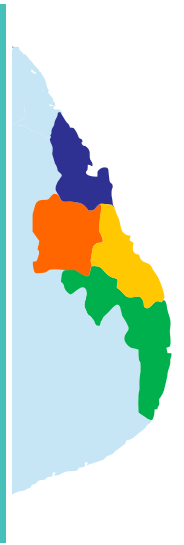




**SKILLS DEVELOPMENT
PLAN AND EMPLOYMENT STRATEGY
FOR HOSPITALITY
AND TOURISM SECTOR
IN THE EASTERN SRI LANKA**





Skills for Inclusive Growth

**SKILLS DEVELOPMENT PLAN AND
EMPLOYMENT STRATEGY FOR HOSPITALITY
AND TOURISM SECTOR IN THE EASTERN PROVINCE**



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FOREWORD



The Government has prioritized the development of the tourism value chain to support local economic development and support inclusive growth. The MSDVT is pleased to launch this strategy to support the tourism and hospitality sector in the Eastern Province as this sector provides an opportunity to support local economic development and employment. This industry is a priority for the Ministry of Skills Development and Vocational Training and we have embarked on a major program to improve the skills development system in Sri Lanka to strengthen our skills development and training services for trainees and employers. We are repositioning and strengthening our training providers to support employers in this sector and ensure they get employable skills which should result with improved employment outcomes for trainees. The *'Skills Development Plan and Employment Strategy for Hospitality and Tourism Sector in the Eastern Province'* has been prepared through the support of the Skills for Inclusive Growth Project, an initiative of the Australian Government, which is implemented in collaboration with the MSDVT, TVEC, national training authorities, tourism authorities, Industry and Provincial and District Level Administration.

This Skills Development Plan and Employment Strategy provides an important contribution to understanding and addressing the issues of the skills development system in supporting the tourism sector in the Eastern Province (EP). The Plan provides quality analysis of data gathered and presents valuable insights from existing literature on skills development including key materials from the MSDVT and the Ministry of Tourism. Importantly the Plan provides strategies and actions that support skills development and inclusive growth across the tourism value chain of the Eastern Province. This Plan is the result of good cooperation between responsible agencies and presents a set of agreed actions which will support effective implementation. The focus on gender, disable persons and micro & small-scale enterprises reflects our government policy framework to ensure access and opportunities for all citizens. The S4IG project is in the process of preparing district specific action plans for each District in the East which will be well underpinned by the skills development strategies outlined in this report. We hope this report will promote dialogue and debate between stakeholders to strengthen implementation and support government efforts to improve the performance of this sector of the economy.

Mr. P. Ranepura

Secretary to the Ministry of Skills Development and Vocational Training

FOREWORD



Sri Lanka needs to do much more work in skills development if we are to reduce poverty and inequity and promote inclusive growth. Over the last three years the TVEC, as the apex body in the field, has been working actively to promote reforms that bring training in line with employer requirements. We also need to promote general workplace competencies whilst upgrading the skills of trainers and their understanding of the essential links between training and industry.

In addition to working with public training providers, TVEC has to engage more fully with others able to provide training for National Vocational Qualifications. We are grateful for the assistance in expanding the scope of our activities by foreign partners engaged in human capital development. The Skills for Inclusive Growth (S4IG) project is an initiative of the Australian Government and is implemented in collaboration with the TVEC, Tourism Authorities, Provincial and District Level Administration, Industry and Community Organizations and the donor community. It is particularly important for us to expand opportunities at Provincial and District Level and the SIG project has the potential to do much in this regard in the areas in which it works.

This report is an important contribution to understanding the status and challenges of the skills development of the tourism sector in the Eastern Province (EP). Based on analysis of available data and on review of existing body of literature on skills development, it offers an insightful analysis and provides strategies to develop skills for the tourism industry of the Eastern Province. Its focus on gender, disabled persons and micro & small-scale enterprises is in line with national level policies and current debates on inclusive growth. The S4IG project is in the process of preparing district specific action plans for each district in the EP based on the skills development strategies outlined in this report. We hope this report will promote dialogue and debate with all stakeholder groups interested in skills development for the tourism industry in the EP.

