	M. Williams	O. Robinson	C. Wallace
Ethics and Integrity - Acts with integrity, honesty and transparency in relationships with others and the organisation.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Communication - Presents ideas in a clear, concise, easily understood and persuasive manner and willing to engage others to enhance mutual understanding of issues and perspectives.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Interpersonal Relations - Relates to others in a respectful and engaging manner and works well in a team environment.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Professionalism - Approaches the work of the Board and the responsibilities as a Board member in a business-like manner.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Self-Management and Motivation - Adds value to the Board by taking an active interest in its work, effectively managing own time making informed contributions through adequate preparation.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Role Understanding – Understands the roles and responsibilities of the position and the roles of respective partners.	Yes	Yes	Acquired	Yes	Acquired	Yes	Yes	Acquired	Yes	Yes	Acquired	Acquired	Yes
Organizational Knowledge – Understands the roles and responsibilities of the position and the roles of respective partners.	Yes	Yes	Acquired	Yes	Acquired	Yes	Yes	Yes	Yes	Yes	Acquired	Acquired	Acquired
Corporate Governance – Conversant with the general principles and practices of 'good' Corporate and Organizational Governance and understands the importance of managing public resources in a transparent and effective manner.	Acquired	Acquired	Acquired	Yes	Acquired	Yes	Yes	Acquired	Yes	Acquired	Acquired	Acquired	Acquired
Government Operations – Understands the structure of Government and how its various components work.	Yes	Acquired	Acquired	Yes	Acquired	Yes	Yes	Acquired	Acquired	Acquired	Acquired	Acquired	Acquired
Independent and Critical Thinking – Brings an objective mindset to the examination of issues. Willing to probe and challenge conventional wisdom and advocate for change.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Literacy – Conversant with the basic elements of organisational financial management including and understanding of financial statements and processes such as budgeting.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strategic Focus – Understands the need for forward thinking, conversant with the techniques and methodologies for formulating strategic plans	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Results Driven – Maintains a consistent focus on actions which deliver measurable outcomes and helps the team to gain clarity in accounts.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Accountability – Hold others and self to account for decisions and accounts.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Competency level

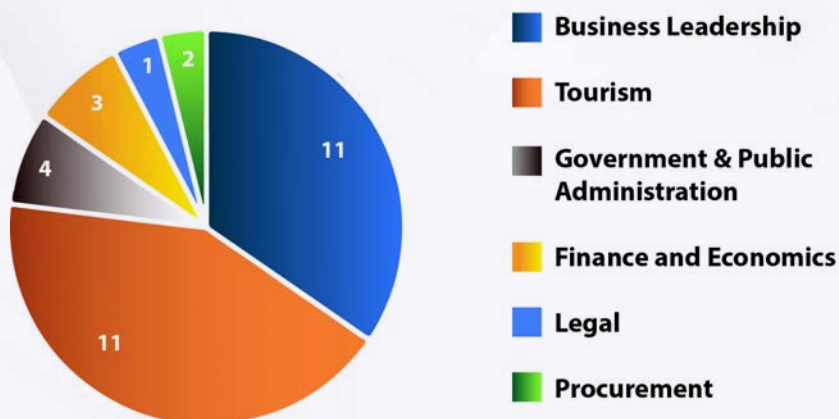
Yes- competencies already possessed by an individual prior to being appointed to the Board.
 Acquired- the competencies were developed since being appointed to the Board.

Figure 2 – Board skills, experience and attributes as at 31 March 2023

Skills and Experiences	Description	Number of Directors
 Finance & 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.	
 Information & Communications Technology	Understands the impact which Information and Communications Technology (ICT) has on the effectiveness of an organisation	
 Citizen-Centric	Sensitive to the corporate social responsibilities of organisations and understands the requirements and expectations of citizens and customers of the organisation	
 Legal	Conversant with legal principles, practices and their application to the organization	
 Strategy	An ability to define strategic objectives, constructively question business plans, oversee the implementation of strategy using sound business judgement.	
 Risk	Experience in anticipating, recognising and managing risks, including financial, non-financial and emerging risks, and monitoring risk management frameworks and controls	
 Governance	Experience as a Director, with detailed knowledge of governance issues, with particular reference to the legal, compliance, regulatory and government frameworks applicable to entities and highly regulated organisations.	
 Executive Leadership	Having held a CEO or a similar senior leadership role in a large organisation and having experience in that position in managing the business through periods of significant change and delivering desired business outcomes.	

■ Expert
 ■ General working experience and knowledge
 Limited working experience and knowledge

Specialised Competencies



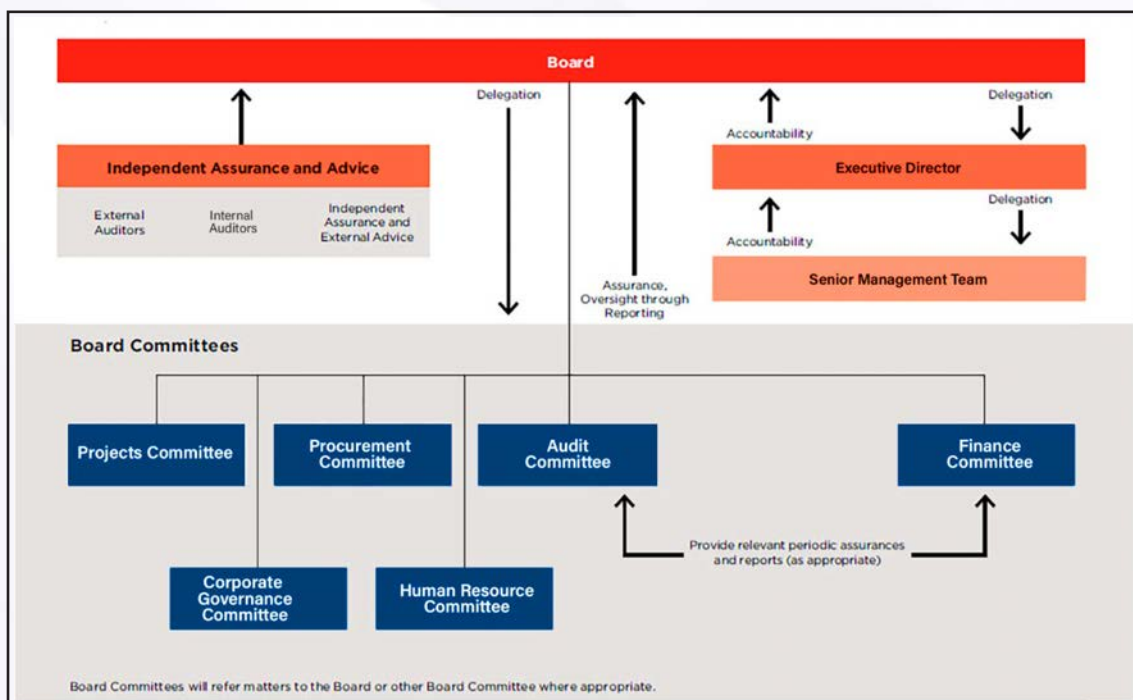
Roles and Responsibilities of the Board

The role of the Board is to provide leadership and strategic guidance for the TEF, in addition to overseeing the sound and prudent management of the TEF Fund. The Board Charter outlines the roles and responsibilities of the Board. Key responsibilities are:

- approving and overseeing management’s implementation of the strategic direction of the TEF and significant corporate strategic initiatives;
- approving the appointment of the Executive Director, the Corporate Secretary, the Chief Internal Auditor, and any other person the Board determines;
- overseeing culture across the Group by setting the tone from the top;
- assessing and reviewing the performance of the Board, its Board Committees, the Executive Director, the Corporate Secretary and the Chief Auditor;
- approving all projects for implementation;
- approving the annual budget and financial statements and monitoring financial performance against forecast and prior periods;
- considering and approving our overall risk management framework for managing financial and non-financial risk;
- approving the TEF Risk Management Framework, the Risk Management Strategy and the Board Risk Appetite Statement and monitoring the effectiveness of risk management by the TEF;
- forming a view of our risk culture and overseeing the identification of, and steps taken to address any desirable changes to risk culture;
- considering the social, ethical and environmental impact of the projects and events implemented or supported including setting standards and monitoring compliance with our sustainability policies and practices;
- meeting with representatives from our principal regulators as is necessary; and
- maintaining an ongoing dialogue with TEF’s Executive Director and other key personnel.

The Board Charter is available on our website at: <https://tef.gov.jm/wp-content/uploads/2022/03/TEF-Board-Charter.pdf>

Figure: 3 - TEF Board and Board Committee Structure



CORPORATE GOVERNANCE COMPLIANCE

In the execution of its mandate, the TEF has sought to ensure compliance, responsiveness and efficiency in keeping with the Corporate Governance Framework for Public Bodies in Jamaica.

The Board approved the establishment of a 'Corporate Governance Sub-Committee' of the TEF Board as required under the Corporate Governance Framework for Public Bodies. The Corporate Governance Sub-Committee became operational in April 2023.

Conflict of Interest and Code of Ethics

A Conflict-of-Interest policy and two 'Conflict-of-Interest Forms' were developed and presented to the Board early in the review period in continuing efforts to ensure that the TEF observes Corporate Governance best practices. The purpose of these guidelines outlined in the policy is to protect the interests of the TEF by preventing the personal interest of the Board, Employees, and Independent Contractors from interfering with their duties to the Fund and Avoiding any unethical financial, professional, or political gain on the part of such individuals. The two conflict-of-interest forms are key tools to support the policy. One of the forms is to be filled out at the commencement of each financial year and will be kept on file. It captures all the organisations that each Directors and their immediate family members are associated with. The other is to be made available at each Board and Committee Meeting and requires disclosure of any item on the agenda or a matter arising deemed to be a conflict of interest or possible conflict of interest.

