



# **2020 - 2021** **ANNUAL** **REPORT**

**ENVIRONMENTAL FOUNDATION  
OF JAMAICA**





## 2020-2021 ANNUAL REPORT



### **Mission Statement**

To be a major funder of environmental protection and child survival initiatives in the interest of sustainable development.

### **Vision**

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

### **Core Values**

- Good governance that dictates transparency of process and accountability.
- Supporting partnerships and development initiatives consistent with our mission.
- Respecting the value of initiatives coming from the public and private sectors and channelling this interest into partnerships with community groups and other organizations of civil society.
- Developing and maintaining relationships that are consistently ethical while being effective and efficient in doing the organization's business with members, clients and staff.
- Non-discrimination in relation to gender, race, creed and age.



# CONTENTS

Board and Staff	3 – 4
Organisational Arrangements	5
Standing Committees	6
Chairman's Message	7 - 8
Secretariat Report	9
Grant Management Committee	9 – 27
Human Resources and Compliance Committee Report	27
EFJ Endowment Trust Report	28 - 30
Finance & General Purposes Committee Report	30 - 32
Audited Financial Statements	33 - 68
List of Members	69



## EFJ BOARD MEMBERS



**PROF. DALE WEBBER**  
CHAIRMAN  
TERM MEMBER



**MRS. ELEANOR JONES**  
VICE CHAIR  
TERM MEMBER



**MR. IAN WATSON**  
TREASURER  
TERM MEMBER



**MR. ANTHONY MCKENZIE**  
GOVERNMENT OF JAMAICA  
PERMANENT MEMBER (ALTERNATE)



**MR. JASON FRASER**  
GOVERNMENT OF UNITED STATES OF AMERICA  
PERMANENT MEMBER



**MRS. JENNIFER SCOTT**  
BOARD SECRETARY  
TERM MEMBER



**MRS. DONNA ONISS BLAKE**  
THE NATURE CONSERVANCY  
PERMANENT MEMBER



**MR. ROBERT STEPHENS**  
FOREST CONSERVATION DIRECTOR  
TERM MEMBER



**MRS. WINSOME WILKINS**  
CHILD REPRESENTATIVE  
TERM MEMBER



**DR. MICHAEL WITTER**  
ACADEMIA DIRECTOR  
TERM MEMBER



**MS. GILLIAN GUTHRIE**  
GOVERNMENT OF JAMAICA  
INSTITUTIONAL DIRECTOR





## EFJ MEMBERS OF STAFF



**MR. BARRINGTON LEWIS**  
CHIEF EXECUTIVE OFFICER



**MS. ALLISON RANGOLAN**  
CHIEF TECHNICAL DIRECTOR



**MR. LEIGHTON CORNWALL**  
SENIOR ACCOUNTANT / HR OFFICER



**MS. CHARMINE WEBBER**  
PROGRAMME OFFICER



**MR. MARK CONSTABLE**  
PROGRAMME OFFICER



**MS. SYDONNIE ROTHERY**  
ADMINISTRATIVE ASSISTANT



**MS. AUDREY KIRKLAND**  
RECEPTIONIST / CLERICAL ASSISTANT



**MS. PAULETTE WESTCARR**  
OFFICE ATTENDANT



## ORGANISATIONAL ARRANGEMENTS

### Attorneys

Myers, Fletcher & Gordon  
Park Place  
21 East Street  
Kingston

### Auditors

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

### Commercial Bankers

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

### Investment Managers

BPM Financial Limited  
1 A Holborn Road  
Kingston 10

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

Sygnus Capital  
Unit 28, 80 LMR  
80 Lady Musgrave Road  
Kingston 10.



## STANDING COMMITTEES

### **Executive Committee**

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

### **Finance and General Purposes Committee**

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

### **Grant Management Committee**

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

### **Human Resources, Compliance and Compensation Committee**

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

### **Membership Committee**

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

### **Strategic Planning Committee**

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

### **Fundraising Committee**

Mr. Robert Stephens  
Prof. Dale Webber  
Mr. Barrington Lewis  
Ms. Allison Rangolan

### **Public Relations Committee**

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

## CHAIRMAN'S MESSAGE

### *The EFJ's response during the pandemic*

In March 2020 Jamaica officially recorded its first case of the covid-19 virus and since then varying strategies have been implemented by the government to deal with its effects. Ultimately, the covid-19 virus was declared a pandemic. The March 2020 date is significant as it indicates that just over a third of the last fiscal year was spent with the Environmental Foundation of Jamaica (EFJ) learning to deal with the challenges of a virus, that then, not much was known about. It also meant that the EFJ had to adjust relatively quickly to the ever changing government imposed policies and specifically their effects on its day to day operations.

For this reporting period, 2020-2021, the EFJ operated for a full year during the pandemic and therefore had to be dynamic, efficient and effective in its response to the issues. While challenges were being faced by everyone the EFJ quickly learnt that organisations that benefited from grant funding – like its Members and grantees – had very difficult financial years and uncertain futures.

The issues affecting our Members and grantees, who are an essential cog in our wheel, could not be allowed to continue without commensurate actions and assistance. The Board challenged the Secretariat to find creative ways to help these organisations and committed to providing budgetary support for those initiatives that required funding. Among the solutions and ideas put forward (and implemented) were:

- Extending project closure dates – this was in an effort to counter some of the supply chain and procurement hurdles faced by grantees
- Facilitating and or allowing workshops, training sessions and other face to face activities that could be held virtually being done using technology or at least in a hybrid format rather than totally in person. Examples included the EFJ's grantee orientation sessions (which were all done virtually) and grantees were allowed to conduct workshops and training sessions using the various streaming platforms
- EFJ modified its monitoring and reporting procedures for grantees to accommodate their specific challenges as well as to ensure the safety of all persons involved
- A Call for Proposals was conducted. The Call for Proposals sought to make grant awards through two funding sources – Forest Conservation Fund (FCF) and Special Climate Change Adaptation Fund (SCCAF).

Through the FCF it was agreed to allocate some of the funding to provide budgetary support to grantees in the purchase of long lived assets and address capacity strengthening initiatives. The SCCAF funding was to provide grants in parishes deemed to be 'under served' over the last four years of the SCCAF; the popular thematic areas were advertised and these included water harvesting, climate resilient cropping systems and water management.





It is noteworthy that for the Call for Proposals (opened in May and closed June 10, 2021) a total of one hundred and fourteen (114) proposals were received:

- SCCAF – 86 proposals with funding requests of J\$467,341,761.22
- FCF – 19 proposals with funding requests of J\$132,570,587.20
- FCF Capacity building grants – 9 proposals requesting J\$71,007,930.00

With grant requests of over J\$670 million this underscores the needs of non-governmental organisations (NGOs) and the relevance of an entity such as the EFJ.

At fiscal year end the Secretariat had shortlisted a total of 34 projects (SCCAF – 23 and from both FCFs – 11 projects) to conduct further due diligence. Grant awards to the successful projects will be made in the 2021/2022 financial year.

To delve deeper in the matter of grants for those projects that were continuing from prior year(s) the EFJ made grant disbursements of just over J\$120.11 million to grantees for the fiscal year. In my last report to you (2019/2020) I highlighted that for the period 2016-2020 EFJ had disbursed approximately J\$853 million to civil society groups, this year's disbursements now brings that total to just under J\$1 billion in disbursements. In fact J\$973 million has been paid out in the five year period. We will continue to lend our support to the NGO sector as they strive to continue their good work.

While we have highlighted the challenges and our responses above there were other activities that were being undertaken and obligations that the EFJ had to meet. I am pleased to report that the EFJ saw to the successful completion of twenty six (26) projects under the European Union / Forestry Department Fund Administrator Agreement (FAA). This meant that the targets set were met. These 26 projects had received funding support in excess of J\$120 million.

The EFJ also settled on an investment manager for its Endowment Fund. Sygnus Capital was selected from a group of potential managers. They were able to meet our expectations as it relates to investment manager's fees and demonstrated their ability to effectively manage the portfolio. We are also happy to report that through the tax arm of Sygnus EFJ secured 501 (c) tax exempt status in the USA. This allows us to not only receive donor funding and it be tax deductible to donors but any interest earned on our investments in the USA will be exempt from withholding tax.

Finally, on the Administrative expenditure side, the EFJ had administrative expenses of J\$53.57 million. This was well below the cap for administrative expenses and J\$5.45 million more than the prior year. As an organization we continue to act judiciously and prudently in the managing our expenses.

I like to think that the work the EFJ does is a partnership. This partnership has several actors who are all essential to the collective successes we enjoy. The upcoming financial year 2021/2022 is one in which we have to continue to work with our partners. The importance of partnerships should be borne out in the new Strategic Plan being drafted by the sub-committee of the Board. As a partner in this whole scheme I urge you all to continue to support the EFJ, its Board and staff as we are relentless in our drive to **"Preserve the future... today"**.

Prof. Dale Webber

CHAIRMAN





## SECRETARIAT REPORT

As mentioned in the Chairman's message, the EFJ's entire fiscal year occurred during the heights of the pandemic. The charge given to the staff by the Board was to respond to the needs of stakeholders in a timely and efficient manner. Further, where possible, activities should not only be reactionary but must also be proactive.

For its part the Secretariat took up the challenge and several new ideas and activities were proposed. The Board gave its full support to all the initiatives undertaken by the Secretariat to improve project implementation and to those recommendations that enhanced Members' and grantees' sustainability in such a capricious time. The Board also requested that the management look at all its policies and procedures and update them in keeping with the 'new' normal.

Below we highlight some of the major activities that occurred during the year.

## GRANT MANAGEMENT COMMITTEE REPORT

The EFJ manages grants under a Grant Management Policy that outlines the procedures for receiving, vetting, awarding, monitoring and evaluating proposals and grants. The grant selection may be impacted by the source of funds and any rules outlined in Fund Administration Agreements (FAA). The EFJ for financial year 2020/2021 had five different funding sources with two operating under FAAs.

The COVID-19 pandemic contributed to delays in, rescheduling and/or adjustment of a number of grant activities. However we can report the following:

- Twenty-six (26) grants under the Forestry Department / European Union Budgetary Support Programme were closed.
- Management and administration of over 90 active Special Climate Change Adaptation Fund (SCCAF) projects continued during the 2020/2021 fiscal year.
- A SCCAF Call for Proposals was conducted and resulted in twenty three proposals being shortlisted for further consideration. An additional five (5) proposals (received via the Project Executing Unit (PEU) of the Ministry of Economic Growth and Job Creation (MEGJC)) were also approved for funding under Phase 2 of the SCCAF.
- The EFJ also has open projects under all three United States Government (USG) funding sources (PL480, USAID and TFCA). None of the PL480 and USAID Projects was active during the year and the EFJ Secretariat recommended the following project de-commitments:
  - *AID DEBT FUNDS*: 1 project with undisbursed amounts totaling J\$225,000.00.
  - *PL480 FUNDS*: 4 projects with undisbursed funds of J\$5,269,419.85
  - *TFCA/FCF*: 4 projects with undisbursed funds totaling J\$7,877,283.45.

The EFJ Board will decide on the recommendations in the ensuing 2021/2022 fiscal year.

- A TFCA Call for Proposals was conducted with eleven (11) proposals shortlisted for due diligence site visits.



We highlight a few of the successfully completed projects and activities below:

### **FUNDING SOURCE: Tropical Forest Conservation Act (TFCA; Forest Conservation Fund, FCF)**

Four (4) TFCA projects were active and a net amount of J\$1,609,963.63 was disbursed during the reporting period.

#### **TFCA/FCF 2021 Call for Proposals**

The 2021 FCF Call for Proposals opened May 3, 2021 and closed June 10, 2021. The main thematic areas were:

1. Institutional and Capacity Strengthening, and
2. Protected Areas/Watershed Conservation - Protection focused on Natural Disaster Risk Reduction; Reforestation; and Alternative Livelihoods.

Twenty-eight (28) TFCA proposals were received as follows:

- Institutional and capacity strengthening grants – nine (9) proposals requesting J\$71,007,930.00; and
- Protected areas/watershed conservation – nineteen (19) proposals with funding requests of J\$132,570,587.20

The Programme Team conducted the usual due diligence reviews and scored the proposals received. A total of eleven (11) proposals were thereafter selected for due diligence **site** visits.