Professor Rajiva Wijesinha

Chairman, TVEC

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LIST OF ABBREVIATIONS

BDSS	Business Development Service Sector
DFAT	Department of Foreign Affairs and Trade
DOE	Department of Education
DVTA	District Vocational Training Centre
EDP	Eastern Development Plan
FDI	Foreign District Invest
GDP	Gross Domestic Product
GIZ	German Corporation for International Cooperation GmbH
ICT	Information Communication Technology
IFC	International Finance Cooperation
ILO	International Labour Organization
ISIC	International Standard Industry Classification
LFS	Labour Force Survey
MICES	Meetings, Incentives, Conventions and Events
MOE	Ministry of Education
MSDVT	Ministry of Skills development and Vocational Training
MSMEs	Micro, Small and Medium Enterprises
NAITA	National Apprentice and Industrial Training Authority
NPD	National Planning Department
NVQ	National Vocational Qualification
NVTC	National Vocational training Centre
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PPP	Public Private Partnership
QA	Quality Assurance
QLF	Quarterly Labour Force Survey
S4IG	Skills for Inclusive Growth
SDF	Skills Development Fund
SDP	Skills Development Plan
SGBV	Sexual Gender Based Violence
SLTDA	Sri Lanka Tourism Development Authority

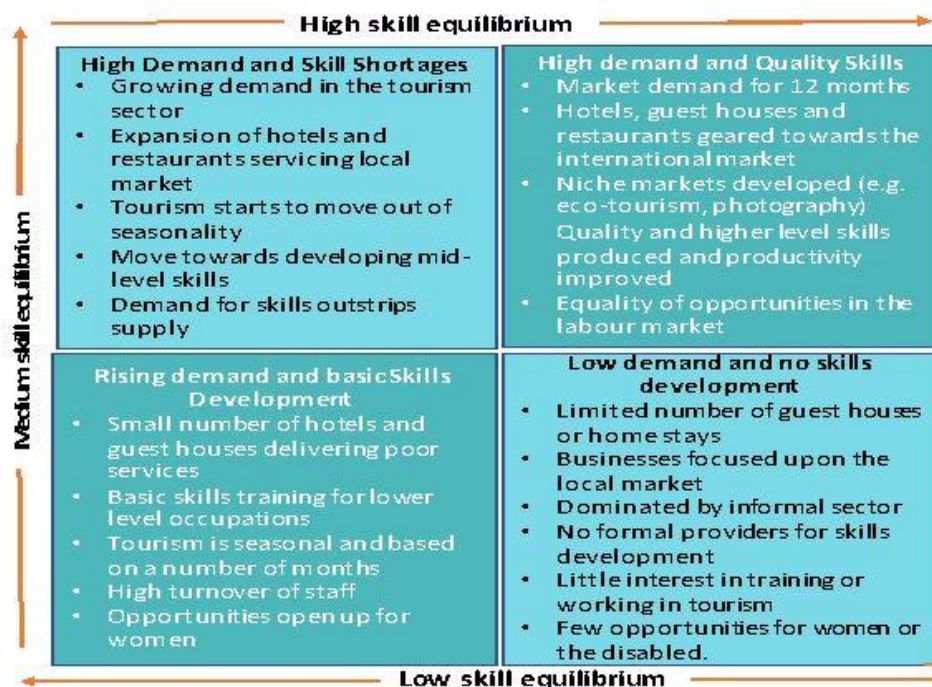
SMEs	Small and Medium Enterprises
TA	Technical Assistant
TVEC	Tertiary and Vocational Education Commission
TVET	Tertiary Vocational Education Training
UNDP	United Nations Development Program
VET	Vocational Education Training
VT	Vocational Training
VTA	Vocational Training Authority
VTC	Vocational Training Centre
WTTC	World Travel and Tourism Council
WUSC	World University Services of Canada

Executive Summary

The Eastern Province of Sri-Lanka is ***starting to recover after a long period of conflict. Tourism is recognized as one of the key drivers of change, employment and inclusive growth.*** The government's Tourist Development Strategy provides the national framework guiding developments in the sector; and the Eastern Development Plan identifies tourism as an important post conflict solution strategy for the Province. However, limited attempts have been made to tackle skill development or employment in a coordinated or strategic manner.