In April 2022, the TEF Board approved the Conflict-of-Interest Policy and both 'Conflict-of-Interest Forms' for immediate use by the Directors and officers of the TEF as the Board moved speedily to codify measures to safeguard itself on issues of conflicts of interest, codes of conduct, and whistleblowing.

Additionally, the draft Code of Ethics for Directors and officers was also submitted to the Audit Committee for review and endorsement during the reporting period. The set of principles and practices in the draft Code of Ethics is aimed at setting the parameters and guide the professional and ethical conduct and decision-making of TEF Board of Directors and employees. These guidelines address the importance of professional and ethical values in both business and personal dealings, including the avoidance of situations that may lead to conflict of interest.

The principles are also intended to guide Directors and employees' actions and working relationships with partners, beneficiaries, fellow employees, government representatives, and all others by whom they may be identified as being members or employees of the TEF.

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 (MOF&PS), 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.

See Tables 6 & 7, which outlined Directors' competencies

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 six 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 Sub-Committee, the Audit Sub-Committee, the Finance Sub-Committee, the Human Resources Sub-Committee, the Procurement Sub-Committee and the Corporate Governance Sub-Committee.

While the Board provides general oversight, the Management team has the responsibility for the operational activities of the Fund. The Executive Director directly supervises the day-to-day operations in accordance with the established strategic and operational plans. He delegates strategic activities to team members and monitors their implementation. He is also the chief spokesperson for the TEF and communicates with local and international stakeholders as prescribed by law or as necessary.

Board Committees

The Board is assisted by its six standing Board Committees and the key roles, responsibilities, and membership of each of the Board Committees are outlined in their respective Charter and are summarised in the table below. In 2022, changes were made by the Chairman of the Audit Committee to boost the level of oversight to the enterprise risk management. The Research and Risk Manager is now an invitee at the Audit Committee Meetings. This was done to ensure that the necessary attention and oversight is given to the organisation's risk framework and

that adequate control measures are instituted for the entity to mitigate risks. The TEF Board Committee Charters, outline the roles and responsibilities of each Board Committee, can be found on the TEF website. All Committees are comprised of independent Non-executive. Board Committee members are chosen based on their qualifications and the skills and experience they can contribute to the respective Board Committees.

COMMITTEE	KEY RESPONSIBILITIES	COMPOSITION REQUIREMENTS	MEMBERSHIP
Projects Committee	<p>To assist the Board by:</p> <ul style="list-style-type: none"> • reviewing and endorsing or rejecting all applications for funding or partnership support; • overseeing matters relating to the planning and execution of all projects, events and major activities that are funded and/or undertaken by the Fund. • approximately 156 projects and 40 events were submitted to the Projects Committee for execution/funding/partnership consideration during the review period. 	<p>At least three Non-executive Directors. Majority of Committee members must be independent.</p>	<ul style="list-style-type: none"> • Joseph Issa (Chairman) • Ian Dear • David Dobson • Judy Schoenbein • Omar Robinson • Barbara Russell • Carey Wallace
Audit Committee	<p>To assist the Board by overseeing the:</p> <ul style="list-style-type: none"> • integrity of financial statements and financial reporting systems of the TEF; • external audit engagement, including the external auditor’s appointment, removal and rotation of the lead audit engagement partner, and the external auditor’s qualifications, performance and independence; • performance of the internal audit function; and • integrity of the TEF’s financial reporting and compliance with the GoJ regulatory reporting and professional accounting requirements; <p>The Committee is also responsible for</p> <ul style="list-style-type: none"> • reviewing and endorsing the Fund’s overall risk management framework for managing financial and non-financial risks as well as emerging risks; • overseeing the entity’s risk culture; • reviewing and endorsing the TEF’s Risk Management Framework, the Risk Management Strategy, and the Board Risk Appetite Statement. • During the review period, the Audit Committee met five times and reviewed, endorsed and/or approved the TEF’s Enterprise Risk Management 	<p>At least three Non-executive Directors. The majority of Committee members must be independent. An independent Non-executive Director must be the Committee Chairman, who is not the Board Chairman. At least one member shall be a qualified Accountant, registered under the Public Accountancy Act, or possess expertise in finance.</p>	<ul style="list-style-type: none"> • Jordan Samuda (Chairman) • Marc Willimas • David Dobson

	Policy, Risk Statement, 2022 Audited Financial Statements, annual audit plan, monthly Audit Reports and Management letter related 2022 External Audit.		
Finance Committee	<p>To assist the Board by:</p> <ul style="list-style-type: none"> • overseeing the overall financial condition of the TEF; • providing advice to the Board on partnership arrangements where appropriate; • monitoring, evaluating, advising and making recommendations to the Board on all financial matters and policies of the TEF, including the annual budget; • reviewing and adopting monthly, quarterly and annual financial statements; and • monitoring of the TEF's fiscal performance against its budget. • Some of the main activities undertaken by the Finance Committee during the review period reviewed, recommended adjustments and endorsed the 2022/23 annual budget, reviewed monthly financial reports and the draft Grant Policy. • The Committee also met with management to ensure that all financial control related issues identified in the Management Letter that was submitted by the external auditor were addressed. 	At least three Non-executive Directors. Majority of Committee members must be independent. At least one member shall be a qualified Accountant, registered under the Public Accountancy Act, or possess expertise in finance.	<ul style="list-style-type: none"> • Carolyn Campbell (Chairman) • Barbara Russell • Clifton Reader • David Dobson • Carey Wallace
HR Committee	<p>To assist the Board by:</p> <ul style="list-style-type: none"> • overseeing human resources strategies and policies designed to increase the present and future contributions of its human capital; and • ensuring that policies and practices are in place to facilitate the development of the agency'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 	At least three Non-executive Directors. Majority of Committee members must be independent.	<ul style="list-style-type: none"> • Marc Willimas (Chairman) • Jordan Samuda • David Dobson • Carolyn Campbell • Carey Wallace

	<p>was submitted by the external auditor were addressed.</p> <ul style="list-style-type: none"> • The Committee met three times during the reporting and reviewed and endorsed the entity's dress code and uniform policy. • The entity's organisation structure was reviewed by the Committee, recommendations were made for further refinement and refined structure was submitted to Board. 		
Procurement Committee	<p>To assist the Board by:</p> <ul style="list-style-type: none"> • overseeing and monitoring of the procurement processes and procedures of the TEF to ensure compliance with its Procurement Policy and the GoJ Procurement Policy; and • overseeing 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 eight (8) times. 	<p>At least three Non-executive Directors. Majority of Committee members must be independent.</p>	<ul style="list-style-type: none"> • Omar Robinson (Chairman) • Marc Willimas • Judy Schoenbein • Carey Wallace
Corporate Governance Committee	<p>To assist the Board in ensuring:</p> <ul style="list-style-type: none"> • That its composition, structure, policies and processes for managing the TEF are in keeping with the governance structure for Public Bodies and other global corporate governance best practices and standards; • Adherence to the internal, local and legal regulatory frameworks; and • That the content of the Board and Committee Charters, along with internal policies are in line with prevailing legislation and regulations and are up to date through regular reviews. 	<p>At least three Non-executive Directors. Majority of Committee members must be independent.</p>	<ul style="list-style-type: none"> • Jordan Samuda (Chairman) • Omar Robinson • Marc Williams • Carey Wallace

From time to time, the Board may form other Committees or request Directors to undertake specific extra duties. In addition, the Board may participate in due diligence committees in relation to strategic decisions or sit on an interview panel where his or her expertise will further the TEF's agenda.

Each Board Committee:

- will refer to the Board or other Board Committee any matter that comes to their attention that is relevant for the Board or respective Board Committee; and
- is entitled to the resources and information it requires and has direct access to our employees and other resources for advice.

BOARD AND BOARD COMMITTEE MEETINGS

TEF Board of Directors is scheduled to meet monthly, except in August, when the Board goes on break. The number of Board Meetings and Board Committees for the financial year ended 31 March 2023, and each Director's attendance is reported in Table 6 below.

Scheduled meetings of the Board Committees occur at least twice per year, with the Projects Committee and Procurement Committee Meeting six and seven times, respectively during the reporting period. All Board Committees are able to meet more frequently as necessary. Senior executives and other selected employees are invited, where considered appropriate, to participate in Board and Board Committee meetings. They are also available to be contacted by Directors between meetings. All Directors can receive all Board Committee papers and can attend any Board Committee meeting, provided there is no conflict of interest. The Executive Director, who is an Ex-Officio Board Director, attends all Board and Board Committee meetings, except where he has a material personal interest in a matter being considered.

Table 6: Attendance Report – Board And Board Committee Meetings

ATTENDANCE REPORT - BOARD AND COMMITTEE MEETINGS							
No. of Board and Committee Meetings	12	9	5	3	3	8	1
Directors	Board	Projects	Audit	Finance	HR	Procurement	Corporate Governance
Hon. Godfrey Dyer, Board Chairman	12	8					
Mr. Joseph Issa, Deputy Chairman	10	9					
Dr. Carey Wallace, Ex-Officio	12	8	5	3	3	7	0
Mrs. Barbara Russell	11	8		3			
Ms. Carolyn Campbell	7			3	3		
Mr. Clifton Reader	8			1			
Mr. David Dobson	11	8	5	3	2		
Mr. Donovan White	3						
Mr. Ian Dear	8	5					
Mr. Jordan Samuda	5		5		0		1
Mrs. Judy Schoenbein	12	8				8	
Mr. Marc Williams	9		2		3	2	1
Mr Omar Robinson	12	9				8	1

ROLE OF THE CORPORATE SECRETARY

The TEF's Corporate Secretary attends Board and Board Committee meetings and is responsible for the operation of the Secretariat function, including advising the Board on governance and, in conjunction with management, giving practical effect to the Board's decisions. The Corporate Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

BOARD PERFORMANCE REVIEW

The main goals of conducting the performance evaluation of the Board of Directors are to enhance the efficiency of the Board's operations and ensure that the TEF is adhering to Corporate Governance best practices. The evaluation here published represents the period April 1, 2021 to March 31, 2022. This predates the establishment of the Corporate Governance Committee in April 2023.