### **FUNDING SOURCE: Special Climate Change Adaptation Fund (SCCAF)**

The EFJ was selected to be the Fund Administrator for the SCCAF and signed a Fund Administrator Agreement (FAA) on July 28, 2016 (*This will be later referred to as SCCAF Phase 1*). We are now in year five (5) of this programme. Prior to this financial year, three Calls for Proposals have been conducted, which resulted in 135 grants being awarded J\$621.62 million.

- The first Call (Call 2016) saw 29 proposals receiving grant awards of J\$132.94 million,
- the second Call (Call 2017) had 56 grant awards valued at J\$249.20 million, and
- the third Call (Call 2018) had 51 grant awards valued at J\$239.47 million.

Each grant was subject to a J\$5 million cap.

A SCCAF Phase 2 FAA was signed in June 2019 for the construction of MICRO Check Dams in the Upper Rio Minho watershed area of Clarendon. This FAA was for US\$1.20 million and 1,800 MICRO check dams were expected to be constructed.

For 2020/2021 over 90 active SCCAF projects were being monitored; the majority of which were approaching completion. Net grant disbursements during the year totaled J\$16.39 million.

A review was done of the projects and disbursements made up to the end of December 2020 for the Phase 1 grants. At the conclusion of the review the Secretariat recommended the de-commitment of eleven (11) projects. These projects had J\$15,753,124.00 in undisbursed funds and J\$3,951,354.64 in unspent/returned funds. It was also decided to have another (the fourth) open Call for Proposals.



## SCCAF 2021 Call for Proposals

The 2021 SCCAF Call for Proposals opened May 3 and closed June 10, 2021. The main thematic areas were:

1. Climate Smart Agro-business;
2. Climate Resilient Cropping Systems; and
3. Water Management.

Eighty-six (86) SCCAF proposals were received with a total funding request of J\$467,341,761.22. Twenty three were shortlisted for due diligence site visits. This will be done in the new financial year.

### SCCAF Phase 1 Impact to date

The SCCAF projects have had significant impact on the lives of Jamaicans. Each parish received grant awards with three grants being the lowest awarded to any parish. From our data collection thus far we note the following:

- 33 Greenhouses and shade houses have been constructed
- 87,360 square feet of greenhouse/shade house space is available for agricultural production
- 40,230,609 gallons of water have been stored/collected through ponds, tanks etc.
- 330 solar panels provided to grantees
- Over 200,000 people benefitting from the implementation of the projects

### Highlights of SCCAF Phase 1 Projects Successfully Completed

Three (3) projects are discussed in greater detail in this section. The first project includes three (3) sites, and the remaining two each has one (1) site. Note therefore that the numbering on the three (3) maps reflects site numbers 1-5.

**GRANTEE RESPONSIBLE:** Alligator Head Foundation (AHF)

**PROJECT TITLE:** Watershed Management Solutions for the Drivers River Watershed

**Thematic Area:** Soil Conservation/Protection of the Soil from Water Stress/Soil Erosion; Flood Prevention

**Purpose of the project:** The purpose of the project was to assist with the rehabilitation of degraded lands in the communities of Williamsfield, Nonsuch and Sherwood Forest in the Drivers River Watershed. The project is designed to increase awareness of the need for improved land management and demonstrate the effectiveness of varied land husbandry practices.



Map showing the location of the 3 sites where the Alligator Head Foundation (AHF) project was implemented (Site 1 – Williamsfield; Site 2 - Nonsuch; Site 3 – Sherwood Forest)





OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Reduce soil erosion and facilitate sustainable economic development in three (3) communities	Demonstration plots were established in the communities of Nonsuch, Sherwood Forest and AHF's location at Williamsfield. The demo plots and training workshops (that included field components) proved to be a highly effective method of imparting knowledge to the farmers. This was particularly effective with the introduction of new techniques such as the banana circle and the use of the A-frame to establish contours.	Three demonstration plots were established and sensitization sessions held in the targeted communities.
Increase levels of awareness and promote behaviour change in good watershed management practices in three (3) communities	Climate change adaptation and land management techniques were taught. Twenty-six (26) training sessions were held with farmers from Nonsuch, Sherwood Forest and Williamsfield.	Two hundred and eighty-two (282) people (169 males and 113 females) were trained
Improve soil conservation, mitigate sediment runoff and chemical pollution in the Drivers River and coastal waters affected by its discharge	A total of 17 soil samples were analysed and 9 water sampling activities completed. To improve soil conservation approximately 2,000 seedlings of pear, starfruit, ackee, lychee, jackfruit, soursop, and 1,050 pineapples were planted.	The project directly impacted 323 persons (194 males; 129 females). During implementation 19 people were employed. Over 3,000 fruit and timber seedlings were distributed to farmers
Develop an integrated watershed management plan for Drivers River watershed and surrounding environs	A Watershed Management plan was completed. The plan looked at the management of the terrestrial and marine spaces for effective management of the resources within the space - including ways to address the challenges posed by climate change. In partnership with the Coconut Industry Board 64 farmers from two (2) communities within the watershed and surrounding environs were engaged in improved agricultural practices and provided with coconuts and cash crops to promote intercropping. A coconut nursery was also established and participants received training in pest management.	64 farmers were impacted.



Farmer preparing a banana circle.



Adding compost to banana circle



Peace Corps volunteer leading the establishment of the banana circle.



Block raised beds under construction at Alligator Head Foundation demonstration plot



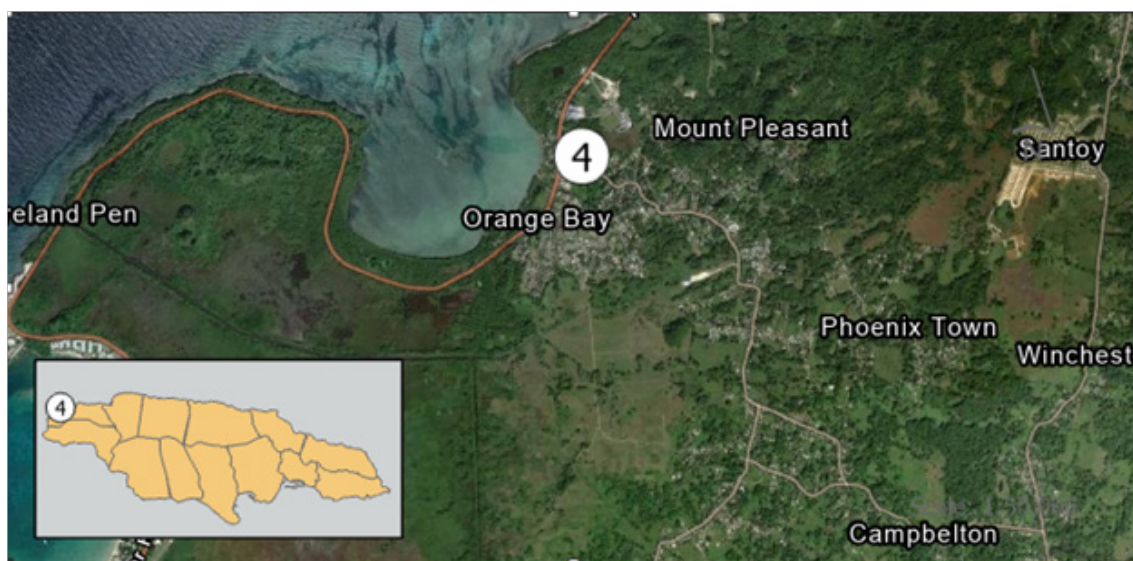
Farmers at Awareness training session.

**GRANTEE RESPONSIBLE:** Negril Area Environmental Protection Trust (NEPT)

**PROJECT TITLE:** Enhancing Tourism Resilience and Livelihood Protection in the Negril Area Resort Area

**Thematic Area:** Agro Tourism/Improving Resilience of Tourism Business

**Purpose of the project:** The aim of the project was to establish a tree coral nursery in the Orange Bay Special Fishery Conservation Area (SFCA) to grow Staghorn and Elkhorn corals which are very important reef building species. These trees will allow for the out planting of a minimum of 1,000 corals with an increase after the first year of out planting. Three Fish Aggregating Devices (FADs) will also be deployed to encourage the fisher folk in Orange Bay to catch coastal pelagic fish and allow the smaller reef fish to develop at the reefs in the sanctuary thus providing the spillover effect.

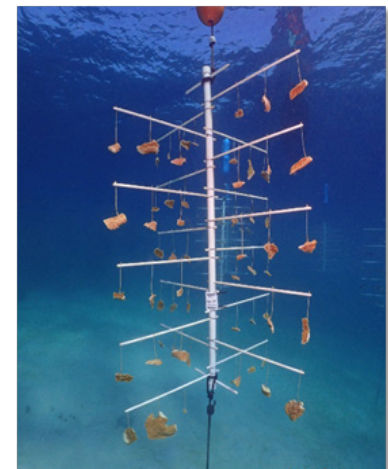


Map showing location of Negril Area Environmental Protection Trust (NEPT) project location

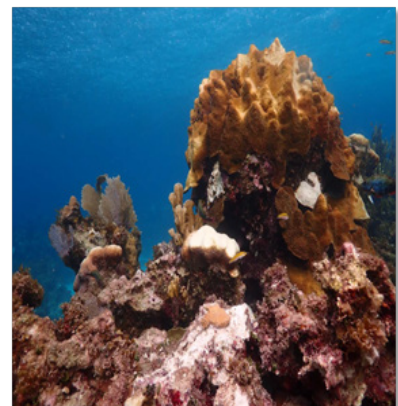




OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Establish a 20 "Tree" offshore coral nursery program that will produce coral for use in restoring reef areas located in and around the conservation areas of the Orange Bay Fish Sanctuary	A twenty (20) tree offshore coral nursery was established. Each tree has 20 branches and the frames of PVC pipes were assembled both on land and underwater. Coral fragments were also transplanted to bamboo "pop up" nursery frames located underwater. The divers reported an increase of schools of some species namely spotlight parrot, grunt and jack fish in the nursery within the first year of the project. The nursery also provided for a better experience for people at nearby resorts to go snorkeling and for people/hoteliers to do increased boat tours. Orange Bay Special Fishery Conservation Area is a protected area in the Negril EPA	A total of 1,300 coral fragments consisting of Staghorn and Elkhorn were out planted on trees as well as on bamboo frames located under water.  Seven (7) people were employed during the implementation activities.
Design and install three Fish Aggregation Devices that will reduce the number of fishermen caught fishing in the Orange Bay Special Fishery Conservation Area by 90 percent and also increase size catch of the fishing community by 70 percent	The Fish Aggregating Devices installed proved to be a vital fishing ground for the fishermen within the Orange Bay and Negril Area. Illegal fishing in the fish sanctuary has been reduced by 90%. Fishermen have experienced higher earnings through improvements in the weight of their catch. Size of the Orange Bay Special Fishery Conservation Area is approximately 535.51 hectares	Three (3) Fish Aggregating Devices installed.  Fifty-five (55) people (43 males and 12 females) have been directly impacted, while 75 households and over 200 people indirectly impacted by the project.
Engage 10 fishermen in the Mesh Exchange Programme for 4 weeks	Fishermen who participated in the Mesh Exchange Programme traded in an average of 4 pots each and the illegal pots were destroyed.	Ten (10) fishermen were impacted by the Mesh Exchange Programme.



Staghorn (*Acropora cervicornis*) coral and Elkhorn (*Acropora palmata*) coral planted on the "tree"



Fish Aggregating Device (FAD) being installed.