The ***over-riding objective of this Five Years Skills Development Plan and Employment Strategy (SDP) is to create quality jobs and support the inclusive growth of businesses in the tourism sector, specifically in the districts of Ampara, Batticaloa and Trincomalee in the Eastern Province.*** The Five Years Skills Development Plan provides the conditions for the Eastern Province to move from a lower skilled equilibrium, to higher skilled and inclusive growth equilibrium (see figure below). Currently, each of the districts in the Eastern Province are in a low skill equilibrium, characterised by small number of TVET providers, limited basic skills development, a low or seasonable demand for tourism and employers who prefer to poach rather than train employees. Over the medium term the Five-Year Skills Development Plan (SDP) will identify the strategic conditions for how development in each of the three districts can move towards a higher skill path.

Skill Pathways that can be followed by districts in the Eastern Province



There are ***significant opportunities facing the three districts*** and these have been shaped by their unique physical environments and more recently investment flows. For instance, Ampara has a surfing beach that is attracting an increasing number of visitors and two national parks (one in Lahugala and the other in Kumana). This district is characterized by a developed chain of small

hotels and guest houses, and a handloom industry operated by women. Batticaloa also has sandy beaches, nature reserves, archaeological places of interest (the Dutch fort) and an emerging tourism zone in Pasikudah. In contrast Trincomalee has a Natural harbour and a long sandy beach, both of which hold potential tourist opportunities.

Over the next four to five years the tourism and hospitality sector will experience a considerable growth, as measured by the number of guest rooms occupied in the Eastern Province. Based on data collected from the Sri-Lanka Tourism Development Authority (SLTDA), and assuming a constant growth rate of 20% over the 2017 to 2020 period, the number of guest nights is expected to increase from 615,000, to 982,000. This anticipated growth will increase exchange earnings in the Eastern Province from around U\$74 mns in 2017, to 154 mns in 2020. There will also be increased employment opportunities and raised demand for different products and services along the value chain across the Eastern Province.

Labour market demand varies across the three districts, with the largest number of vacancies being experienced in Ampara. Evidence from a recent enterprise survey found that the number of vacancies in Ampara were three times those of Trincomalee or Batticaloa. ***The types of vacancies (or occupations in demand) varied across the three districts***, with a large percentage of vacancies (42.8%) occurring in Ampara for low skilled occupations. In contrast Batticaloa has a large percentage of vacancies for high and medium skilled occupations. In Trincomalee the demand is primarily for middle skilled occupations. The evidence suggests that enterprises are able to readily recruit lower skilled occupation, but it takes longer to find suitable middle or higher-level occupations. Common low skilled occupations experiencing a high demand include: cleaners, waiters and room attendance persons. Medium and higher-level occupations in demand include cooks, managers, and kitchen stewards and head waiters.

Employment and Skills Development in the Province face a number of constraints and these can be summarised as in the table below:

Challenges facing skills development and Employment across the Eastern Province

Supply Constraints	Demand Constraints
<ul style="list-style-type: none"> • Limited access to TVET programs • Poorly equipped training providers • Lack of suitable training programs for the sector • Low quality skills being developed • TVET programs that take too long to deliver • Poor attitudes of parents and learners towards the sector • A large brain drains for occupations at all levels 	<ul style="list-style-type: none"> • Limited commitment to training • Lack of organized employers in the tourism sector • Lack of modern HR practice in the workplace • Failure to market Eastern Province as a tourist destination • Limited utilization of ICT in the sector • Labour legislation that favors employees • Limited support for the informal sector
Matching constraints	
<ul style="list-style-type: none"> • Failure to use intelligence to inform decision making processes for decentralized planning • Limited coordination and synergies between planning processes at different government levels • Poor capacity at the decentralized level for planning skills development and a tendency to rely on traditional methods, such as manpower planning • Lack of Public/Private/Partnerships at all levels of the system, • Ineffective employment agencies at the decentralized levels, including private sector agencies that exacerbate Labour shortages through recruitment of workers for export 	

In order to tackle the constraints facing skills development and employment for the tourism in the Eastern Province, a vision has been developed of where the sector is going, as well as how it will get there.