- It was noted that the proper orientation of Board Members as well as consistent training in the areas of corporate governance and regulatory frameworks would help to reduce the gaps in Board's performance.
 - Orientation of Board Members as well as consistent training in the areas of corporate governance and regulatory frameworks were pursued between 2019-2021 but had suffered delays with the outbreak of the COVID-19 virus. Training cost are included in the 2023/2024 budget.
- It was noted that there may be significant value in adding a youth representative to the Board as per the recommendations of the Corporate Governance Framework. The diversity of perspectives would enlarge the vision.

In summary, the Board's Evaluation Report indicated that:

- The TEF continues to be impactful in national development, due in part to the proper constitution of its Boards;
- The Board has a firm understanding of the issues related to the tourism product;
- Members guide strategic directions that inure to the benefit of multiple agencies within the Ministry of Tourism and many other ministries;
- Many of the best governance practices are already implemented; and
- The way forward is therefore to strengthen those which exist, introduce those which are absent and continue to cultivate a culture of excellence.



RISK MANAGEMENT

Our Enterprise Risk Management Framework describes our approach for managing the material risks we face and has eight components underpinned by a strong risk culture and a Three Lines of Defence model. This is represented in the diagram overleaf.

Effective risk management requires all the elements of our framework to operate independently and interactively to provide a complete approach for managing risk and to deliver fair outcomes. The TEF Enterprise Risk Management Framework and Risk Appetite Statement are scheduled for review by the Audit Committee annually. The Audit Committee also oversees that the TEF is operating with due regard to risk appetite. The review of the Enterprise Risk Management Framework includes consideration of whether the framework continues to be sound.

The Enterprise Risk Management Framework and Risk Appetite Statement were approved by the Board, on the recommendation of the Audit Committee, during the financial year ended 31 March 2023.

The Executive Director and Executive Team are responsible for implementing our Enterprise Risk Management Framework and for developing frameworks, policies, controls, processes and procedures for identifying and managing risk in TEF's activities. To support our management of risk, the TEF has established a Local Risk Committee (LRC) that assists in making risk-related decisions in respect of the Fund. It monitors material risk exposures, their alignment to risk appetite approved by the Board and related actions. The LRC which meets quarterly also oversees the implementation and performance of the Enterprise Risk Management Framework and review the risks that impacts the TEF.

THREE LINES OF DEFENCE

We have adopted and continue to embed a Three Lines of Defence model which is designed to enable members of the Fund to understand their own role and responsibilities in the active management of risk. The TEF is continuing to upgrade its end-to-end risk management capabilities as part of an ongoing programme of work that spans both financial and non-financial risk. A key component of this work is embedding our Three Lines of Defence approach to improve accountability, the control environment and risk management awareness.

The Three Lines of Defense Model



Graphic taken from The IIA Positions Paper *The Three Lines of Defense in Effective Risk Management and Control* published in 2013, adapted from ECIIA/FERMA Guidance on the 8th EU Company Law Directive, article 41 and amended to suit the TEF context.

FINANCIAL REPORTING AND AUDIT

Approach to financial reporting

Our approach to financial reporting reflects three core principles:

- that our financial reports present a true and fair view of our financial position and performance;
- that our accounting methods comply with applicable accounting standards and policies; and
- that our external auditor is independent

The Board, through the Audit Committee and the Finance Committee, has regard to GoJ and international developments relevant to these principles when reviewing our practices. The Board delegates oversight responsibility for the integrity of financial statements and financial reporting systems to the Finance Committee and the Audit Committee.

Executive Director (ED) and Director of Finance (DOF) Assurance

The Board receives regular reports from management about our financial condition and operational results. Before the Board approves the annual financial statements, the ED and the DOF declare to the Board that in all material respects:

- TEF's financial records:
 - correctly record and explain its transactions, and financial position and performance;
 - enable true and fair financial statements to be prepared and audited; and
 - are retained for seven years after the transactions covered by the records are completed;
- the financial statements and notes comply with applicable accounting standards;
- the financial statements and notes give a true and fair view of TEF's financial position and of their performance;
- any other matters that are prescribed by the TEF Act 2004, Financial Administration and Audit (FAA) Act 2015 and regulations as they relate to the financial statements and notes are satisfied; and
- the declarations above have been formed on the basis of a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The ED and DOF have provided such statements for the financial year ended 31 March 2023.

EXTERNAL AUDITOR

Our external auditor is C.R. Hylton & Co. appointed by the Board in 2021. Our lead audit partner is Mr. Adrian Pearce. The external auditor receives all Board and Board Committees papers. The external auditor also attends specific Audit Committee Meetings to answer questions from Directors regarding the conduct of its audit, the audit report and financial statements and control deficiencies identified during the audit.

AUDIT DEPARTMENT (INTERNAL AUDIT)

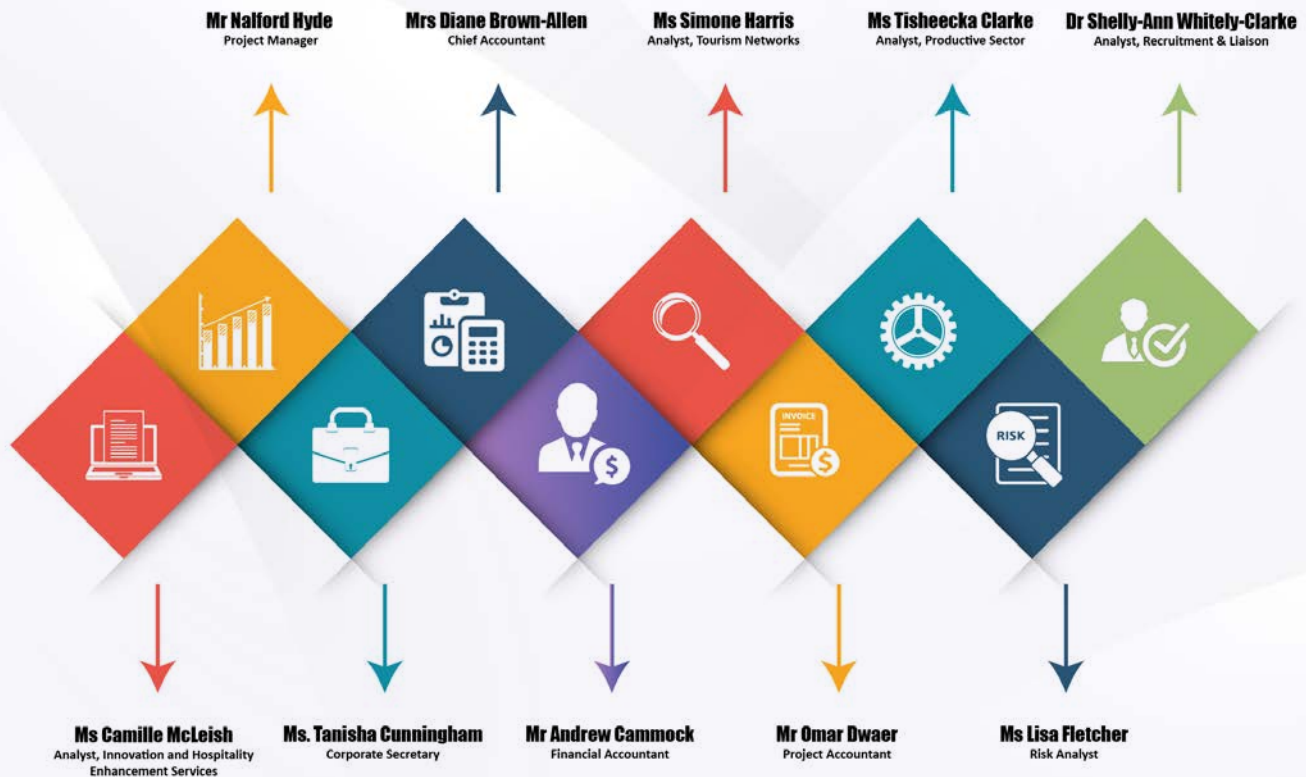
Internal Audit is TEF's internal 3rd line assurance function that provides the Board and Board Committees and the ED with independent and objective evaluation of the adequacy and effectiveness of the Fund's governance, risk management and internal controls. Internal Audit is governed by a charter endorsed by the Audit Committee and approved by the Board that sets out its purpose, role, scope and responsibilities. The Chief Audit Executive has a direct reporting line to the Chairman of the Audit Committee and an administrative line to the ED.

Internal Audit also has the right to unrestricted and private access to the ED, the Board Chairman and Chairman of the Audit Committee, and other Board members where relevant and external regulators, including the Permanent Secretary in the Ministry of Tourism. Internal Audit's responsibilities include regularly reporting to the Audit Committee.