Elkhorn on the reef



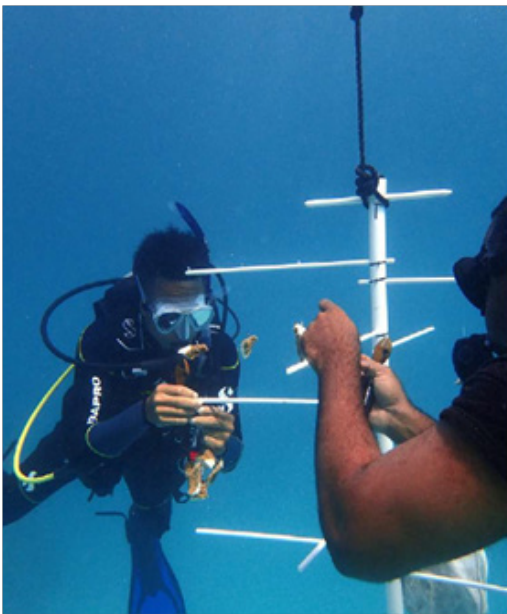
Assembling of the trees under water



Divers collecting the corals for planting



Divers conducting maintenance activities



Hanging the coral fragments on the tree





**GRANTEE RESPONSIBLE** Lucky Valley Primary School

**PROJECT TITLE:** Lucky Valley Primary School Aquaponics and Rainwater Harvesting System

**Thematic Area:** Water Management- Rainwater Harvesting

**Purpose of the project:** The Lucky Valley Primary School aquaponics and water harvesting system increased the school's adaptation to climate change and improved rain water collection and storage for the school's population of 135 individuals (125 students, 6 academic staff members, and 4 support staff members).



*Map showing Lucky Valley Primary School project location*

OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Construct storage tank	A 20,000 gallon concrete water storage tank was constructed.	291 students, teachers and community members were impacted directly. With each cohort of students the impact increases.
Connect guttering system to tank	60 feet of guttering were connected to the water storage tank to collect water from the school roof.	21 people were employed by the project.
Construct aquaponics system	A 1,500 sq. ft. greenhouse was constructed as part of the aquaponics system; however, due to inflation the budget was no longer sufficient to complete the remaining aquaponics inputs.	



20,000 gallon concrete water storage tank

Principal of Lucky Valley Primary School showcasing crops recently planted in the greenhouse.



## SCCAF Phase II

During the financial year, all six (6) grants were active with three (3) organisations receiving disbursements, two (2) completing implementation and one (1) project being closed. Total disbursements were J\$20.24 million.

Four (4) organisations namely Bullhead Mountain Benevolent Society; James Hill Community Development Committee; Summerfield Community Development Organisation and the Kellits Development Area Committee, which were previously involved in the construction of the MICRO check dams in the Northern Rio Minho Watershed were contracted to manage the planting of live barriers in their respective locations. The live barriers are being used as soil conservation measures to complement the MICRO check dams as well as for protection of property.

Bullhead Mountain Benevolent Society completed their activities in April 2021 which included distribution of 6,623 pineapple and 5,873 sugar cane suckers to 36 farmers and are depicted in the photos below.





*Pineapple suckers planted by Bullhead Mountain Benevolent Society on the slopes of a property located in James Hill, Clarendon*



*Pineapples planted adjacent to previously constructed MICRO check dams*



*A farmer alongside his pineapple plot in Morgan's Forest, Clarendon*



*Pineapple suckers growing on the property and along hillside in Morgan's Forest, Clarendon*







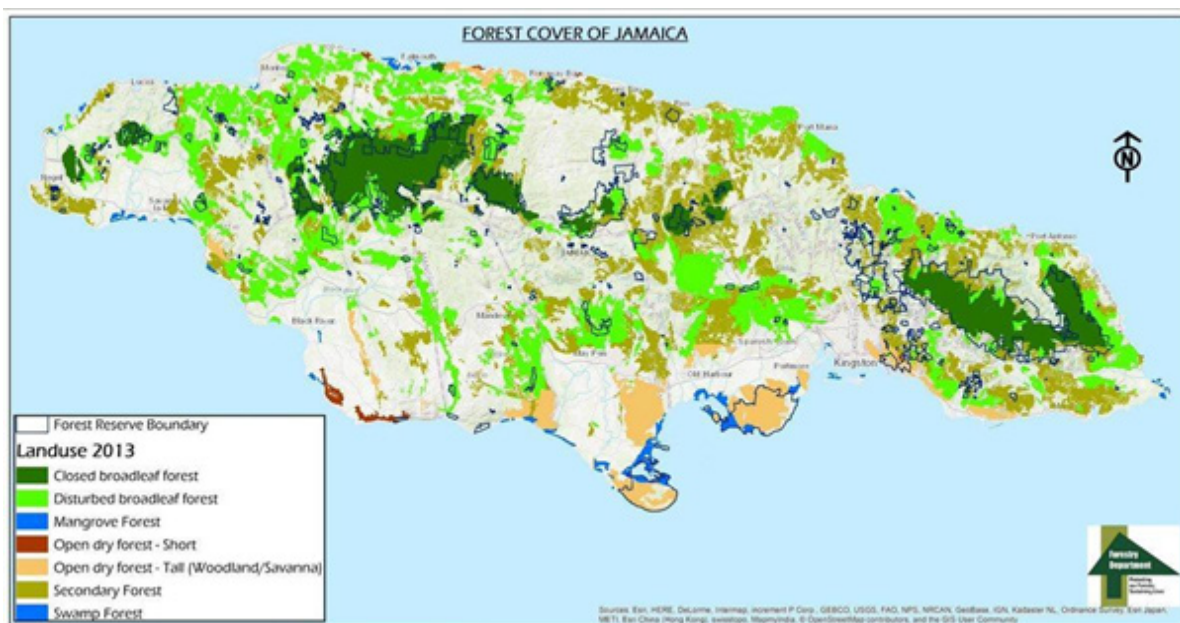
## FUNDING SOURCE: Forestry Department European Union Budgetary Support Programme

The European Union (EU) and the Government of Jamaica (GOJ) agreed on a programme of action geared towards Improved Forest Management for Jamaica (IFMJ) which will see the EU assisting the GOJ/ Forestry Department by way of Budgetary Support in implementing the Forest Policy for Jamaica 2017 (and supporting the National Forest Management and Conservation Plan (NFMCP 2016-2026).

The EFJ was appointed Fund Administrator for a part of the monies disbursed pursuant to the IFMJ and a Fund Administrator Agreement (FAA) was signed on January 31, 2019. Three Calls for Proposals have been conducted, which resulted in 46 grants awarded J\$240 million and being actively managed by the EFJ. The first Call (Call #1 - 2019) saw 26 proposals receiving grant awards of J\$126.42 million. The second (Call #2 - 2019) had 13 grant awards valued at J\$69.98 million, and the third (Call 2020) had 7 grant awards valued at J\$36.60 million.

During the 2020/2021 fiscal year, twenty-six (26) projects were completed and closed in accordance with the originally agreed scope of work. Total grant disbursements during the year were J\$82.11 million.

The FD EU Budgetary Support Programme was designed to address the decreasing forest cover of Jamaica (refer the map below) through the provision of gender sensitive alternative livelihoods for people in forest communities across Jamaica.



**Map of Jamaica showing Forest Cover**

The information below presents information on the twenty-five (25) projects which were closed as of June 30, 2021.

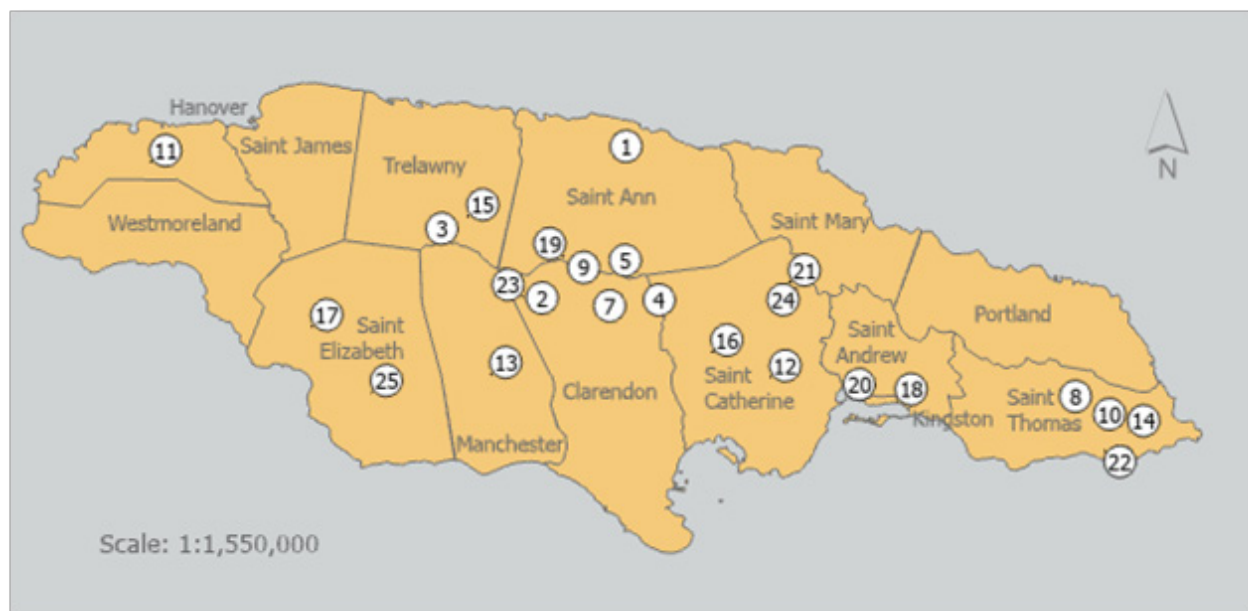
### Forestry Department EU Budget Support Programme Projects Closed at June 30, 2021

Of the twenty-five (25) projects closed at June 30, 2021: eighteen (18) projects were from Call #1 (2019); four (4) from Call #2; and three (3) from Call #3. These are listed in the table below with locations identified in the map which follows. Please note that the numbers in the table correspond to the numbers on the map.



## Projects Closed at June 30, 2021

No.	Organisation	Project Title
<b>Call #1 (2019)</b>		
1	Bamboo Primary School	Climate Smart Water Harvesting and Conservation at Bamboo Primary
2	Clarendon Municipal Corporation	Peckham Bamboo Utilization Project
3	Cockpit Country Local Forest Management Committee - <b>Troy</b>	Enabling Sustainable Livelihood in Cockpit Country through Agroforestry, Apiculture and Craft Production
4	Crofts Hill Farmers Group	Alternative Sustainable Investment for Crofts Hill Farmers Group
5	Douglas Castle/McNie CDC Benevolent Society	Environmental Preservation through Sustainable Alternative Livelihoods in Douglas Castle/McNie
6	Ebenezer Home for the Mentally Challenged	Farm Reforestation and Water Collection
7	Enablers of Community Advancement Projects and Initiatives (ECAPI)	Alternative Livelihood through Food Forests (ALiFFs)
8	Golden Valley JAS Group	Apiculture: Apiary Expansion and Honey Processing Facility
9	James Hill Farmers' Group	James Hill Medicinal Plants & Nutraceutical Project
10	Local Initiative Facility for the Environment	Establishment of Smart Agriculture Systems at Rockbrook Ecovillage, St. Thomas
11	Maryland All Age & Infant School	Maryland All Age and Infant School Rainwater Harvesting and Storage Project
12	New Horizon Christian Outreach Ministries	Renewing and Revitalizing our Community Green Spaces for Community Wealth and Income
13	Northern Caribbean University	Agroforestry Unit to Improve Agricultural Productivity and Sustainability
14	Source Farm Foundation & Eco Village	Smart Agriculture and Water Catchment at George William Gordon Organic Research Station (GWGORS)
15	Southern Trelawny Environmental Agency	STEA Ecotourism Project
16	Watermount Community Development Group	Improving Sanitation Practices and Nutritional Levels of Watermount Primary School through Water Harvesting and Smart Farming
17	White Hall Women's Farmers Group	White Hall Sustainable & Resilient Agri-Initiative Using Reservoir Technology Project
18	Youth Crime Watch of Jamaica	Rockfort, Encouraging Lifestyle for Viable Ecosystems
<b>Call #2 (2019)</b>		
19	Cave Valley Multi-purpose Cooperative Society	Apiculture (providing more income for small farmers)
20	Food For The Poor	Best Care Special Education School Shade and Vegetable Garden
21	Social Services Ministries Seventh Day Church of God	Preserving Mount Diablo and Mount Dawson Forest Reserves through Indoor Goat Rearing and Agroforestry
22	Source Farm Foundation & EcoVillage	The Regenerative Agro-Forestry Program for St. Thomas
<b>Call #3 (2020)</b>		
23	Central Jamaica Social Development Initiative	Creating Opportunities for Youth Alternative Livelihood through Value-added Sustainable Bamboo By-Products
24	Seventh Day Church of God International Ministries	Conserving the Mount Diablo Forest Reserve through Community Beekeeping
25	Stanmore Women Farmer's Group	Stanmore Smart Agriculture & Water Harvesting Project



**Map of Jamaica showing dispersion of the 25 projects closed at June 30, 2021**

Details regarding the number of projects approved and closed according to parish follow in the table below.