Vision Raise living standards and earning potential for all sections of society, through improved access to services and skills
Mission Strengthen partnerships at the district and regional levels, to plan, coordinate and effectively implement strategies for skills development and productive employment

To tackle the constraints, respond to the occupations in high demand and achieve the vision outlined above, the government at the national, provincial and district levels will work together with using a common strategic framework. This framework outlines the defined strategic responses required for tackling systemic constraints inhibiting the demand and supply of skills. Even, if the factors inhibiting supply and demand are tackled, there will also be a need to ensure markets are cleared through addressing the matching constraints. There are a considerable number of constraints and the diagram below provides a strategic overview of how these will be tackled, with the provincial government playing an important coordinating role, and district governments and their partners playing an important role in implementation.

Strategic Framework guiding the Skills Development Plan (SDP) and Employment Strategy

Tackling Supply Constraints <ul style="list-style-type: none"> • Improving Access through expansion of existing system & innovative delivery • Diversification of skills on offer, including shortening of programs and delivering of middle and higher skilled programs in demand • Improvements in quality of provision through investment in industry standard equipment, training of trainers and management development • Promoting positive attitudes towards TVET and working in the tourism and hospitality sector • Reverse the brain drain and attract diasporas 	Tackling Demand Constraints <ul style="list-style-type: none"> • Improve collaboration of employers in the sector, particularly around the area of training and development for youth • Support commitment to improved training and the use of modern HRD practices in the workplace. • Market the Eastern Province as a major tourism destination • Improve support for the informal sector and encourage improved productivity, and possible movement into the formal sector • Support a more favorable climate for MSMES, including possible reforms in legislation
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Tackling Matching Constraints

- Improved utilization of intelligence on the labour market and improved decision making
- Support for improved planning, including synergies between national, regional and district frameworks, as well as between tourism and skills development
- Improved public/private/partnerships, including the introduction of systems, structures and mechanism for more effective engagement
- Making employment Agents operate more effectively, including incentives to place those with disabilities into the workplace

The actual implementation required to bring about change will involve a set of actions. These actions will be updated on an annual basis. The set of actions are derived from the preceding analysis and focuses upon how to rise demand, improve the quality of supply and strengthening the match between supply and demand. These actions for the next year are detailed in the SDP document.

The finer details of implementation, including the role of district government, what partners are involved, how they provide support, the precise budget and implementation details will be determined in three separate district implementation plans. Each of the districts will determine priorities and select the actions they want to support. The broad regional constraints and accompanying strategies have been identified in this province, now the precise details around implementation will be tackled in the individual district level action plans for Ampara, Batticaloa and Trincomalee.

1. Introduction

The Eastern Province consists of three districts (Batticaloa, Ampara and Trincomalee) which together cover an area of 9,323 square kilometers, representing around 20 percent of the country's total land area. The three districts account for 29 percent of inland waters, and 37, 16 and 25 percent of total mangroves, salt marshes, and lagoons respectively. The topography of the province is relatively flat in the coastal areas and the landscape is varied with paddy fields, home gardens, major crop cultivations, scrub lands, forests, bays, beaches, lagoons and mangroves being prominent saltwater¹.

Table 1: Regional share of land and water area of the three districts (km)