Senior Executives & Heads of Department



Management Team





Our Departments

- Executive Office -



Dr Carey Wallace
Executive Director



Tanisha Cunningham
Corporate Secretary



Renee Cameron
Executive Assistant

- Projects Department -



Johan Rampair
Director of Projects



Nalford Hyde
Project Manager



Warren Williams
Project Manager, Acting





Our Departments

- Projects Department Cont'd -



Jiselle Taylor
Project Officer



Errol Ranger
Project Officer



Shanique Barnaby
Snr. Project Administrator



Kemaney McLeary
Project Technical Assistant





Our Departments

- Human Resource & Administration -



Terrian East-Oldham
Manager, HRA



Cordel Brown
Senior Human Resource
Officer



Kenroy Morgan
System Analyst



Kemesha Lewis
Administrative Assistant



Marcia Rowe
Office Attendant



Nickyne Brown
Data Officer





Our Departments

- Human Resource & Administration Cont'd -



Sidian Dempster
Data Officer



Racquel Fagan
Customer Service Officer



Clarence Graham
Driver/Messenger

* Leisan Tomlin, Customer Service Officer, demitted office on May 17, 2022





Our Departments

- Tourism Linkages Network -



Carolyn McDonald-Riley
Director, TLN



Simone Harris
Analyst, Tourism Networks



Tisheeka Clarke
Analyst, Productive Sector



Aiesha Wright
Linkages Development
Officer



Sashana Riley
Administrator, Network
Strategy



Yonique Priestley
Administrative Assistant

*Trevor Johnson, Linkages Development Officer, demitted office on July 22, 2022





Our Departments

- Procurement -



Melissa Taylor
Public Procurement Manager



Iraqi Carr
Senior Public Procurement Officer



Daniel Walker
Public Procurement Officer



Marena Clarke
Public Procurement Administrator



Cameon Tomlinson
Public Procurement Clerk

*Adrian Chin Public Procurement Manager, demitted office on November 22, 2022





Our Departments

- Finance & Accounts -



Francine James-Prince
Director of Finance



Diane Brown-Allen
Chief Accountant



Andrew Cammock
Financial Accountant



Omar Dewar
Project & Compliance
Accountant



Shanara Johnson
Accounting Officer



Kurniffe Smith
Revenue & Compliance
Officer





Our Departments

- Finance & Accounts Cont'd -



Romaine Roach
Accounting Clerk



Shadaebia Robinson-Wright
Data Officer

* Granville Archer, Accounting Clerk, demitted office on Nov 22, 2022

-Jamaica Centre for Tourism Innovation-



Carol Rose Brown
Director of JCTI



Dr. Shelly-Ann Whitely-Clarke
Analyst, Recruitment &
Liaison Services



Camile McLeish
Analyst, Innovation &
Hospitality Enhancement Services





Our Departments

-Jamaica Centre for Tourism Innovation Cont'd -



Shevonique Patrick
Programme Officer



Lori-Ann Lindo
Administrative Assistant



Dahlia Martin
Co-ordinator, Certification
Programme for Youth

- Research and Risk Management -



Gis'elle Jones
Research & Risk Management
Manager



Lisa Fletcher
Risk Analyst

*Dominique Leyow, Research Officer, demitted office on April 22, 2022
*Candice Constantine, Research Assistant, demitted office on May 31, 2022





Our Departments

- Internal Audit -



Recardo Hanson
Chief Audit Executive

- Communications and Public Relations -



Alyssa Taffe
Communication & PR
Officer



Karen Rochester
Administrative Assistant



OUTLOOK AND PRIORITIES 2023-2024

With stronger-than-expected recovery in 2022, the United Nations World Tourism Organization (UNWTO) declared tourism set to return to pre-pandemic levels in a number of Regions in 2023, notwithstanding global economic challenges and continued geopolitical uncertainty. The Caribbean has been among those Regions recording strongest post-pandemic arrivals. Robust demand from the United States, backed by a strong US dollar, is expected to continue benefiting destinations in the Region with other major feeder markets such as Europe and Canada rapidly picking up momentum.

Airlift into the island increased to 20,519 flights in the financial year under review compared to 14,628 in the previous year. The securing of 1.3 M air seats for first Quarter 2023 augurs well for FY 2023-24 as carriers such as American Airlines, Frontier, Spirit, Arajet and Edelweiss airlines added new routes to the island. There is the expectation of continued substantial upward trajectory with 1.4 M cruise visitors projected for 2023.

The Jamaican economy is expected to continue its post-COVID recovery, with inflation returning to the Central Bank's target range of 4%-6%. Gross Domestic Product (GDP), which grew by 5.1% in 2022 is projected to grow by 3.5 per cent in Fiscal Year 2023, then decelerate to 2.0 per cent in the FY 2024.

Jamaica's tourism industry will continue figuring prominently in the country's post-COVID-19 economic recovery. Data from the Planning Institute of Jamaica (PIOJ) show that real value added in the 'Hotels and Restaurants' sub-group, which largely captures tourism-related activities, grew by an estimated 48.9% in 2022 with continuing robust performance in subsequent months.

Plans for development and expansion in the industry will see the addition of over 15,000 rooms to the Jamaican tourism stock over the coming months, with the expected positive impact on employment and the economy of the island.

Budget

The Budget for the 2023/24 financial year was tabled at the Standing Finance Committee held March 1, 2023, for an approved amount of J\$2,590M. This is the same as the approved Budget of J\$2,590M for the Financial Year 2022/2023.

With healthy inflows anticipated from a rapidly recovering industry, the TEF will pursue its developmental and rehabilitative programmes incorporating the vision as outlined in the Ministry of Tourism's strategic theme, *'Creating New Opportunities for Inclusiveness Through Innovation Strategies and Digital Transformation'*.

Resorts

Advancing the Negril Destination Management Plan to upgrade this Resort is among the priorities in the new Financial Year. This substantial undertaking has lagged somewhat. However, a comprehensive assessment of the popular destination having allowed identification, preliminary scoping and refining of marquee developmental projects, it is anticipated that work will progress with the attendant revitalizing of Negril, expanding economic opportunities for locals and enhancing the visitor experience in the Resort area.

Developmental, rehabilitative and maintenance programmes across the island's Resort centres will continue to feature prominently among TEF-supported projects in keeping with the objective to enhance the overall tourist experience. So too, the mandate to implement projects and programmes that facilitate the growth and development of the sector will be pursued through support of announced plans for the Eastern parish of St. Thomas as an emerging tourist destination gain momentum.

The Ministry of Tourism with TEF will develop a series of Risk Registers and Action Plans across various Resort areas, Montego Bay being the first, to determine risks and measures to mitigate risks to achievement of strategic goals.

Also targeting the Resorts, the introduction of free resort Wi-Fi with Ocho Rios as a pilot project is to be pursued. This flows from the Universal Service Fund (USF) having re-engaged the TEF to execute an initiative for public resort area Wi-Fi, free to the visitor, a proposal initially put forward by the TEF.

Gastronomy Trails

The worldwide thrust to capitalize on culinary tourism is well recognized in the work of TLN's 'gastronomy network' and in keeping with the trend towards more authentic experiences being sought by visitors to a destination.

The planned development of 'Gastronomy Trails' beginning on the South Coast, followed by Montego Bay, spanning St. James and Trelawny will benefit small businesses and communities. The 'Street Food Trails' to be developed collaboratively with the Product Development and Community Tourism Department of the TPDCo will include specific street food vendors/locations in the designated areas, involve the implementation of Production development/enhancement workshops and Food quality and service delivery workshops.

ONRTIP Human Trafficking

A Memorandum of Understanding was signed in October 2022 between TEF and the Office of the National Rapporteur on Human Trafficking persons for the development of the Human Trafficking eLearning tool. The initiation of this project took place in the course of the review period and is slated for development.

Ecosystems Study on Creative and Cultural Industries/ Entertainment Academy

An Ecosystems Study on the Creative and Cultural Industries will guide the conceptual design, Master Plan and Business Plan for the Entertainment Academy, to be developed at the Montego Bay Convention Centre.

Human Capital Development

A priority in the coming months will be continued strengthening of training opportunities, highlighting digital marketing skills for Small and Medium Tourism Enterprises, equipping them to use digital technologies in preparation for the future.

Tourism Innovation Incubator Project

There will be continued focus on the newly launched Tourism Innovation Incubator through which promising business ideas for tourism development are identified and their commercialization facilitated. The Research and Risk Management Department (RRMD) will drive this legacy project expected to substantially enhance the tourism business landscape and its attractiveness to young entrepreneurs.

Financial Reports

The Tourism Enhancement Fund has again been able to effectively manage its funds for the 2022/2023 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 organisation, to ensure its sustainability and the most efficient use of funding to implement projects and programmes geared towards the enhancement of the sector. During the reporting period, several projects in our core areas were implemented directly by the TEF or in partnership with some of our key stakeholders.

Jimmy Cliff Boulevard Renders





FINANCIAL REPORT

FINANCIALS



The Tourism Enhancement Fund has again been able to effectively manage its funds for the 2022/2023 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 organisation, to ensure its sustainability and the most efficient use of funding to implement projects and programmes geared towards the enhancement of the sector. During the reporting period, several projects in our core areas were implemented directly by the TEF or in partnership with some of our key stakeholders.