Parishes	Approved Projects	Closed Projects
Clarendon	6	5
Hanover	2	1
Kingston	2	2
Manchester	4	2
Portland	1	-
St. Andrew	1	-
St. Ann	6	3
St. Catherine	7	4
St. Elizabeth	6	2
St. Mary	1	-
St. Thomas	4	4
Trelawny	5	2
Westmoreland	1	-
<b>Total</b>	<b>46</b>	<b>25</b>

Approved and Closed FD EU Projects by Parish

Themes	Number of Approved Projects	Number of Closed Projects
Agroforestry	6	5
Apiculture	13	6
Bamboo Utilization	3	3
Craft Item Production	3	-
Eco-Tourism	2	1
Medicinal/Nutraceutical Products	1	1
Rainwater Harvesting	5	3
Reforestation	1	-
Smart Agriculture - Water Catchment Areas	10	6
Yam Stick Production	2	-
<b>Total</b>	<b>46</b>	<b>25</b>

Approved and Closed FD EU Projects by Theme

The Programme was designed to cater to projects across a wide array of thematic areas that are relevant to forest conservation and alternative livelihoods. The number of approved and closed projects within the different thematic areas are detailed in the table below.

### **Highlights of Forestry Department EU Projects Successfully Completed**

**GRANTEE RESPONSIBLE:** Crescent Women's Group

**PROJECT TITLE:** Crescent Women Group Straw and Bamboo Craft Project

**Thematic Area:** Craft Item Production

**Project Purpose:** The purpose of the project was to facilitate alternative livelihood as a strategy to reduce pressure on forests and promote good environmental practices. The project aims to enhance the economic and social development of women in Crescent District which forms part



of the Spanish Town Development Area, where unemployment is a major issue among women. Emphasis is being placed on the empowerment and autonomy of women and the improvement of the quality of their lives, as this plays a major role in stemming other underlying social issues and contributes to development at the local and international levels.

OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Establish training / manufacturing space for participants by November 2019	A 40ft shipping container was retrofitted for the training and manufacturing of bamboo and craft items.	55 males and 9 females were employed by the project
Sensitize and recruit at least 20 unskilled women in Crescent District for training by November 2019	A total of 5 seminars/workshops were held and material was distributed and utilized to teach concepts in environmental preservation.	27 females were trained in production of craft and bamboo items. As part of the environmental sensitization of the residents 13 seedlings (8 Honduras Mahogany and 5 Pouj) were planted in the community



*Bamboo and straw craft processing facility*



*Craft Items and Machines*

**GRANTEE RESPONSIBLE:** Douglas Castle/McNie CDC Benevolent Society

**PROJECT TITLE:** Environmental Preservation through Sustainable Alternative Livelihoods

**Thematic Area:** Agroforestry

**Purpose of the project:** This project established and promoted alternative livelihood opportunities for the benefit of farmers. These opportunities were expected to reduce poverty among rural people and create a greater scope for job creation.





OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Improve biodiversity and land management by reforesting 15 acres of sloping land by May 2020	13 acres or 5.2 hectares planted	2,082 seedlings were planted
Enhance the environment for food security and job creation by establishing and promoting apiculture by February 2020	30 colonies of bees were established and 40 farmers trained in apiculture.	Overall 124 people were trained in apiculture, nursery management and other agricultural practices. 70 people were employed by the project. J\$150,000.00 in revenue was generated for apiculture activities.
Convert shade house and operate a climate resilient seedling nursery by October 2019	A 3,000 sq. ft. greenhouse was rehabilitated	25 persons were trained in nursery management. J\$535,600.00 in revenue was generated.



*Apiary established under the project*



*Seedlings planted under the project*

**GRANTEE RESPONSIBLE:** Southern Trelawny Environmental Agency (STEA)

**PROJECT TITLE:** STEA Eco Tourism Project

**Thematic Area:** Eco Tourism

**Purpose of the project:** The purpose of the project is to enhance/upgrade STEA's ecotourism activities so that tourists visiting the Cockpit Country observe the species, and interact with residents of local communities. This will be achieved through the establishment of a 3 mile hiking trail in Rock Spring, expansion of employment opportunities through training in tour guiding for twenty (20) women and youth, and enhancing visibility of the Cockpit Country tours through increased promotion.





OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Develop a moderate 3 mile hiking trail attraction in Rock Spring community to diversify current eco-tourism attractions offered by STEA to tourists, while opening more employment and livelihood opportunities for women and youth in Cockpit Country	<p>A 4.8km or 3 mile hiking trail completed with a stone base was established in Rock Spring community. Concrete steps and wooden façade were installed. A fireplace was also built as an attraction along the trail.</p> <p>Youth from the community were trained as guides and community hosts for the newly established hiking trail.</p> <p>The marketing of STEA's activities via social media saw an increase in visits from tourists and students.</p>	<p>65 people were employed (42 males and 23 females)</p> <p>Twenty-eight (28) people were trained (16 males and 12 females) as guides and community hosts.</p> <p>17 people benefitted from alternative improved livelihoods (8 males and 9 females)</p>



*Establishing trail path, installing steps, padding pathways, controlling water flow*



*Building safety barriers and façade with along the trail*



*Visitors pause to take a photograph along the trail*





*Training session being conducted with 20 participants*

**GRANTEE RESPONSIBLE:** The Source Farm Foundation

**PROJECT TITLE:** The Regenerative Agro-Forestry Program for St. Thomas

**Thematic Area:** Agroforestry

**Purpose of the project:** The main purpose of the project is to offer farmers in St. Thomas a more appropriate agro-forestry approach that will allow for the regeneration of the forest while creating an income stream as the hardwood and fruit trees mature. This project offers a diversity of components by introducing old and new methods as well as new technologies in this regenerative model. Traditional indigenous practices include guild planting, intercropping, multi-story cropping and short, medium- and long-term yield scheduling for cash crops.



*Delivery of trees to distribution areas and sorting of trees*





OBJECTIVES	EXTENT OF ACHIEVEMENT	IMPACT
Introduce more efficient and effective, regenerative farming models for our tropical zone	A crop plan was developed for each of the 10 farms by a consultant in collaboration with the farmers. A planting map was also produced and soil and water tests conducted for all farms. Crop plans are being implemented based on planting guides. Farmers received training in regenerative agroforestry systems.	Nineteen (19) people – 10 males and 9 females were trained in regenerative agro-forestry systems.
Build the capacity of farmers for greater and future independence and financial success	The group has been registered as an entity under the name (Ujima Naturals). Work has started on the development of a business plan for the group.	Nineteen (19) people – 10 males and 9 females were trained in regenerative agro-forestry systems. During implementation twenty-one (21) people were employed – 11 males and 10 females.
Provide more capacity for water storage to help mitigate climate change risk	Farmers are knowledgeable in the setting up of storage tanks and irrigation systems. Some farmers were provided with additional fittings, pipes and hoses due their particular site and have a reliable source of irrigation for their crops.	Nineteen (19) farmers (10 males and 9 females) were trained in the use of the irrigation system. Ten (10) 1,000 plastic water storage tank along with 0.25 acre of drip irrigation hose were distributed.
Within 1 year the farmers will have increased production to supply the post-harvest center at GWG Organic Research Station and Farm Hub for farmer's market and supermarkets	The farmers are currently implementing the tree planting as well as other planting materials required in their regenerative planting plans. They are currently waiting for cover crop seeds and other organic seeds to be imported into Jamaica. The team continues to work on a comprehensive planting and mapping plan. The group is working with Elixer Lab (US IT volunteer group) to design a data collection system and with FSU on a digital mapping system to track plants in the system.	Approximately 4,048 seedlings of fruit and agricultural species were planted on the 10 farms.



Delivery of seedlings to farmers



Farmers with their 1,000 gallon water storage tank



## The way forward

EFJ's most recent grant making activities continue to emphasize the significant financial, organisational and capacity challenges being faced by some members of the NGO and CBO community. This has been further compounded by the impact of the COVID-19 pandemic. However, EFJ has continued to ask grantees with greater capacity in certain areas to partner with the weaker ones to successfully implement projects. While we are certain that the grants to be awarded under the TFCA 2020/2021 institutional capacity programme will provide some well-needed assistance, EFJ continues to explore other approaches that could further enhance the capacity of our grantees and members.

The GMC remains mindful of the changing needs of donors and beneficiaries and will continue making adjustments to have the biggest sector impact.

## HUMAN RESOURCE AND COMPLIANCE COMMITTEE REPORT

### Compliance

The EFJ prides itself on being compliant with all its organisational and statutory responsibilities. As it relates to statutory compliance, for 2020/2021 the EFJ fulfilled all of the following obligations:

- ✓ all statutory payments were made in full and on time. During the financial year the Taxpayer Audit and Assessment Department conducted a compliance audit of the EFJ; a function of its Pensions, Charities and Other Statutory Exemptions Unit. The EFJ was found to be operating within the Objects and Powers of its Articles and fully compliant with its payroll and other statutory obligations.
- ✓ filings with the Companies Office of Jamaica are up to date,
- ✓ reporting to the Department of Cooperatives and Friendly Society are current and all filings were completed during the financial year.

Among some of the organisational requirements, we can report that:

- ✓ the Congressional Report to the US State Department was submitted prior to the deadline.
- ✓ procurement procedures were strictly followed, and
- ✓ Fund Administration Agreement periodic reports were submitted per individual agreements.

### Staff

There were no staff changes during the fiscal year and the staff complement remains eight (8) people. Due to the pandemic, work from home arrangements and policies remained in place though staff rarely exercised that option.

The covid-19 virus also impacted the internship programme with the students of the University of the West Indies, Mona. The programme was suspended for this the second consecutive fiscal year. The programme will resume as soon as it is safe to do so.



## EFJ's ENDOWMENT TRUST REPORT

### Source of Funds:

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

From PL480 funds - J\$62,875,301.81

From AID DEBT Funds - J\$22,124,698.19

A decision was taken during the 2012/2013 financial year that the Trust would offer support to the EFJ's operations. The amount of J\$20,531,650.00 was given as a long term note receivable. As of July 31, 2021 this amount is still outstanding.

The EFJ consolidated its operations with those of Jamaica Protected Areas Trust (JPAT) in the 2015/2016 reporting year.

- During the fiscal year 2016/2017 the EFJ's Endowment Trust received the amounts set aside by JPAT for the FCF Endowment of US\$582,773.53 and J\$516.25 million. This was in keeping with the decision to merge the operations of JPAT/FCF and EFJ.

Based on the JPAT policy, 50% of all annual Government of Jamaica (GOJ) inflows are immediately placed on the Endowment Trust. Table E1 below details the receipt of funding over the years.

**Table E1: Corpus of the EFJ Endowment Fund**

Year	Details	AID DEBT	PL480	TFCA
2011/2012		22,124,698.19	62,875,301.81	
2012/2013	Loan to EFJ	(5,338,229.00)	(15,193,421.00)	
2016/2017	Transfer from JPAT			516,250,054.82
2016/2017	US\$582,773.53 - transfer from JPAT			74,187,070.37
2016/2017	50% of TFCA Annual Receipts			24,904,284.35
2017/2018	50% of TFCA Annual Receipts			48,041,725.39
2018/2019	50% of TFCA Annual Receipts			48,677,233.05
2019/2020	50% of TFCA Annual Receipts			49,943,708.01
2020/2021	50% of TFCA Annual Receipts			38,988,702.71
		<b>16,786,469.19</b>	<b>47,681,880.81</b>	<b>762,004,075.99</b>

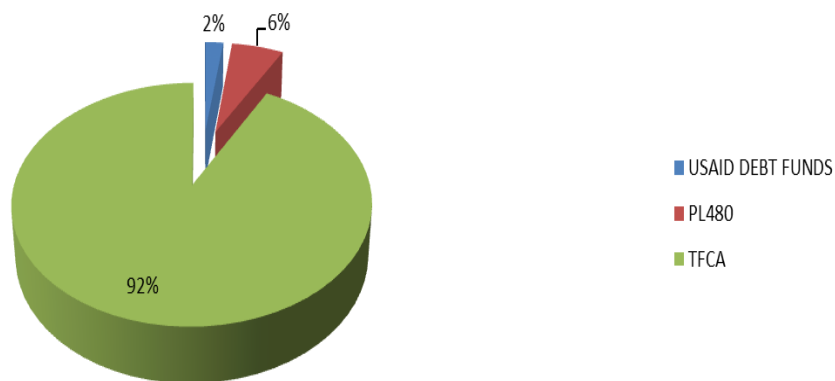
- It should be noted that for the current fiscal year (2020/2021) J\$38.99 million was transferred in from the FCF GOJ receipts.