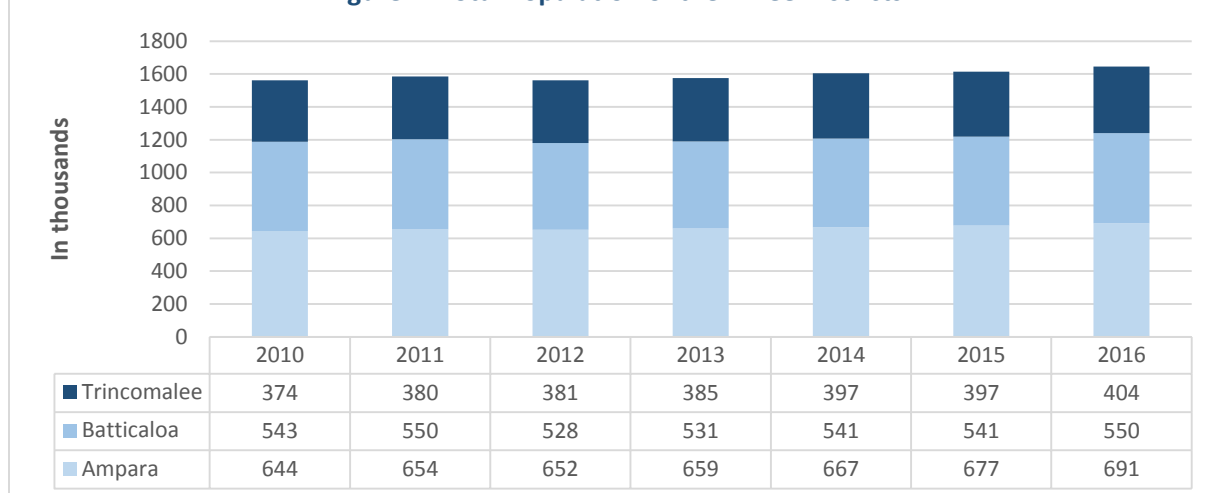
District	Land area (km ²)	Inland waters (Hectares)	Mangroves (Hectares)	Salt Marshes (Hectares)	Lagoons (Hectares)
Batticaloa	2610	244	1421	2196	13682
Ampara	4222	193	292	127	7235
Trincomalee	2529	198	1491	1401	18317
Total	9361	635	3204	3724	39324
Sri Lanka	62705	2905	8688	23819	158017

Source: Fisheries Statistics, 2016, Ministry of Fisheries and Aquatic Resources and Development, Colombo

The population of the three districts is about 1.6 million, representing around 10.6 percent of the total estimated population of Sri Lanka in 2016. Its population growth rate is around 1.01 percent as against the national average of 1.02 percent. It's a multi-ethnic and multi religious region represented by major communities e.g. Tamils (40%), Muslims (37%), and Sinhalese (23%). Among the three districts, Ampara (42%) and Batticaloa (33%) account for about 75 percent of total population (Figure 1).

¹ : Fisheries Statistics, 2016, Ministry of Fisheries and Aquatic Resources and Development, Colombo

Figure 1: Total Population of the Three Districts



Source: Department of Census and Statistics

The three Districts targeted by the 5 Year Skills Development Plan share **common constraints, most significant** of which are the longer-term impacts associated conflict. The impact of the past conflict has been grave and saw a significant proportion of the skilled force leaving the area. Employers are not committed to training and instead prefer to poach workers from other companies². Numerous studies have shown that young people in the districts prefer to work in other sectors or overseas. Women also face significant barriers to working in the region, especially in tourism³. There are many young people coming onto the labour market for the first time and they lack suitable technical or English language skills, making it difficult for them to find employment in the tourism and hospitality sector.

There are **significant opportunities facing the three districts** and these have been shaped by their unique physical environments and more recently investment flows. For instance, Ampara has a surfing beach that is attracting an increasing number of visitors and two national parks (one in Lahugala and the other in Kumana). This district is characterized by a developed chain of small hotels and guest houses, and a handloom industry operated by women. Batticaloa also has sandy beaches, nature reserves, archaeological places of interest (the Dutch fort) and an emerging tourism zone in Pasikudah. In contrast Trincomalee has a Natural harbour and a long sandy beach, both of which hold potential tourist opportunities.

Over the next four to five years the tourism and hospitality sector will experience a considerable growth, as measured by the number of guest rooms in the Eastern Province⁴. Based on data collected from the Sri-Lanka Tourism Development Authority (SLTDA), and assuming a constant growth rate of 20% over the 2017 to 2020 period, the number of guest nights is expected to increase from 615,000, to 982,000. This anticipated growth will increase exchange earnings in the Eastern Province from around U\$74 mns in 2017, to 154 mns in 2020. There will also be opportunities and raised demand for different products and services along the value chain across the Eastern Province.