Budget - Financial Year 2023-2024

TOURISM ENAHNCEMENT FUND INCOME & EXPENDITURE SUMMARY				
	Budget 2023/24 J\$ '000	Estimate 2024/25 J\$ '001	Projected 2025/26 J\$ '002	Projected 2026/27 J\$ '000
INCOME				
Revenue – Government Subvention	2,590,395	2,620,782	2,620,782	2,921,813
Interest income	21,058	21,311	21,566	23,939
Other Income	-	-	-	-
TOTAL INCOME	2,611,453	2,642,093	2,642,348	2,945,752
EXPENSES				
Project Expense				
National Projects	826,862	836,784	836,784	984,531
Kingston & St Andrew	290,588	294,075	294,075	326,423
Portland	30,000	30,360	30,360	33,700
Ocho Rios	113,000	114,356	114,356	126,935
Falmouth	26,028	26,340	26,340	29,238
Montego Bay	594,849	601,988	601,988	668,206
Negril	89,257	90,328	90,328	100,264
South Coast	89,140	90,210	90,210	100,133
Total islandwide projects	2,059,724	2,084,441	2,084,441	2,369,429
Total Project Expense	2,059,724	2,084,441	2,084,441	2,369,429
Operating Expense				
Staff costs	373,403	377,884	377,884	389,221
Administration expense	108,152	109,450	109,450	112,733
Depreciation	14,739	14,916	14,916	15,363
Property expense	32,868	33,262	33,262	34,260
Total Operating expense	529,162	535,512	535,512	551,577
TOTAL EXPENSES	2,588,886	2,619,952	2,619,952	2,921,006
CAPITAL EXPENDITURE	16,248	15,745	15,745	16,170
TOTAL EXPENDITURE	2,605,134	2,635,697	2,635,697	2,937,177
OPERATING SURPLUS/(DEFICIT)	6,319	6,395	6,651	8,575

INCOME & EXPENDITURE FORECAST

Year Ending 31 March 2024

	2024	2023
Government Subvention	2,590	2590
Projected Interest & Other Income	21	21
Total Projected Income	2,611	2611
Project Financing & Support	2,089	2088
Operating Expense	514	487
Total Projected Expenses	2,603	2575
Total Capital Cost	16	15
Total Expenditure	2,619	2590
Projected Surplus	(7)	21



Alpha Museum & Ampitheatre

KEY INDICATORS MARCH 2023		
	2023	2022
	\$'000	\$'000
Salaries and other short term benefits		
Salary	55,227	52,366
Temporary Allowance	10,292	
Travelling Allowance	1,697	8,486
Gratuity/Incentive/Vacation Leave/One-Off Payments	18,660	19,939
Motor Vehicle Benefit	140	140
Health Insurance Benefit	4,084	3,923
Statutory Contributions	4,222	3,721
	94,321	88,574
Directors' Emoluments –		
Fees	3,069	2,776

DIRECTORS COMPENSATION

Year Ended March 31, 2023

Name of Director	Position	Fees	Travelling & Toll	Total
Godfrey Dyer	Chairman	\$408,500.00	\$526,064.00	\$934,564.00
Joseph Issa	Deputy Chairman	\$278,700.00	\$124,588.80	\$403,288.80
Ian Dear	Director 1	\$183,100.00	\$67,284.00	\$250,384.00
Judy Schoenbein	Director 2	\$334,700.00	\$209,223.00	\$543,923.00
Marc Williams	Director 3	\$238,900.00	\$20,286.00	\$259,186.00
Jordan Samuda	Director 4	\$183,200.00	\$-	\$183,200.00
Donovan White	Director 5	\$47,700.00	\$-	\$47,700.00
David Dobson	Director 6	\$342,800.00	\$53,180.00	\$395,980.00
Barbara Russell	Director 7	\$294,800.00	\$176,904.00	\$471,704.00
Omar Robinson	Director 8	\$385,100.00	\$451,674.32	\$836,774.32
Carolyn Campbell	Director 9	\$220,300.00	\$-	\$220,300.00
Clifton Reader	Director 10	\$151,100.00	\$-	\$151,100.00
		\$3,068,900.00	\$1,629,204.12	\$4,698,104.12

SENIOR EXECUTIVES' COMPENSATION

Year Ended March 31, 2023

Senior Executive Title	Name	Salary (J\$)	Travelling Allowance (J\$)	Temporary Allowance (J\$)	Gratuity/ Incentive/ Vacation Leave (J\$)	Pension or Other Retirement Benefit (J\$)	Total (J\$)
Executive Director	Dr. Carey Wallace	\$11,846,703.32	\$-	\$1,475,069.49	\$6,995,622.86	\$-	\$20,317,395.67
Director, Projects	Johan Rampair	\$8,730,526.00	\$-	\$2,350,994.38	\$3,218,769.89	\$-	\$14,300,290.27
Director, Finance	Francine James-Prince	\$8,730,526.00	\$-	\$2,350,994.38	\$3,070,148.18	\$-	\$14,151,668.56
Director, Jamaica Centre of Tourism Innovation	Carol Rose Brown	\$8,730,526.00	\$-	\$2,057,321.61	\$1,099,696.28	\$-	\$11,887,543.89
Director, Tourism Linkages Network	Carolyn McDonald Riley	\$8,730,526.00	\$-	\$2,057,321.61	\$1,099,482.07	\$-	\$11,887,329.68
Manager, Human Resources & Administration **	Terriann East-Oldham	\$8,457,758.19	\$1,697,148.00	\$-	\$3,176,008.97	\$-	\$13,330,915.16
		\$55,226,565.51	\$1,697,148.00	\$10,291,701.47	\$18,659,728.25	\$-	\$85,875,143.23

**Manager paid at the Director Level



Tourism Enhancement Fund

Financial Statements
31 March 2023



Tourism Enhancement Fund

Index

31 March 2023

	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 - 29



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 2023, 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 2023, 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
August 14, 2023



Tourism Enhancement Fund
Statement of Comprehensive Income
Year ended 31 March 2023
(Expressed in Jamaican dollars unless otherwise indicated)

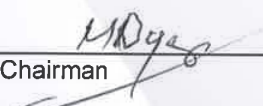
	Note	2023 \$'000	2022 \$'000
Income	6	2,635,033	2,417,527
Other Income	7	8,416	6,047
Interest income	8	30,462	19,291
Tourism Enhancement Projects expenditure	9	(2,081,914)	(1,998,743)
Operating expenses	10	(584,744)	(458,685)
Net impairment (losses)/gains		(1,231)	6,932
Other gains and (losses)	10	2,786	(948)
Finance cost	12	<u>(2,464)</u>	<u>(3,078)</u>
Operating Surplus/(Deficit)		6,344	(11,657)
Taxation	13	<u>-</u>	<u>-</u>
Net Surplus (Deficit), being Total Comprehensive Income (Loss) for the Year		<u>6,344</u>	<u>(11,657)</u>

The accompanying notes form an integral part of the financial statements.

Tourism Enhancement Fund
Statement of Financial Position
31 March 2023
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Non-Current Assets			
Property, plant and equipment	14	77,073	70,370
Right-of-use asset	15	16,971	29,431
Long-term receivables	16	1,356,005	1,331,948
		<u>1,450,049</u>	<u>1,431,749</u>
Current Assets			
Receivables and prepayments	17	58,114	52,320
Cash and cash equivalents	18	12,455	12,152
		<u>70,569</u>	<u>64,472</u>
Current Liabilities			
Payables and accruals	19	120,854	86,324
Current portion of lease liability	15	8,873	17,414
		<u>129,727</u>	<u>103,738</u>
Net Current (Liabilities) Assets			
		<u>(59,158)</u>	<u>(39,266)</u>
Accumulated Funds			
Accumulated surplus		1,381,533	1,375,189
Non-Current Liability			
Lease liability	15	9,358	17,294
Total shareholders' equity and liabilities			
		<u>1,390,891</u>	<u>1,392,483</u>

Approved for issue by the Board of Directors on August 14, 2023 and signed on its behalf by:


 Chairman


 Chairman, Audit Committee

The accompanying notes form an integral part of the financial statements.

Tourism Enhancement Fund
Statement of Changes in Equity
Year Ended 31 March 2023
(Expressed in Jamaican dollars unless otherwise indicated)

	Accumulated Surplus \$'000
Balance at 1 April 2021	1,386,846
Net deficit, being total comprehensive income for the year	<u>(11,657)</u>
Balance at 31 March 2022	1,375,189
Net surplus, being total comprehensive loss for the year	<u>6,344</u>
Balance at 31 March 2023	<u><u>1,381,533</u></u>

The accompanying notes form an integral part of the financial statements.

Tourism Enhancement Fund
Statement of Cash Flows
Year Ended 31 March 2023
(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities			
Net surplus/(deficit) surplus		6,344	(11,657)
Depreciation	14,15	37,020	28,636
Interest income	8	(30,462)	(19,291)
Interest expense	12	2,464	3,078
Write-off of payables / loan interest accrual	10	(2,786)	948
Increase (Decrease) in loss allowance		1,231	(7,104)
Unrealized foreign exchange loss (gain), long term receivable		1,642	(5,529)
		<u>15,453</u>	<u>(10,919)</u>
Changes in operating assets and liabilities			
Receivables and prepayments		(5,794)	(19,313)
Payables and accruals		<u>37,316</u>	<u>24,680</u>
Net cash (used in)/provided by operating activities		<u>46,975</u>	<u>(5,552)</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(29,951)	(48,206)
Interest received		6,359	6,664
Long-term receivables, net		<u>(2,827)</u>	<u>(3,863)</u>
Net cash used in investing activities		<u>(26,419)</u>	<u>(45,405)</u>
Cash Flows from Financing Activity			
Lease payments	15	<u>(20,253)</u>	<u>(16,532)</u>
Net cash used in financing activity		<u>(20,253)</u>	<u>(16,532)</u>
Increase (Decrease) in cash and cash equivalents		303	(67,489)
Cash and cash equivalents at beginning of year		<u>12,152</u>	<u>79,641</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	<u><u>12,455</u></u>	<u><u>12,152</u></u>

The accompanying notes form an integral part of the financial statements.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(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.

	2023		2022	
	US\$000	\$000	US\$000	\$000
Gross revenue	64,130	9,754,385	44,201	6,736,743
Exemptions (airlines)	(5,971)	(908,661)	(5,324)	(811,410)
Net revenue	58,159	8,845,724	38,877	5,925,333
Airline gross billings	63,139	9,603,886	44,002	6,706,116
Cruise gross billings	991	150,499	199	30,627
Gross revenue	64,130	9,754,385	44,201	6,736,743
Fee Collected and remitted to Accountant General Department (AGD)				
Net revenue less collection expenses	54,238	8,108,712	32,807	4,969,935

Bank interest received of \$0.136 million (US\$893) (2022: \$7.077 million (US\$46,307)) are included in the total remittance to the AGD above.

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 2023

(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 2022.