Funds from the various sources should not be comingled and are accounted for separately. From the data in Table E1 we note that the majority of funds, 92%, is from the FCF.





## Source of Funds



## Investments and investment returns

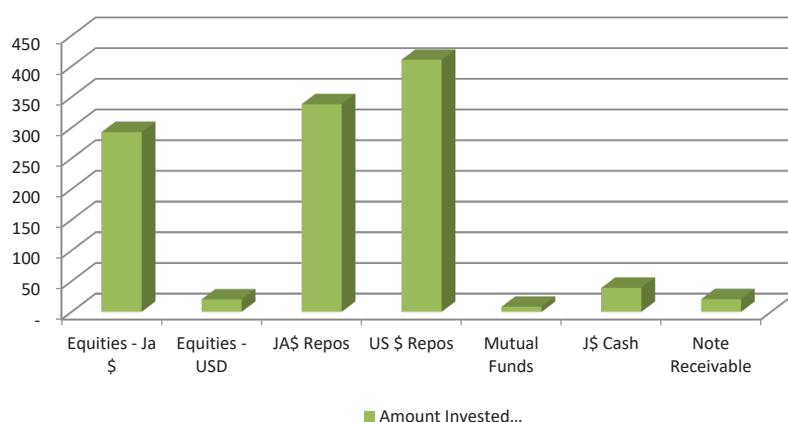
In the 2019/2020 financial year most financial institutions exited the repurchase agreement (repo) market. The EFJ Endowment Trust had most of its investments in repos. This, along with the need to have significant growth in the Endowment Fund, led the Board of Directors to widen the asset classes for which funds from the Endowment can be invested. However, the pandemic led to economies globally contracting and significant fall out in investments. The EFJ chose to retain its investments primarily in cash and near cash investments and therefore was not as badly affected as would have been expected.

The asset classes and associated amounts are listed below in Table E2.

**Table E2: EFJ Endowment Fund Asset Class**

Asset Class	Amount Invested
Equities	312,815,374.94
JA\$ Repurchase Agreements	338,088,706.69
US \$ Repurchase Agreements	410,524,617.23
Mutual Funds	8,142,396.38
J\$ Cash	38,988,702.71
Note Receivable	20,531,650.00
<b>Total</b>	<b>1,129,091,447.95</b>

## Asset Class







Investment returns on the Endowment Fund for the period were J\$57.68 million compared to a loss of approximately \$7.39 million in the prior year. Of the total return (of J\$57.68 million) J\$41.71 million were realised gains. Table E3 lists the returns for the fiscal year.

**Table E3: EFJ Endowment Fund Investment Returns**

Endowment Fund Investment Returns	
<b>Realised Gains/(loss):</b>	
Dividends - J\$	2,316,921.25
Dividends - US\$	245,752.07
Interest income - J\$ Repo	12,130,359.77
Interest income - US\$ Repo	9,251,072.35
Exchange gain / (loss) - Equities	2,024,331.01
Exchange gain / (loss) - Repos	15,737,306.01
	41,705,742.46
<b>Unrealised Gains / (Loss):</b>	
Mutual Funds	120,317.94
Equities - J\$	19,155,484.84
Equities - US	(3,305,581.85)
	15,970,220.93
Net Position	57,675,963.39

The total value of the Endowment at July 31, 2021 is J\$1.13 billion.

## Trustees

No new Trustees were appointed during the reporting period.

## FINANCE & GENERAL PURPOSES COMMITTEE REPORT

### REVENUES:

#### Fund Receipts

In keeping with the TFCA schedule of payments the EFJ received a total of J\$77.98 million from the Government of Jamaica. J\$38.99 million or fifty percent (50%) of this payment was earmarked for the EFJ Endowment Fund. The GOJ is scheduled to make TFCA payments into the EFJ until 2024 and a balance of US\$1.44 million is outstanding, per TFCA Agreement, as of July 31, 2021.

#### Investment Income

There were realised gains of \$5.48 million during the year on the operational investments. These gains are attributable to TFCA/FCF - J\$3.48 million and J\$2.09 million on Americas Funds (broken down as J\$1.22 million on PL480 Funds and J\$0.78 million on Aid Debt Funds).

Equity Investments, held with BPM Financial Ltd, recorded unrealised gains of J\$7.44 million - a reversal of the position of the prior year where a J\$21.44 million loss was booked.



## Other inflows

### *European Union/ Forestry Department Fund Administrator Agreement*

The EFJ entered into a Fund Administration Agreement (FAA) with the Forestry Department on January 31, 2019. The objective of the agreement, undertaken pursuant to the European Union Budget Support Programme, was to sustainably manage and utilize Jamaica's forest resources to enhance social and economic development. One specific activity under the programme was to provide grants, through the "upscaling" of existing alternative livelihood projects, to support forest communities. There was to be a particular focus on gender in these projects.

A total of \$240 million was awarded in grants to 46 projects. Inflows from the Forestry Department during the financial year were J\$120 million.

### *Fund Administration Fees*

J\$10.80 million was earned during the financial year on the administration of the above mentioned EU/Forestry Department FAA.

### *Rental Income*

Rental income earned during this fiscal year totalled J\$1.71 million. This income was earned from the rental of a section of the ground floor of the EFJ's office building.

### *Disposal of Fixed Assets*

During the financial year the EFJ sold one of the motor vehicles in its fleet. J\$0.76 million was earned on the sale.

## **EXPENDITURES**

### **Administrative Expenses**

The Assignment, Assumption and Amendment Agreement signed on June 29, 2015 at Section 4.1(d) states that the total Administrative Expenses should not exceed US\$450,000.00 without the unanimous approval of the Permanent Directors. At the prevailing exchange rate Administrative Expenses would be capped at J\$69.42 million.

Actual Administrative Expenses totaled J\$53.57 million for the fiscal year, a J\$5.45 million increase over the prior year's actual expenditure and J\$15.85 million below the upper limit. At 62% of the overall expenditure, the line item "Staff costs" was the highest component of Administrative expenses.

### **Managed Fund Expenses**

Direct expenses for Fund Administration totaled J\$0.84 million. Of this total \$0.15 million related to the SCCAF and \$0.69 million was for expenditure on the EU/Forestry Department Fund Administrator Agreement.

### **Grant Disbursements:**

From the EFJ's five (5) funding sources grant disbursements took place under three of them.

#### **Special Climate Change Adaptation Fund**

Disbursements to Phase 1 grants for the financial year were \$16.39 million, cumulatively \$561.82 million of the \$621 million awarded has now been paid out.



For Phase 2 of the SCCAF grant disbursements were J\$20.24 million which now means that of the J\$148.43 million awarded a total of J\$137.14 million has been disbursed.

### **European Union / Forest Department Fund Administration Agreement**

Grant disbursements for the year were J\$81.88 million. Of the total grant awards of J\$240 million J\$213.32 million has been paid out to the organisations at July 31, 2021.

### **TFCA Funds**

Gross disbursements under the TFCA of J\$2.10 million were made while there was a refund of J\$0.49 million (yielding a net disbursement of J\$1.61 million) for the fiscal year.

### **Aid Debt Funds**

No grant disbursements were made during the year.

### **PL480 Funds**

The EFJ made no grant disbursements during the year.

When viewed as a cumulative, total grant disbursements (inclusive of bank charges) made for the financial year were J\$120.11 million.

## **CAPITAL EXPENDITURES**

The EFJ also undertook capital expenditures during the financial year of J\$7.20 million. These amounts were spent on:

- Motor Vehicles – J\$5.00 million
- Software Development – J\$1,774,595.00
- Computers – J\$367,220.00
- Office Equipment – J\$53,960.00





**Environmental Foundation of Jamaica**  
(A foundation limited by guarantee)

**Financial Statements**  
**31 July 2021**



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Index

31 July 2021

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	Page
<b>Independent Auditor's Report to the Members</b>	
<b>Financial Statements</b>	
Statement of changes in the Americas' and TFCA's Funds	38
Statement of financial position	39
Administrative Income & Expenditure Statement	40
Statement of cash flows	41
Notes to the financial statements	42 - 68



## Independent auditor's report

To the Members of Environmental Foundation of Jamaica

### Report on the audit of the financial statements

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#### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Environmental Foundation of Jamaica (the Foundation) as at 31 July 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

#### What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at 31 July 2021;
- the statement of changes in the America's and TFCA's Funds;
- the administrative income and expenditure statement;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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#### Basis for opinion

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

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

#### Independence

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

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

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





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### **Responsibilities of management for the financial statements**

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

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

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### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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**Report on other legal and regulatory requirements**

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

*PricewaterhouseCoopers*

Chartered Accountants  
Kingston, Jamaica  
13 December 2021



## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

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

Year ended 31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	(Americas) Fund I \$'000	(Americas) Fund II \$'000	(TFCA) Fund III \$'000	2021 \$'000	2020 \$'000
<b>Fund Receipts</b>				38,989	38,989	49,944
Investment income earned		1,217	781	3,485	5,483	4,220
		1,217	781	42,474	44,472	54,164
Unrealised gain/(loss) on FVPL investments	11	7,444			7,444	(21,437)
		8,661	781	42,474	51,916	32,727
<b>Less:</b>						
Project grants disbursed, net	5			(1,610)	(1,610)	(6,261)
Transfers to administration				(38,989)	(38,989)	(24,944)
Investment advisers' fees	9	(623)	(131)		(754)	(812)
		(623)	(131)	(40,599)	(41,353)	(32,017)
Surplus for year		8,038	650	1,875	10,563	710
Reclassification (prior year ECL)						164
Fund balance at beginning of year		12,896	88,887	138,958	240,741	239,867
Fund balance at end of year		20,934	89,537	140,833	251,304	240,741







# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Statement of Financial Position

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
<b>Non-Current Assets</b>			
Property, plant and equipment	10	20,354	17,368
Beneficial interest in endowment fund	12	1,129,092	1,032,206
Investment securities	11	93,713	84,270
		1,243,159	1,133,844
<b>Current Assets</b>			
Other assets	13	840	12,535
Short term investment	11, 12	131,901	133,418
Cash and bank	14	123,346	123,332
		256,087	269,285
<b>Current Liabilities</b>			
Accounts payable and accrued charges	15	8,838	9,370
Due to endowment fund		20,532	20,532
Managed funds	16	101,551	110,268
		130,921	140,170
<b>Net Current Asset</b>		125,166	129,115
		1,368,325	1,262,959
<b>Equity and Capital</b>			
Administration fund-expenses recoverable	17	(21,676)	(20,044)
Capital reserves	18	9,684	10,134
Funds in Trust - Endowment Fund		1,129,013	1,032,128
TFCA funds		140,833	138,958
Americas' funds		110,471	101,783
<b>Total Equity and Capital</b>		1,368,325	1,262,959

Approved on behalf of the Board of Directors on December 13, 2021 and signed on its behalf by:

Dale Webber/ Chairman

Ian Watson, Treasurer



## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Administrative Income & Expenditure Statement

**Year ended 31 July 2021**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Transfers from TFCA		38,989	24,944
Transfers from Capital Reserves		450	450
Administration Fees	16(b)	10,800	13,119
Other Income			4,265
		<u>2,541</u>	
		<u>52,780</u>	<u>42,778</u>
<b>Expenditure</b>			
Administrative Expenses	7	(53,569)	(48,122)
Other Expenses - Managed Funds		(843)	(4,890)
<b>Total Expenditure</b>		<u>(54,412)</u>	<u>(53,012)</u>
<b>Deficit Income over Expenditure</b>		<u><u>(1,632)</u></u>	<u><u>(10,234)</u></u>





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

## Statement of Cash Flows

**Year ended 31 July 2021**

(expressed in Jamaican dollars unless otherwise indicated)

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Cash Flows from Operating Activities</b>		
Surplus for year	10,563	710
Adjustments for:		
Depreciation	4,210	3,337
Decrease in amount due to Administration Fund	(1,632)	(10,234)
Investment income	12,927	(17,217)
	<u>26,068</u>	<u>(23,404)</u>
Changes in operating assets and liabilities:		
Other assets	11,695	(1,901)
Accounts payable and accrued charges	(532)	1,465
Managed funds	(8,717)	(107,703)
Cash provided by/(used in) operating activities	<u>28,514</u>	<u>(127,741)</u>
<b>Cash Flow from Investing Activities</b>		
Investments	(9,444)	19,801
Endowment Fund	(96,886)	(48,646)
Investment in property, plant and equipment	(7,196)	(661)
Interest received	(12,927)	17,359
Cash used in investing activities	<u>(126,453)</u>	<u>(12,147)</u>
<b>Cash Flow from Financing Activities</b>		
Increase in Funds in Trust	96,886	48,646
Capital Reserves	(450)	(450)
Cash Flow from Financing Activities	<u>96,436</u>	<u>48,196</u>
<b>Decrease in cash and cash equivalents</b>	<u>(1,503)</u>	<u>(91,692)</u>
Cash and cash equivalent at beginning of year	<u>256,750</u>	<u>348,442</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>255,247</u></u>	<u><u>256,750</u></u>
<b>Represented by:</b>		
Cash and bank	123,346	123,332
Short term investments	<u>131,901</u>	<u>133,418</u>
	<u><u>255,247</u></u>	<u><u>256,750</u></u>





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

**31 July 2021**

(expressed in Jamaican dollars unless otherwise indicated)

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## 1. Identification and Activities

Environmental Foundation of Jamaica (the Foundation) is limited by guarantee and was incorporated in Jamaica on 18 November 1992. The Foundation was established pursuant to an agreement between the Government of the United States of America and the Government of Jamaica concerning the establishment of an Enterprise for the Americas Initiative. This agreement referred to as "The Enterprise for the Americas Initiative Framework Agreement" (EAI Agreement) was signed on 26 November 1991 and amended effective 27 August 1993. The agreement provides for the creation of a special Americas Fund to be administered by the Foundation in accordance with agreement terms and the Foundation's Memorandum and Articles of Association.

The main objectives of the Foundation which are in conjunction with the EAI Agreement are as follows:

- (i) to promote and implement activities designed to conserve and manage the natural resources and environment of Jamaica in the interest of sustainable development and;
- (ii) to encourage the improvement of child survival and child development in Jamaica.

The Foundation pursues its objectives mainly through the granting of funds to organisations, for qualified projects based on established criteria, by carrying out specific educational activities and rendering technical assistance towards its objectives. Operations commenced in August 1993.

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

The Forest Conservation Fund (FCF) was established pursuant to the Tropical Forest Conservation Act (TFCA) of 1998. The TFCA was enacted to offer eligible developing countries relief from identified official debt owed to the United States of America while at the same time generating funds to support local tropical forest conservation activities. The FCF promotes conservation, sustainable management and use of natural resources, including forests, for the benefit of local communities. The Forest Conservation, Debt Swap and Swap Fee Contractual Agreements were signed on September 21, 2004 by the Governments of Jamaica and the United States of America, The Nature Conservancy and the Jamaica Protected Areas Trust (JPAT). This paved the way for the creation of the FCF. The GOJ will deposit a total of US\$16 million into the FCF over a period of nineteen years (2005-2024).

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

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





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies

### (a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in Note 4.

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

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

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

- Amendments to IAS 1 and **IAS 8** on the definition of material, (effective for annual periods beginning on or after 1 January 2020, (1 August 2020 for the Foundation)). These amendments to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies', changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about material information. The adoption of this amendment did not have a significant impact on the Foundation.
- **Amendment to IFRS 3 -definition of a business** (effective for annual periods beginning on or after 1 January 2020 (August 1, 2020 for the Foundation)). This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. The adoption of this amendment did not have a significant impact on the Foundation.
- Amendment to IFRS **9**, **IAS 39** and IFRS 7 (effective for annual periods beginning on or after 1 January 2020 (August 1, 2020 for the Foundation)) - Interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries. The adoption of this amendment did not have a significant impact on the Foundation.
- **Amendment to IFRS 16, 'Leases' - COVID-19 related rent recession**, (effective for annual periods beginning on or after 1 June 2020). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral or lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event of condition that triggers the reduced payment occurs. The adoption of this amendment did not have a significant impact on the Foundation.

## ***Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Foundation***

The Foundation has concluded that the following standards which are published but not yet effective are relevant to its operations and will impact its accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Foundation's accounting periods beginning on or after 1 August 2020, but the Foundation has not early adopted:

- **Amendment to IAS 1 -Presentation of Financial Statements, classification of liabilities as current or non-current** (effective for annual periods beginning on or after January 1, 2022). This amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarify what IAS 1 means when it refers to the settlement of a liability. The adoption of this standard is not expected to have a significant impact on the Foundation.
- **Amendment to IAS 16 Property, Plant and Equipment (PP&E)** (effective for annual periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not and output of the entity's ordinary activities. The adoption of this standard is not expected to have a significant impact on the Foundation.
- **Amendment to IAS 37- Onerous Contracts, cost of fulfilling a contract** (effective for annual periods beginning on or after 1 January 2022) - This amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling a contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises and impairment loss that has occurred on assets used in fulfilling the contract. The adoption of this standard is not expected to have a significant impact on the Foundation.

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

## **(b) Government of Jamaica Receipts**

Government of Jamaica payments received by the Foundation under the Enterprise of the Americas Initiative Framework Agreement are recorded when received and credited directly to the Americas' Funds Account until disbursed.

Payments from the Government of Jamaica under the Forest Conservation Agreement received through JPAT are equally divided between the EFJ Endowment Fund and the Forestry Conservation Fund (FCF) operational accounts.

## **(c) Income recognition**

Interest income is recognised in the Americas' Funds for all interest-bearing instruments which is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

allowance). Interest income is recognised where it is earned from financial assets that are held for cash management purposes. Interest income includes income earned on cash and cash equivalent accounts held.

Dividends are recognized when the Foundation's right to receive payment is established, it is probable the economic benefits will flow to the Foundation and the amount can be measured reliably. The Foundation recognizes dividends in Statement of Changes in the Americas' and TFCA's Funds (profit and loss account).

## (d) Foreign currency translations

### **Functional and presentation currency**

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

### **Translation and balances**

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the year end date monetary assets denominated in foreign currency are translated using the closing exchange rate. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange difference on unsettled foreign currency monetary assets are recognised in the Americas' Funds.

## (e) Employee benefits

Employees' entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year-end date.

## (f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its remaining useful life. Annual depreciation rates are as follows:

Building	2.5% - 12.5%
Motor vehicles	20%
Computers	25%
Furniture and fixtures	10%

Freehold land is not depreciated.

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

Repairs and maintenance are charged as administrative expenses during the financial period in which they are incurred. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining administrative fund balance.





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## (g) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

The Foundation classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVPL), and
- those to be measured at amortised cost.

The classification depends on the Foundation's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss (statement of changes in Americas' and TFCA's Funds). For investments in equity instruments that are held for trading, Management has accounted for the equity investment at fair value through profit and loss (FVPL).

### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on settlement date. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

### (iii) Measurement

#### *Debt Instruments*

Measurement of debt instruments depends on the Foundation's business model for managing the asset and the cash flow characteristics of the asset. The Foundation classifies its debt instruments into two measurement categories:

**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 the income statement 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 income statement.

**FVPL:** 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 measured at FVPL is recognised in profit or loss in the period in which it arises.

The Foundation subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVPL are recognised in the income statement.





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

### (g) Financial Instruments (continued)

#### (iv) Impairment

The Foundation assesses its financial assets at amortised costs on a forward-looking basis the expected credit losses (ECL) associated with its financial assets classified at amortised cost and debt instruments measured at FVPL.

#### Application of the General Model

The Foundation applied the 'general model' as required by IFRS 9 for debt instrument other than trade receivables. Under this model, the Foundation is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVPL. The ECL **will** be recognised in the profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.

The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time values of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 - 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 - When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 - Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Foundation uses judgement when considering the following factors that affect the determination of impairment:

- Assessment of credit risk; this is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Foundation compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Foundation's existing risk management processes. At each reporting date, the assessment of a change in credit risk **will** be individually assessed for those considered individually significant and at the segment level for retail exposures. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

### (g) Financial Instruments (continued)

- **Macroeconomic Factors and Forward-Looking Information**  
The Foundation applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination.

Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions. The Foundation uses three scenarios that are probability weighted to determine ECL.

Expected Life when measuring ECL, the Foundation considers the maximum contractual period over which the Foundation is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Foundation is exposed to credit risk and where the credit losses would not be mitigated by management actions.

The Foundation classifies its investments as fair value through profit and loss (FVPL) and amortized cost investments. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

### (h) Cash and cash equivalents

Cash and cash equivalents are carried at the year end at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances, deposits held on call with banks, other short-term highly liquid investments with maturity dates of less than 90 days.

### (i) Accounts payable

Accounts payable are stated at historical cost.

### (j) Administration fund/deferred income

Where funds received for administration expenses are insufficient to cover these expenses, the over expended balance, referred to as Administration Fund - expenses recoverable, is recoverable from the Americas' Funds. While funds received for administration expenses, which are unexpended, are referred to as Administration Fund - deferred income. Refer to note 17 for details.





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

### (k) Capital reserves

The cost of property, plant and equipment acquired from Government of Jamaica EAI receipts, for administrative purposes, is credited directly to capital reserves and is written off to the administration fund account over the useful lives of the relevant assets.

### (l) Americas' funds

As outlined in Note 1, the EAI Agreement provides for the establishment of a special Americas' Fund to be administered by the Foundation in pursuit of its objectives. Under this arrangement, specific amounts due by the Government of Jamaica to the Government of the United States of America are paid into the fund in accordance with provisions of two debt reduction agreements (Agreement I and Agreement II). Agreement I relate to funds owed under the U.S. PL480 programme and Agreement II relates to funds owed under a specific USAID debt Agreement.

In accordance with the EAI Agreement, all funds deposited into the Fund, including investment income earned belongs to the Government of Jamaica until disbursed in accordance with stipulated guidelines.

The two funds should not be co-mingled.

### (m) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

### (n) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources **will** be required to settle the obligation, and a reliable estimate of the amount can be made.