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>Amendment to Standards</u>		Effective for annual periods beginning on or after
IAS 16	<i>Property, Plant and Equipment</i> Amendments prohibiting deducting from cost of an item of PP&E, the proceeds from selling items produced while the entity is preparing the asset for its intended use.	January 1, 2022
IAS 37	<i>Provisions, Contingent Liabilities and Contingent Assets</i> Amendments regarding the cost to include when assessing whether a contract is onerous.	January 1, 2022

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

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

		Effective for annual periods beginning on or after
<u>Amendment to Standards (Cont'd)</u>		
IFRS 3	<i>Business Combinations</i> Amendments updating an outdated reference to the <i>Conceptual Framework</i> in IFRS3 without significantly changing the requirements of the standard.	January 1, 2022
IFRS 16	<i>Leases</i> - Amendment extending by 1 year the May 2020 amendment providing lessees with an exemption for assessing whether a COVID-19-related rent concession is a lease modification.	April 1, 2021
IFRS 1, 9, 16, IAS 41	<i>First Time Adoption of IFRS; Financial Instruments; Leases; Agriculture</i> Amendments arising from 2018 – 2020 Annual Improvements to IFRS Amendment permitting a subsidiary that applies IFRS1 paragraph D 16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parents, based on the parent's date of transition to IFRS. Amendment clarifying which fees an entity (as borrower) includes when it applies the 10% test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. Only fees paid or received between borrower and lender or on their behalf is included. Amendment to the illustrative example 13 accompanying IFRS 16 to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how it is illustrated in that example. Amendment removing the requirement in paragraph 22 of the standard for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	January 1, 2022

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

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(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 Standard</u>		
IFRS 17	Insurance Contracts	January 1, 2023
	- Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published.	January 1, 2023
	- Amendment permitting entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied previously to that financial asset.	When IFRS 17 is first applied
<u>Revised Standards</u>		
IFRS 4	Insurance Contracts	January 1, 2023
	- The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 to annual periods beginning on or after January 1, 2023.	
IFRS 16	- Leases	
	- Lease liability in a sale and leaseback: Amendment clarifying how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 (Revenue from Contracts with Customers) to be accounted for as a sale.	January 1, 2024
IAS 1	Presentation of Financial statements	
	January 2020 amendments regarding the classification of liabilities as current or non-current.	January 1, 2024
	- October 2022 amendment deferring the effective date for the January 2020 amendments by 1 year to January 1, 2024.	
	Non-current liabilities with covenants: Amendment clarifying how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	January 1, 2024
IAS 1 and IFRS Practice Statement 2	- Amendments regarding the disclosure of accounting policies.	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates	
	Amendments regarding the definition of accounting estimate.	January 1, 2023
IAS 12	Income Taxes	
	- Amendments clarifying that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	January 1, 2023

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.

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 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.
- 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.

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 2023

(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.

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.

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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

2.11 Financial instruments (continued)

Financial liabilities (continued)

(iii) Measurement

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

Debt instruments

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

- Amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- Fair value through other comprehensive income (FVOCI) - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income and impairment expenses are presented as separate line item in the statement of profit or loss.
- 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 2023

(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 2023

(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:

	2023 \$'000	2022 \$'000
Long-term receivables	1,346,777	1,331,948
Other receivables	40,940	40,075
Cash and cash equivalents	12,455	12,152
	<u>1,400,172</u>	<u>1,384,175</u>

Impairment of financial assets

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

(i) Debt instruments carried at amortised cost

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(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 \$136,221 million (2022: \$134.990 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	
	2023	2022
	\$'000	\$'000
At 1 April	134,990	142,094
Increase (decrease) in loss allowance	1,231	(7,104)
At 31 March	<u>136,221</u>	<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 2023

(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	24,516	21,297	334	-	46,147
Lease liability	1,739	3,479	4,589	10,207	20,014
31 March 2023	26,255	24,776	4,923	10,207	66,161
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

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 \$85.9 million (2022: \$87.5 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 4% devaluation and 1% revaluation of the J\$ against the US\$ on the foreign currency denominated receivable, all other variables being constant, would be a \$3.43 million increase in net income and \$0.86 million decrease in net income respectively (2022: 8% and 2% respectively with an impact of \$7.0 million increase and \$1.75 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 2023

(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.

	2023						Total \$'000
	Demand and 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	
Assets							
Long-term receivables	-	-	-	-	1,263,494	92,511	1,356,005
Other receivables	-	1,000	635	4,833	-	37,913	44,381
Cash and cash equivalents	12,415	-	-	-	-	40	12,455
Total financial assets	12,415	-	-	-	1,263,494	130,464	1,412,841
Liabilities							
Payables	-	-	-	-	-	46,147	46,147
Lease liability	1,621	3,277	3,975	9,358	-	-	18,231
Total financial liabilities	1,621	3,277	3,975	9,358	-	46,147	64,378
Total interest repricing gap	10,794	(2,277)	(3,340)	(4,525)	1,263,494	84,317	1,348,463

Tourism Enhancement Fund
Notes to the Financial Statements
31 March 2023
(Expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	2022						
	Demand and 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 2023

(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 believes, that apart from those involving estimation (see below) there were no critical judgements made which would have a significant effect on the amounts recognised in these financial statements.

(b) Key sources of estimation uncertainty

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

Loss allowance

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

Property, plant and equipment

Judgment is required in determining whether the cost incurred can accrue significant future economic benefit to the Fund to enable the value to be treated as a capital expenditure. Judgment is also applied in the annual review of the useful lives of categories of property, plant and equipment and the resulting depreciation thereon.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

6. Income

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

	2023 \$'000	2022 \$'000
Subvention	2,635,033	2,462,113
Return of subvention	-	(44,586)
	<u>2,635,033</u>	<u>2,417,527</u>

During the 2022 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.

7. Other Income

	2023 \$'000	2022 \$'000
Foreign exchange gain (net)	(1,643)	4,434
Project income	10,059	1,613
	<u>8,416</u>	<u>6,047</u>

8. Interest Income

	2023 \$'000	2022 \$'000
Financial instruments measured at amortised cost		
Long term receivables	26,929	16,490
Bank deposits	3,278	2,637
Other	255	164
	<u>30,462</u>	<u>19,291</u>

9. Tourism Enhancement Projects

	2023 \$'000	2022 \$'000
Falmouth	25,144	16,653
Kingston & St. Andrew	248,327	147,990
Montego Bay	426,454	641,444
National projects	1,128,826	848,496
Negril	3,348	31,090
Ocho Rios	135,382	175,060
Portland	29,730	46,039
South coast	84,703	91,971
	<u>2,081,914</u>	<u>1,998,743</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

10. Expenses, gains and losses

	2023 \$'000	2022 \$'000
Operating Expenses		
Auditors' remuneration	1,900	1,900
Board expenses	7,755	6,295
Depreciation	37,020	28,636
Directors' fees	3,069	2,776
General Consumption Tax	21,152	19,381
Information technology	8,760	8,088
Marketing and public relations	13,905	6,796
Travel, entertainment and accommodation	38,449	15,831
Management fees (Note 16(b))	573	1,650
Professional fees	2,834	6,279
Property expenses	36,261	27,330
Staff costs (Note 11)	379,443	311,655
Other	33,623	22,068
	<u>584,744</u>	<u>458,685</u>
Other gains and losses		
Write-off of loan interest accrued	-	948
Other gain	2,786	-
	<u>2,786</u>	<u>948</u>

11. Staff Costs

	2023 \$'000	2022 \$'000
Wages and salaries	258,307	168,686
Statutory deductions	18,644	13,519
Travelling allowance	8,779	44,510
Gratuity	41,244	32,278
Vacation leave	9,291	12,826
Training and development	2,074	6,779
Health Insurance	16,683	15,090
Other	24,421	17,967
	<u>379,443</u>	<u>311,655</u>
Number of employees -		
	2023	2022
Full time	<u>52</u>	<u>49</u>

Additional vacation leave accrued and expenses in the year aggregated \$9.636 million (2022: \$9.615 million)

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

12. Finance cost

	2023 \$'000	2022 \$'000
Interest on lease liability	<u>2,464</u>	<u>3,078</u>

13. Taxation

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

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 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
Additions	5,685	7,018	4,878	12,370	29,951
At 31 March 2023	53,542	42,946	24,993	36,039	157,520
Depreciation -					
At 1 April 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
Charge for the year	9,230	8,129	2,412	3,477	23,248
At 31 March 2023	18,093	31,787	6,936	23,631	80,447
Carrying amount-					
31 March 2023	<u>35,449</u>	<u>11,159</u>	<u>18,057</u>	<u>12,408</u>	<u>77,073</u>
31 March 2022	<u>38,994</u>	<u>12,270</u>	<u>15,591</u>	<u>3,515</u>	<u>70,370</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

15. Leases

The Fund as a lessee.

(i) Amounts recognised in the statement of financial position

	2023 \$'000	2022 \$'000
Right-of-use asset		
Buildings	16,971	29,431
Lease liabilities		
Current	8,873	17,414
Non-current	9,358	17,294
	<u>18,231</u>	<u>34,708</u>

(ii) Amounts recognised in the statement of comprehensive income

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

	2023 \$'000	2022 \$'000
Depreciation expense on right-of-use asset	13,771	14,742
Interest expense on lease liability (note 12)	2,464	3,078
Expense relating to short term leases	5,091	5,003

At 31 March 2023, the Fund is committed to \$1.078 million (2022: \$3.950 million) for short term leasing of space to facilitate office operations.

The total cash outflow for leases in 2023 was \$25.344 million (2022: \$21.535 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.