## 3. Financial Risk Management

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

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

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





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (a) Credit risk

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

#### **Credit review process**

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

#### (i) Investments

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

#### (ii) Cash

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

#### **Maximum exposure to credit risk**

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

	2021 \$'000	2020 \$'000
Investment securities	1,276,839	1,181,056
Cash and bank	123,346	123,332
Other assets	840	12,535
	<u>1,401,025</u>	<u>1,316,923</u>

#### **Exposure to credit risk for investment securities**

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

	2021 \$'000	2020 \$'000
Endowment Fund	1,129,092	1,032,206
Government of Jamaica Securities	15,846	15,432
Corporate	131,901	133,418
	<u>1,276,839</u>	<u>1,181,056</u>





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (b) Liquidity risk

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

#### **Liquidity risk management process**

The Foundation's liquidity management process includes:

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

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

#### **Undiscounted cash flows of financial liabilities**

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

	Within 1 Month \$'000	1to 3 Months \$'000	3to 12 Months \$'000	Over 12 months	Total \$'000
<b>2021</b>					
Accounts payable and accrued charges	781	43	8,014		8,838
Due to Endowment Fund	-	-	-	20,532	20,532
Managed funds	-	100,550	-	1,001	101,551
	<b>781</b>	<b>100,593</b>	<b>8,014</b>	<b>21,533</b>	<b>130,921</b>
<b>2020</b>					
Accounts payable and accrued charges	485	69	8,816		9,370
Due to Endowment Fund	-	-	-	20,532	20,532
Managed funds	-	109,267	-	1,001	110,268
	<b>485</b>	<b>109,336</b>	<b>8,816</b>	<b>21,533</b>	<b>140,170</b>

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



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk

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

### Currency risk

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

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

### Concentrations of currency risk:

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

	2021		
	Jamaican\$ J\$'000	United States\$ J\$'000	Total J\$'000
<b>Financial Assets</b>			
Investments	93,713	-	93,713
Short term investments	131,901	-	131,901
Beneficial interest in endowment fund	719,813	409,279	1,129,092
Cash and bank	121,973	1,373	123,346
Other assets	840		840
Total financial assets	1,068,240	410,652	1,478,892
<b>Financial Liabilities</b>			
Accounts payable and accrued charges	8,692	146	8,838
Due to Endowment fund	20,532	-	20,532
Managed funds	101,551	-	101,551
Total financial liabilities	130,775	146	130,921
<b>Net financial position</b>	937,465	410,506	1,347,971





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### Currency risk (continued)

	2020		
	Jamaican \$ J\$'000	United States \$ J\$'000	Total J\$'000
<b>Financial Assets</b>			
Investments	84,270	-	84,270
Short term investments	133,418	-	133,418
Beneficial interest in endowment fund	933,852	98,354	1,032,206
Cash and bank	122,010	1,322	123,332
Other assets	12,535		12,535
Total financial assets	1,286,085	99,676	1,385,761
<b>Financial Liabilities</b>			
Accounts payable and accrued charges	9,224	146	9,370
Due to Endowment fund	20,532	-	20,532
Managed funds	110,268	-	110,268
Total financial liabilities	140,024	146	140,170
<b>Net financial position</b>	<b>1,146,061</b>	<b>99,530</b>	<b>1,245,591</b>

#### Foreign currency sensitivity

The following tables indicate the currencies to which the Foundation had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis shows the impact of translating outstanding foreign currency denominated monetary items, assuming changes in currency rates shown in the table below. The sensitivity was primarily as a result of foreign exchange gains and losses on translation of US dollar-denominated investments. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	%Change in Currency Rate 2021	Effect on Equity and Capital 2021 \$'000	%Change In Currency Rate 2020	Effect on Equity and Capital 2020 \$'000
<b>Currency:</b>				
USD	+2	(8,201)	+2	(1,992)
USD	-6	24,630	-6	5,972





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### Interest rate risk

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

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

	Within 1 Month \$'000	1 to 3 Months \$'000	Non-Interest Bearing \$'000	Total \$'000
<b>2021</b>				
<b>Assets</b>				
Investments	4	15,846	77,863	93,713
Beneficial interest in endowment fund	38,989	680,824	409,279	1,129,092
Short term investments	-	131,901		131,901
Cash and bank	123,346	-		123,346
Other assets	-	-	840	840
<b>Total financial assets</b>	<b>162,339</b>	<b>828,571</b>	<b>487,982</b>	<b>1,478,892</b>
<b>Liabilities</b>				
Managed funds being total financial liabilities	-	-	(130,921)	(130,921)
<b>Total interest repricing gap</b>	<b>162,339</b>	<b>828,571</b>	<b>357,061</b>	<b>1,347,971</b>
<b>2020</b>				
<b>Assets</b>				
Investments	-	15,432	68,838	84,270
Beneficial interest in endowment fund	-	1,032,206		1,032,206
Short term investments	133,418	-		133,418
Cash and bank	123,332	-		123,332
Other assets	-	-	12,535	12,535
<b>Total financial assets</b>	<b>256,750</b>	<b>1,047,638</b>	<b>81,373</b>	<b>1,385,761</b>
<b>Liabilities</b>				
Managed funds being total financial liabilities	-	-	(140,170)	(140,170)
<b>Total interest repricing gap</b>	<b>256,750</b>	<b>1,047,638</b>	<b>(58,797)</b>	<b>1,245,591</b>



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### *Interest rate sensitivity*

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

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

	Effect on Equity and Capital 2021 \$'000	Effect on Equity and Capital 2020 \$'000
<b>Change in basis points:</b>		
-1% (2020: -1%)	(160)	(354)
+1% (2020: +1%)	160	(354)

### (d) Capital management

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

In Accordance with the Assignment, Assumption & Amendment Agreement dated June 29, 2017, Section 4.1(d), the total administrative expenses should not exceed a maximum combined amount of US\$450,000 without the unanimous approval of the permanent Directors.

### (e) Fair values of financial instruments

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

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

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



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (e) Fair values of financial instruments (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
	<b>2021</b>			
Investments				
Quoted equities	77,867	-	-	77,867
Government of Jamaica bonds	-	15,846	-	15,846
	<u>77,867</u>	<u>15,846</u>	<u>-</u>	<u>93,713</u>
	<b>2020</b>			
Investments				
Quoted equities	68,838	-	-	68,838
Government of Jamaica bonds	-	15,432	-	15,432
	<u>68,838</u>	<u>15,432</u>	<u>-</u>	<u>84,270</u>

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

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

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

## 4. Critical Accounting Judgement and Key Source of Uncertainty

The management of the Foundation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) Critical judgements in applying the Foundation's accounting policies

In the process of applying the Foundation's accounting policies, the management has not made any significant judgements that would cause a significant impact on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

In the process of applying the Foundation's accounting policies, the management has not made any significant estimate that would cause a significant impact on the amounts recognised in the financial statements.



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 5. Project Grants Disbursed

	<b>Fund III</b>
	<b>\$'000</b>
Projects' disbursement, net	1,610
<b>Disbursements allocated as follows:</b>	
Lions Club of Mona	2,100
	2,100
<b>Refunds</b>	
Jamaica Conservation and Development Trust	(490)
<b>Net Disbursements</b>	1,610

## 6. Administration Fund

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

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Jamaican Dollar equivalent of US\$450,000	69,419	66,104
Less: Administrative expenses for the year (note 7)	(53,569)	(48,122)
Excess	15,850	17,982





## Environmental Foundation of Jamaica

(A foundation limited by guarantee) Notes to the Financial Statements

**31 July 2021**

(expressed in Jamaican dollars unless otherwise indicated)

### 7. Expenses by Nature

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Advertising and public relations	494	255
Auditors' remuneration	1,155	1,100
Depreciation (Note 10)	4,210	3,337
Legal and professional fees	1,950	195
Local and foreign travelling expenses		222
Motor vehicle expenses	1,121	1,124
Office and general expenses	2,074	1,931
Printing and stationery	345	524
Repairs and maintenance	2,091	1,573
Staff costs (Note 8)	33,238	31,696
Security	2,690	2,655
Utilities	2,637	2,484
Other expenses	1,654	1,026
	<b>53,569</b>	<b>48,122</b>

### 8. Staff Costs

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	28,562	27,291
Payroll taxes - employer's portion	3,001	2,796
Other	1,675	1,609
	<b>33,238</b>	<b>31,696</b>

The number of persons employed by the Foundation at the year-end was 8 (2020 - 8).

### 9. Investment Advisers' Fees

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
BPM Financials Limited	754	812





## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

### 10. Property, Plant and Equipment

2021					
	Freehold Land and Building \$'000	Motor Vehicles \$'000	Computers \$'000	Furniture and Fixtures \$'000	Total \$'000
At Cost -					
At 1 August 2020	27,168	11,479	18,888	7,630	65,165
Additions	-	5,000	2,142	54	7,196
At 31 July 2021	27,168	16,479	21,030	7,684	72,361
Depreciation -					
At 1 August 2020	14,364	7,845	18,676	6,912	47,797
Charge for the year	871	3,046	72	221	4,210
At 31 July 2021	15,235	10,891	18,748	7,133	52,007
Net Book Value - 31 July 2021	11,933	5,588	2,282	551	20,354

2020					
	Freehold Land and Building \$'000	Motor Vehicles \$'000	Computers \$'000	Furniture and Fixtures \$'000	Total \$'000
At Cost -					
At 1 August 2018	27,168	11,479	18,761	7,096	64,504
Additions	-	-	127	534	661
At 31 July 2020	27,168	11,479	18,888	7,630	65,165
Depreciation -					
At 1 August 2018	13,493	5,549	18,605	6,813	44,460
Charge for the year	871	2,296	71	99	3,337
At 31 July 2020	14,364	7,845	18,676	6,912	47,797
Net Book Value - 31 July 2020	12,804	3,634	212	718	17,368



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 11. Investment Securities

	2021 \$'000	2020 \$'000
At beginning of year	217,688	219,764
Fund receipts (net)	(5,001)	15,141
Unrealized gain/(loss)	7,444	(21,437)
Interest earned	5,483	4,220
At end of year	225,614	217,688
<b>Represented by:</b>		
<b>Short term investments (amortised cost)</b>		
Repurchase agreement	131,787	113,414
Cash deposit	114	20,004
	131,901	133,418
<b>Investments at FVPL</b>		
Equity instruments (Quoted shares)	77,863	68,838
Debt instruments (Government bonds)	15,850	15,432
	93,713	84,270
	225,614	217,688

## 12. Beneficial Interest in Endowment Fund

	2021 \$'000	2020 \$'000
Total investments comprised the following -		
Endowment Fund		
Funds held in trust	1,108,560	1,011,674
Notes receivables	20,532	20,532
	1,129,092	1,032,206
Investment FVPL (Note 11)	93,713	84,270
Investments at amortised cost (Note 11)	131,901	133,418
	1,354,706	1,249,894

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

In furtherance of the EFJ's merger with Forest Conservation Fund / Jamaica Protected Areas Trust (JPAT):

- the amount of \$633,135,000 designated by JPAT for their Endowment Fund was transferred to the EFJ in 2016/2017,
- the amount of \$48,042,000.00 was transferred in 2017/2018,
- the amount of J\$48,677,000.00 was received in 2018/2019
- the amount of J\$49,944,000.00 was received in 2019/2020 and
- the amount of J\$38,989,000.00 was received in 2020/2021



## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Beneficial Interest in Endowment Fund (Continued)

These amounts are now being invested in a separate pool of Funds at NCB Capital Markets.

#### *Investment Securities by Adviser*

	Fund I \$'000	Fund II \$'000	Fund III \$'000	2021 \$'000	2020 \$'000
Endowment Fund -					
NCB Capital Markets					
Repurchase agreements	107,844	38,052	669,022	814,918	858,974
Investments -					
Barita Portfolio Management Limited					
Securities	4	15,599		15,603	15,368
Quoted equities	77,863		312,815	390,678	240,401
Repurchase agreements			131,901	131,901	133,418
	185,711	53,651	1,113,738	1,353,100	1,248,161
Accrued interest	4	248	1,354	1,606	1,733
Total investments	185,715	53,899	1,115,092	1,354,706	1,249,894

### 13. Other Assets

	2021 \$'000	2020 \$'000
Prepayments	447	382
Other receivables	393	12,153
	<u>840</u>	<u>12,535</u>

- (i) The Foundation has been granted a waiver of all taxes in accordance with Article III of the agreement between the Government of Jamaica and the Government of the United States of America concerning an Enterprise for the Americas Initiative and in accordance with the provisions of Charities Act.
- (ii) Other receivables primarily represent administrator fees receivable from the Special Climate Change Adaptation Fund and amounts advanced to grant beneficiaries under the European Union / Forestry Department Fund Administration Agreement.





## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

### 14. Cash and Bank

	2021 \$'000	2020 \$'000
Cash and bank	123,346	123,332

### 15. Accounts Payable and Accrued Charges

	2021 \$'000	2020 \$'000
Accounts payable	146	146
Accrued charges	6,631	7,163
Other	2,061	2,061
	8,838	9,370

### 16. Managed Funds

	2021 \$'000	2020 \$'000
Northern Jamaica Conservation Association Endowment Fund (a)	1,001	1,001
Special Climate Change Adaptation Fund (b)	73,113	109,267
European Union/ Forestry Department Grants (c)	27,437	-
	101,551	110,268

#### (a) Northern Jamaica Conservation Association

The Foundation has decided to manage separately monies approved for the establishment of an Endowment Fund for Seven Oaks Sanctuary for Wildlife. The amount approved, and interest earned is as follows:

	2021 \$'000	2020 \$'000
Opening balance of fund		1,001
Closing balance of fund	1,001	1,001

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





# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Managed Funds (Continued)

### (b) Special Climate Change Adaptation Fund

#### Phase I

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

The MEGJC wishes to pursue the implementation of Component II of the Programme which relates to the creation and establishment of innovative climate financing mechanisms to help support implementation of climate resilience within Micro, Small and Medium Size Enterprises (MSMEs) and Community Based Organizations (CBOs). The MEGJC has established a Project Executing Unit (PEU) with office located at 16a Half-Way-Tree Road in Kingston. The PEU is responsible for the overall fiduciary, administrative, financial management and technical functions (including planning, coordination, supervision, staffing, procurement, monitoring and evaluation) in the implementation of the AP&FM-PPCR Jamaica.

The total sum allocated for the purposes of performing the activities under Component 11 is Four Million Seven Hundred Thousand United States Dollars (US\$ 4,700,000.00). Broken out as follows:

Year 1: US\$1,200,000.00

Year 2: US\$1,400,000.00

Year 3: US\$1,400,000.00

Year 4: US\$ 700,000.00

#### Phase II

The PEU has recommended that a Grant Fund be established to allow community groups/organizations to access grant funding to implement projects to construct MICRO Check Dams on individual properties. **USD 1.2M of Grant Resources** was used to establish the Grant Fund for MICRO Check Dams to implement the construction of 1,800 MICRO Check Dams through the use of grants allocated to community groups/organizations.

The Grant Fund will be similar to the Special Climate Change Adaptation Fund (SCCAF) Phase I which was established under the AP&FM-PPCR, Jamaica in July 2016 through a Fund Administrator Agreement (FAA) between the MEGJC and the Environmental Foundation of Jamaica (EFJ). This arrangement was established via a new FAA in June 3, 2019.

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



## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

### 16. Managed Funds (Continued)

#### (b) Special Climate Change Adaptation Fund (continued)

- (i) Grants are awarded to eligible organisations through a Call for Proposals. There were no Calls for Proposals during the year. See listing below of projects awarded under Phase I with grant commitments:

	Amount awarded \$'000	Amount disbursed \$'000	Balance \$'000
Alligator Head Foundation	4,521	3,624	897
Alpha Institute	3,741	3,558	183
Ashley Primary and Infant School	4,931	4,831	100
Bellefield Citizens Development Association	4,940	4,909	31
Bethabara Primary and Infant Parent Teachers Association	4,997	4,956	41
Brooks Level Citizens Association Benevolent Society	1,000	903	97
Bustamante High School	5,000	4,731	269
Carron Hall Primary School	4,827	-	4,827
Church Teachers College	5,000	4,950	50
Claude McKay High School	4,425	4,416	9
Cross Keys Development Area Committee (2 projects)	8,432	8,136	295
Denbigh High School	5,000	4,820	180
Development Beyond Horizons	3,657	3,325	332
Do Good Jamaica	4,949	4,948	1
Earth Strong Agro NGO	5,000	4,992	8
Elliott Farmers Community Group	4,731	4,246	485
Essex Hall Citizens Association	5,000	4,638	362
Fair Prospect Gardens Citizen's Association	4,995	4,916	79
Food for the Poor	5,000	3,412	1,588
Fort George Primary School	4,671	4,246	425
Grants Mountain Local Forest Management Committee	4,910	-	4,910
Greenwich Town Fisherfolks Cooperative	5,000	3,513	1,487
HEART NTA Ebony Park Academy	5,000	-	5,000
Jacks Hill Community Benevolent Society	1,150	1,030	120
Jamaica Association for the Deaf	4,992	3,444	1,548
Jamaica Conservation and Development Trust	5,000	4,686	314
Jamaica Surfing Association	4,706	4,453	253
James Hill Farmers Group	2,656	2,566	89
Jeffrey Town Farmers Association (2 projects)	4,895	4,765	130
Jones Town Baptist Church	4,956	2,492	2,464
Kellits Primary School PTA- Kellits' SWIFT	4,996	4,900	96
Knox Community College	4,950	-	4,950
Manchester Parish Development Committee	5,000	4,929	71
Merlene Ottey High School	4,034	2,950	1,084
<b>Balance carried forward on next page</b>	<b>157,060</b>	<b>124,285</b>	<b>32,775</b>



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Managed Funds (Continued)

### (b) Special Climate Change Adaptation Fund (continued)

	Amount awarded \$'000	Amount disbursed \$'000	Balance \$'000
<b>Balance brought forward</b>	<b>157,060</b>	<b>124,285</b>	<b>32,775</b>
Mile Gully/Warwick Castle Benevolent Development Society	4,950	-	4,950
Mount Airy Primary & Infant School	4,743	4,262	481
Nature Preservation Foundation	5,000	4,930	70
Negril Area Environmental Protection Trust	5,000	4,865	135
Northern Caribbean University	4,997	4,897	100
Parry Town Citizens Association	4,376	-	4,376
Plant Jamaica	4,186	3,523	663
Planters Hall All Age and Infant School	5,000	4,787	213
Porter's Mountain Community Development Committee- Climate Resilient Community based Water	5,000	2,691	2,309
Rock Hall Production and Marketing Benevolent Society	740	573	167
Rock Primary and Infant School	4,931	4,831	100
Rose Hall Farmers Group	4,990	4,940	50
Rose Town Foundation for the Built Environment	3,651	3,555	96
Rural Agricultural Development Authority (RADA) - St Andrew	3,876	3,431	445
Rural Water Supply Limited (3 projects)	9,570	7,897	1,673
Sanguinetti Farmers Group - Soil Conservation	5,000	4,840	160
Seaforth High School	4,998	4,178	820
Siloah Community Development Committee	4,754	4,390	364
Southern Trelawny Environmental Agency - (2 projects)	5,000	4,952	48
St. Elizabeth Agricultural Cooperative Society	4,940	4,851	89
St. Thomas Bee Farmers Cooperative Limited	4,844	3,970	873
St. Thomas Environmental Protection Association	4,910	4,710	200
The University of the West Indies (5 projects)	23,354	22,239	1,115
Troja Primary & Junior High School	5,000	3,643	1,357
Upper Rock Spring All Age & Infant School	4,993	4,893	100
Vision of Hope / Mountainside Juices Benevolent Society	4,988	538	4,450
Wesleyan Farmers Group	3,477	3,508	(31)
White Horses Botany Bay and Pamphret Development Benevolent Society Limited	4,999	3,912	1,087
White River Marine Association (2 projects)	4,965	4,675	291
Windsor Castle Social Services Home Economics Benevolent Society (2 projects)	6,446	5,895	552
<b>Total Phase I</b>	<b>320,738</b>	<b>260,660</b>	<b>60,078</b>



## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

### 16. Managed Funds (Continued)

#### (b) Special Climate Change Adaptation Fund (continued)

##### Phase II: MICRO Check Dams

	Amount awarded \$'000	Amount disbursed \$'000	Balance \$'000
Brandon Hill Patriots Community Development Committee	29,789	29,062	727
Kellits Development Area Committee	29,983	29,001	982
Rural Water Supply Company	29,998	19,979	10,019
Summerfield Community Development Committee	30,000	29,942	58
<b>Total Phase II</b>	<b>119,770</b>	<b>107,984</b>	<b>11,786</b>

#### (c) EU / Forestry Department Grants

The Foundation entered into a Fund Administrator Agreement with the Forestry Department on January 31, 2020. The objective of the agreement is for the administration of a specific activity to be undertaken pursuant to the European Union Budget Support Programme; that activity being the upscaling of existing alternative livelihood projects to support forest communities.

The activities related to the Improved Forest Management for Jamaica (IFMJ) programme, between the European Union and Jamaica is to assist the Government of Jamaica in implementing the Forest Policy for Jamaica 2017 (and supporting the National Forest Management and Conservation Plan (2016-2026), to sustainably manage and utilize Jamaica's forest resources to enhance social and economic development and contribute to building Jamaica's climate change resiliency programme.

Forty six (46) grants were awarded a total of J\$240 million. At year end, the projects listed in the table below, still have amounts committed to them.







## Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

### 16. Managed Funds (Continued)

#### (c) EU/Forestry Department Grants (Continued)

	Amount awarded \$'000	Amount disbursed \$'000	Balance \$'000
Auchtembeddie	5,280	4,742	538
Bamboo Primary School	3,945	3,917	28
Bella's Gate Community Development Committee	5,156	4,876	280
Cobbla	5,662	5,659	3
Cockpit Country Local Forest Management Committee	5,241	2,121	3,120
Cockpit Country Local Forest Management Committee - Duanvale	5,575	5,275	300
Ebenezer Home for the Mentally Challenged	3,335	3,296	39
Enablers of Community Advancement Projects & Initiatives	5,650	5,264	386
Food for the Poor	3,166	2,839	327
Forward Step Foundation	5,435	3,076	2,359
Guy's Hill United PMO	6,000	3,069	2,931
Jamaica Association for the Deaf	5,946	3,685	2,261
James Hill Farmers Group	5,148	4,944	204
Linton Park	5,999	2,106	3,893
Local Initiative Facility for the Environment	5,200	4,738	462
Madras All Age and Infant School	5,926	5,726	200
Mearnsville /Auldayr Community	4,776	749	4,027
Sawyers	8,661	8,599	62
Seville Farmers Benevolent Society	5,998	2,843	3,155
Source Farm Foundation & Eco Village (2 projects)	5,305	4,640	665
Southern Trelawny Environmental Agency	4,500	4,298	202
Southfield Farmer's Benevolent Society	5,957	4,701	1,256
Stanmore	6,000	5,915	85
Youth Crime Watch	4,417	4,415	2
<b>Total</b>	<b>128,278</b>	<b>101,493</b>	<b>26,785</b>

J\$26.79 million is payable to grant beneficiaries at year end July 31, 2021.



# Environmental Foundation of Jamaica

(A foundation limited by guarantee)

Notes to the Financial Statements

31 July 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 17. Administrative Fund Expenses Recoverable

	2021 \$'000	2020 \$'000
Opening balance	(20,044)	(9,810)
Deficit Income over Expenditure	(1,632)	(10,234)
Closing balance	<u>(21,676)</u>	<u>(20,044)</u>

## 18. Capital Reserves

The cost of capital assets acquired using Government of Jamaica EAI payments received is credited to capital reserves and released to the administration fund over the life of the relevant assets by reference to depreciation charges. The balance is comprised as follows:

	2021 \$'000	2020 \$'000
Balance at beginning of year	10,134	10,584
Less:		
Transfers to administration fund in current year (depreciation)	<u>(450)</u>	<u>(450)</u>
Balance at end of year	<u>9,684</u>	<u>10,134</u>

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

## 19. Commitments

As at 31 July 2021, the Foundation had project grant funds committed and not disbursed of approximately \$126,441,907.31 - SCCAF \$71,864,320.77 (Note 16); EU/Forestry Department \$26,785,089.06; TFCA \$22,297,577.63, PL480 \$5,269,419.85, Aid Debt \$225,500.00

## 20. Related Party Balances and Transactions

### (a) Key management compensation:

	2021 \$'000	2020 \$'000
Wages and salaries	14,565	13,871
Payroll taxes - employer's portion	1,504	1,409
Other	240	240
	<u>16,309</u>	<u>15,520</u>
Directors' fees	<u>Nil</u>	<u>Nil</u>

(b) At year ended 31 July 2021, grants approved but not disbursed for University of the West Indies amounted to \$4,357,249.74 from TFCA/PL480/AID Debt, \$1,115,151.47 is also committed under the Special Climate Change Adaptation Fund.



## List of Members

### No. Name of Organizations

1. Association of Development Agencies
2. BirdLife of Jamaica
3. Buff Bay LFMC
4. Caribbean Coastal Area Management Foundation
5. Community Based Rehabilitation Jamaica,
6. Dolphin Head Local Forest Management Committee
7. Petersfield Galloway Benevolent Society formerly Association of Community Based Organization Limited
8. Jamaica Association for the Deaf
9. Jamaica Baptist Women's Federation
10. Jamaica Cancer Society
11. Jamaica Conservation and Development Trust
12. Jamaica Environment Trust
13. Jamaica Family Planning Association
14. Jamaica Institute of Environmental Professionals
15. Jamaica Organic Agriculture Movement (JOAM)
16. Jamaica Save the Children
17. Jamaican Society for the Blind
18. Local Initiative Facility for the Environment
19. Northern Rio Minho LFMC
20. Portland Environmental Protection Association
21. Professional Development Institute
22. The Council for Voluntary Social Services
23. The Jamaican Association on Intellectual Disabilities





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