	2023 \$'000	2022 \$'000
Lease liability		
Net debt as at 1 April	34,708	32,388
Additional lease obligations	1,312	15,774
Cash flows-		
Lease payments	(20,253)	(16,532)
Non-cash flows -		
Interest expense	2,464	3,078
Net debt as at 31 March	<u>18,231</u>	<u>34,708</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

15. Leases (Continued)

Maturity Analysis	2022 \$'000	2021 \$'000
Year 1	9,807	19,562
Year 2	4,408	9,319
Year 3	4,628	4,173
Year 4	1,171	4,382
Year 5	-	1,109
	<u>20,014</u>	<u>38,545</u>
Less unearned interest	(1,783)	(3,837)
	<u>18,231</u>	<u>34,708</u>
<i>Analysed as:</i>		
Non-current	8,873	17,294
Current	9,358	17,414

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

The Fund leases space in an office building on two floors. The original rental contracts have terms 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.

16. Long-term receivables

	2023 \$'000	2022 \$'000
JNBSL loans (Note 16(a))	296,780	293,954
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))	99,102	100,743
	<u>1,415,882</u>	<u>1,414,697</u>
Less loss allowance	(136,221)	(134,990)
	<u>1,279,661</u>	<u>1,279,707</u>
Interest receivable	76,344	52,241
	<u>1,356,005</u>	<u>1,331,948</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.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

16. Long-term receivables (continued)

a) (continued)

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 2023 was \$257.745 million (2022: \$257.745 million). Loan balances on-lent aggregated \$174.016 million (2022: \$213.92 million) at the end of the reporting period with an allowance for expected credit losses of \$116.288 million (2022: \$123.956 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 2023 was \$20 million (2022: \$20 million). Loan balances on-lent aggregated \$3.110 million (2022: \$5.232 million) at the end of the reporting period with expected credit losses assessed at \$0.122 million (2022: \$1.024 million).

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.

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 2023 was \$1 billion (2021: \$1 billion) and allowance for expected credit losses was \$13.221 million (2022: \$3.419 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 2023 amounted to \$99.102 million (2022: \$100.743 million). The balance is inclusive of accumulative foreign exchange gains of \$12.308 million (2022: 13.95 million) since April 2018.

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

16. Long-term receivables (Continued)

c) (continued)

SRIP	2023 \$'000	2022 \$'000
Foreign currency component –US\$572,525	85,859	87,500
Local currency component	13,243	13,243
	<u>99,102</u>	<u>100,743</u>
Expected credit loss	(6,591)	(6,591)
	<u>92,511</u>	<u>94,152</u>

17. Receivables and prepayments

	2023 \$'000	2022 \$'000
Warrant receivable	29,718	7,566
Ministry of Tourism	4,070	2,705
Deposits	1,979	18,596
Staff receivables	6,468	9,228
Taxation recoverable	2,767	2,768
Other receivables	2,146	1,980
Prepayments	10,966	9,477
	<u>58,114</u>	<u>52,320</u>

18. Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at bank and in hand	12,455	12,152
	<u>12,455</u>	<u>12,152</u>

19. Payables and accruals

	2023 \$'000	2022 \$'000
Payables	12,362	9,284
Gratuities	33,785	23,013
GCT	28,382	28,432
Withholding taxes	12,792	11,755
Vacation accrued	16,005	9,615
Accruals	17,528	4,225
	<u>120,854</u>	<u>86,324</u>

Tourism Enhancement Fund

Notes to the Financial Statements

31 March 2023

(Expressed in Jamaican dollars unless otherwise indicated)

20. Related Party Transactions and Balances

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

	2023 \$'000	2022 \$'000
Due from related parties Ministry of Tourism	4,070	2,705

- (b) Key management compensation:

	2022 \$'000	2021 \$'000
Salaries and other short-term benefits -		
Salaries	67,215	52,366
Gratuities	9,860	12,245
Other short-term benefits	17,246	23,963
	<u>94,321</u>	<u>88,574</u>
Directors' emoluments -		
Fees	3,068	2,776
Other short-term benefits	1,629	523
	<u>4,697</u>	<u>3,299</u>

APPENDIX 1

Projects Overview

“TOURISM DOLLARS WORKING FOR YOU”

Enhancement of Roadways/ Road leading to Attractions

- Rehabilitation of the Roadway Leading from Frankfurt to Cascade
- Additional support to complete the Norman Manley Boulevard Road Rehabilitation
- Rehabilitation of Round Hill to Munro Road
- Ridge Park Drive Road Rehabilitation
- Milk River Hotel and Spa Roadway Rehabilitation
- Rehabilitation from New Castle Main Road to Papine
- Rehabilitation of Mt. Olivet Roadway
- Rehabilitation of the Airy Mount Roadway- Phase 2
- Rehabilitation of Lethe Road, St. James
- Improvement of the Arthur Wint Drive
- Beautification of Glenmuir to Foga Road Corridor leading to the Denbigh Show Grounds
- Rehabilitation of Guilsbro Road in Latium
- Rehabilitative Works on the Windsor to Moore Town Roadway in Portland
- Rehabilitation of the Ocho Rios By-Pass leading to Pineapple Craft Market
- Rehabilitation of the Roadway from Coconut Grove Craft Market to the Ocho Rios Clock Tower, St. Ann
- Wakefield to Hardware Gap Road Rehabilitation
- Rehabilitation of the Thatch Hill Road
- Rehabilitation of Roadways in St. James East Central

Environmental

- Sargassum Tracking & Predictive Modeling Initiative
- Removal of Bulky Waste for sections of St. James, Kingston and St. Andrew
- Retirement Disposal Site Rehabilitation
- National Beach Maintenance Programme
- Lilliput Drain Cleaning and Maintenance Works
- Drain Cleaning in Northwest Montego Bay, St. James
- May Pen Town Centre Beautification
- Environmental Programme 2022- MoT and its Agencies
- White River Fish Sanctuary- Operational Support 2022/23
- International Coastal Cleanup Jamaica 2022
- Turtle River Drain Cleaning and Maintenance
- Cleaning and Maintenance of the Main Drain in Ocho Rios

Health/Education/Security/Community Development

- St. James Police Division Awards and Recognition Ceremony
- Tents for the St. Thomas Technical High School
- Purchase of Equipment for the Psychiatric Social Workers
- Homelessness 5K Walk-Run
- Installation of an Access Control at the Portland Divisional Headquarters
- Inter-Ministerial School Strategy Flagship Programme
- Stand-by Generators for Police Stations in Portland
- Health Workers Appreciation Month Activities
- Summer Literacy Camp 2022
- Stand-by Generators for St. Mary Police Stations
- Purchase of a Tent at the Princess Margaret Hospital

APPENDIX 1 Cont'd

Heritage, Culture and Sports

- Guttering Works at Devon House
- Support to Jamaica Bobsleigh and Skeleton Federation towards Training Costs for the Jamaica Bobsleigh Team
- Launch of the Restored Holland Bamboo
- Welcome Ceremony for the 2023 World Cup Netball Regional Qualifiers
- Restoration of St. Matthews Anglican Church in Clarendon, St. Ann
- Western Float Parade in Montego Bay
- St. James Independence Celebrations 2022
- Independence Anniversary Celebration at Jarrett Park
- Senior Caribbean Squash Championships
- Jamaica Open Golf Championship 2022
- Seville Emancipation Jubilee 2022

Infrastructural Improvement and Enhancement

- Construction of Bus Shed across from Gran Bahia Principe Hotel in Runaway Bay, St. Ann
- Construction of Restroom Facilities at Coral Garden Beach
- Renovation of the Entry-way Water Feature at the Montego Bay Convention Centre
- Trench Town Boys Town Reggae Skate Park
- Rehabilitation of the Water Fountain and Construction of a Base for the Usain Bolt Statue
- Roof Repairs at the Montego Bay Convention Centre – Phase Two
- Construction of a Bus Shed at the Breadnut Hill Primary School
- Construction of Bus Sheds in St. Mary
- Montego Bay Convention Centre Building Repairs
- Repairs to the Damaged Bus Sheds in Trelawny
- Bus Shed at Breadnut Hill Primary School

- Sidewalk Construction along Coral Gardens Avenue
- Montego Bay Convention Centre Building Repairs
- Construction of Roadway and Parking Lot at the Adelphi Health Centre
- Renovation of Boundary Wall at Devon House
- TEF Beaches Development Programme- Phase 2
- Construction of Bus Sheds in Montego Bay

Meetings/Conferences/Exhibitions

- Caribbean Women's Conference 2023
- Global Tourism Resilience Conference 2023
- Jamaica Youth Tourism Summit 2022
- Annual General Meeting and 60th Anniversary Gala Dinner
- Luncheon and Forum for the Montego Bay Chamber of Commerce and Industry
- Centennial International Teacher Education Symposium
- National Youth Consultative Conference 2022
- Denbigh Agricultural Industrial and Food Show 2022
- Security Summit 2022

Resort Area Improvement

- Stand-by Generators for Police Stations in Portland
- Installation of Upgraded Pavement in Downtown Kingston
- Beautification and Solar Light Installation in May Pen, Clarendon
- GOJ Constituency Mitigation and Cleaning Programme
- De-bushing Programme in Central St. James
- De-bushing Programme in East Central St. James- Phase 2
- Paint the City Programme
- Snowbird Season Programme 2022
- De-bushing Programme in East Central St. James- Phase 1
- Christmas Beautification Project- Island wide

- Beautification Project in Western St. Mary
- Jamaica 60th Independence Beautification and Upgrading Works Programme
- Destination Assurance Labour Day Projects 2022
- Improvement of the Sam Sharpe Square in Montego Bay, St. James
- Ocho Rios Fire Hydrant Network Improvement

Tourism Investment

- St. D’Acre Carnival and Fun Day 2023
- Jamaica International Beauty Expo 2023
- Media Coverage for Projects
- Development of a Master Plan for the Tourism Entertainment Academy
- Development of Commercial Kitchen at Devon House
- Eltham View Community Christmas Bazaar
- Introduction of the Gastronomy Centre of the Caribbean to the Diplomatic Corp
- Fireworks on the Waterfront 2022
- Major Project of Kiwanis Clubs of Division 23 East
- Reggae Marathon 2022
- Mayor’s Charity Ball 2022
- Annual Awards Banquet 2022
- Jazz on the Duke Programme
- Christmas Dinner at the Pregnant Resource Centre
- Open Water Swim 2022
- Negril Rotary Donkey Races and Family Fun Day 2023
- Building Travel and Tourism Resilience Capacity Initiative - Phase 1
- Community Activities for the Benevolent Society (Chapter III)
- Fireworks in Resort Areas 2022
- Conu’co Market at the Cove
- Mobay Expo 2022
- Negril Chamber of Commerce’s Summer Soireé
- Jamaica Network of Rural Women Producers Participation in the Denbigh Agricultural Tradeshow 2022
- Operational Support towards the Association of Past Members of the Jamaica Constabulary Force Benevolent Society (Chapter One)
- Jamaica International Beauty Expo 2022

- Fireworks in Ocho Rios for Jamaica’s 60 Celebrations
- National Tourism Debate 2022
- Manchester Peace Coalitions Father’s Day Celebration
- CanEx Jamaica Business Conference & Expo 2022
- River Analysis for the Milk River, Clarendon
- Jamaica Rum Festival 2022
- Reggae Sumfest 2022
- Jamaica Backgammon Tournaments 2022
- Tourism Support Project
- Street View for Resort Areas (Negril and Falmouth)
- Operational Support for the Jamaica Home Sharing Association
- ATVs for Negril Resort Police
- Assistance towards Vulnerable Tourism Workers
- Launch of the Most Hon. Edward Seaga Suite and Devon Duppy Rum
- Development of Jamaica’s Virtual Heritage Museum
- Debushing Works at the Artisan Village at Hampden Wharf
- Montego Bay Cultural Centre- Operational Support 2022/23

Tourism Linkages Network (TLN) Projects

- Hosted the 8th staging of the Christmas in July Tradeshow 2022
- Sponsorship- Jamaican Legion Poppy Appeal
- Jamaica Blue Mountain Coffee Festival 2023
- Sponsorship support towards the 2022 staging of Jamaica Poetry Festival
- Hosted the Speed Networking Event 2023
- Beautification of communities in preparation for Emancipation and Independence Celebrations 2022
- Plan and execute Knowledge Network Series Part 3
- Hosted the 4th Annual Jamaica Health and Wellness Tourism Conference 2022
- Annual remuneration telemarketing staff employed to the Agri Linkages Exchange Centre (ALEX) in partnership with the RADA
- Execute activities in observance of World Sustainable Gastronomy Day 2022

TLN Projects Cont'd

- Code functionality and security maintenance for Agri-Linkages Exchange Website
- Provided water tanks to community farming groups who supply the tourism sector
- Executed Tourism Opportunity Investment Forums for investors across the tourism sector
- In partnership with JamPro Export Max III, execute a series of immersive demonstration cooking experiences in hotels in resort areas.
- Implement a capacity building programme for Disk Jockeys (DJs) employed in the tourism industry.
- Sponsorship support of Jamaica Rum Festival
- Executed a Summit on Best Practices in Sports and Entertainment
- Updated the user interface of the wellnesinja and shoppinginja websites
- Produced video series that package and position Jamaica's entertainment, sport, wellness, cultural and culinary activities as part of the tourism experience.
- Implement a digital space for small tourism entities to market their properties
- Updating of Top Events Website and Mobile App
- Supported the execution of Carnival in Jamaica 2022
- Sponsorship support towards the staging of the Boston Jerk Festival
- Executed TEF's observance of Global Wellness Week
- Developed a guidebook for Jamaica's Beaches, Parks and Trails
- Implemented the community farming project in St Elizabeth
- Updated and security maintenance for the Taste Jamaica website and Mobile App
- Sponsorship support towards the 14th Annual International Charles Town Maroon Conference and Festival
- Upgraded and installed Jamaica Blue Mountain Culinary Trail signage
- Sponsorship towards the Ocho Rios Seafood Festival 2022
- Sponsorship towards 2022 staging of the Jamaica Observer Table Talk Food Awards: Taste It. Eat It. Drink It. Applaud It
- Executed an anniversary activation in recognition of Devon House's designation as Jamaica's 1st Gastronomy Centre
- Sponsorship support towards Amalgamation: The Global Dance Gala
- Launched the Tourism Agricultural Suppliers Food Safety Manual for farmers and engage in island-wide sensitization sessions
- Sponsorship towards the staging of Friendly City Fest in Montego Bay, St James
- Sponsorship towards the staging of the 2022 Emanci-Fest
- Sponsorship support towards the Inaugural Louise Bennett Coverley Festival
- Sponsorship towards the Port Royal Seafood Festival
- Staged the Style Jamaica 60th themed Collection of locally manufactured fashion and accessories.
- Sponsorship towards the hosting of the seventh staging of the Jam Session Live Project
- Sponsorship towards the staging of the 2022 Ananse Soundsplash: A Storytelling Conference and Festival.
- Sponsorship towards the staging of the 2022 Jamaica Manufacturers and Exporters Association (JMEA) Awards Gala
- Economic impact assessment for Jamaica's Carnival experience, branded Carnival in Jamaica
- Executed activities related to the packaging and promotion of Carnival in Jamaica 2023
- Sponsorship towards the staging of the 2022 Jamaica Food and Drink Festival
- Sponsorship towards the execute the Island Spa Conference
- Supported the execution of the 2022 Jamaica Basketball Classic
- Sponsorship towards the 13th staging of the Market at the Lawn craft fair 2022
- Sponsorship towards the execution of the 2022 staging of Island Child Style
- Executed the launch of the Beaches, Parks and Trails Guidebook
- Sponsorship towards the execution of the Movements Dance Company of Jamaica 40th annual season of dance
- Execute the staging of the Style Jamaica Shopping Showcase at the Con'uco Event
- Assisted with the execution of the monthly Mobay Reggae Nights from November 2022 to March 2023
- Executed a food safety sensitization session for farmers who supply tourism.
- Provided hand sanitisers dispensers for small tourism properties
- Sponsorship towards Danceworks 27th season of dance
- Implemented Phase 2 of the Future Fitting SMTEs Digitisation project

APPENDIX 2



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 – (resigned December 2022))

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

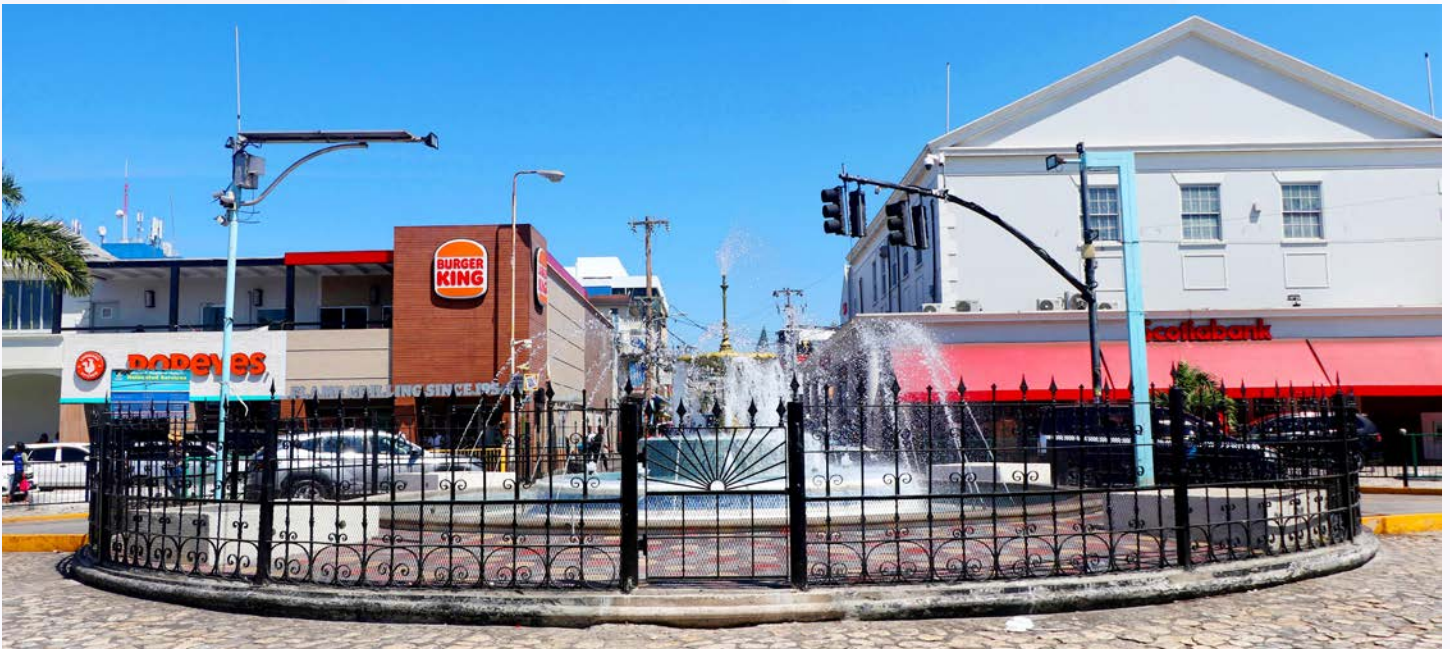
Wilfred Baghaloo

Clifton Reader





Scenes from Internation Costal Clean Up Day (ICCD) 2022



Sam Sharpe Square Rehabilitation



Work-In-Progress— Grange Pen Squatter Regularisation Project