³ See WUSE (2016)

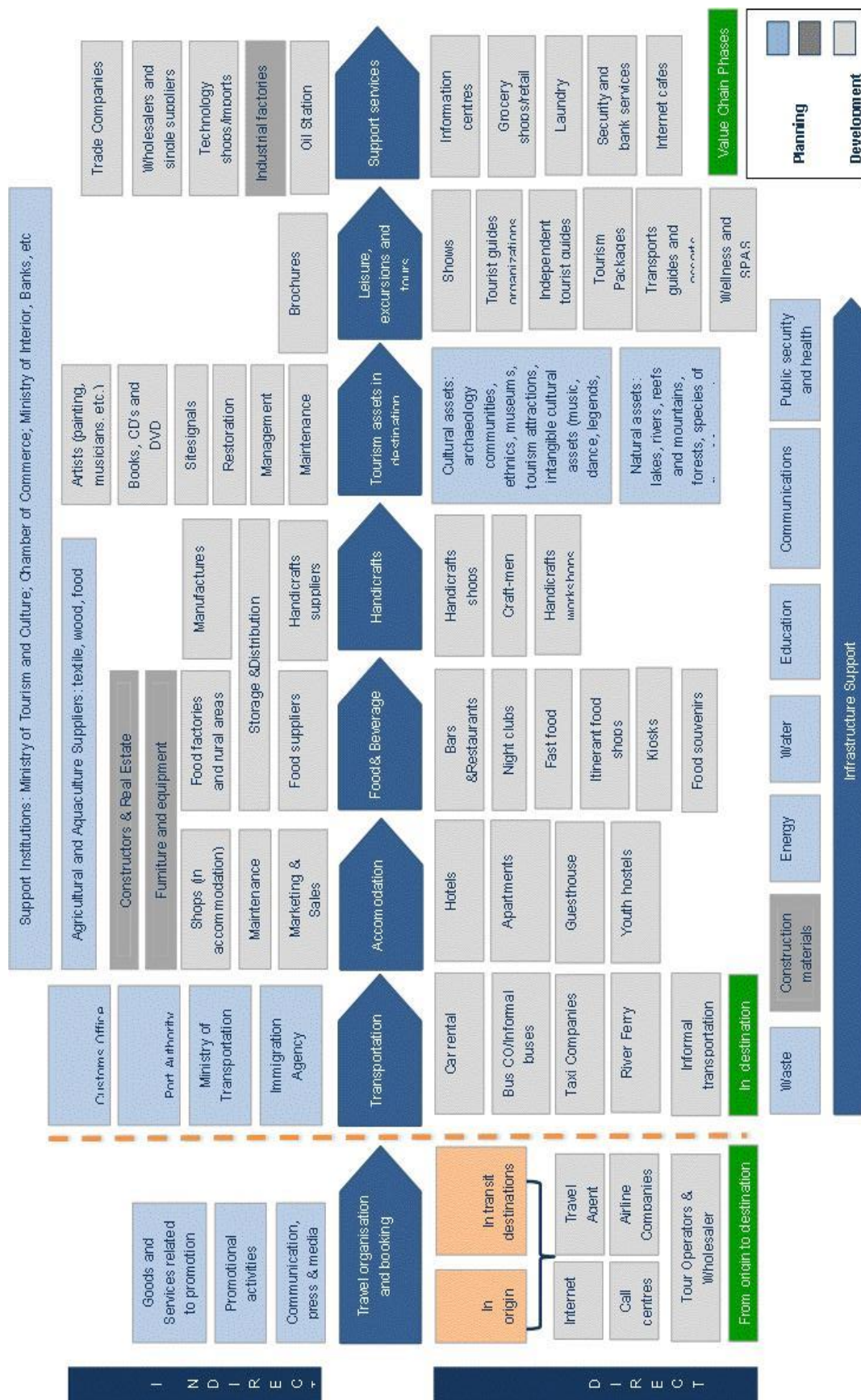
The S4G program is specifically focused upon the tourism and hospitality sector in these three districts. Under the government's Tourism Strategic Plan for 2017-2020, tourism has been identified as a priority for growth, reflecting its ability to create employment in larger enterprise and SMEs, generate foreign exchange, and facilitate value chain linkages within the sector and between other sectors, and support sustainable community development and inclusive growth.

Our ***definition for tourism takes on board international definitions*** associated with the term, drawing upon the United Nations World Tourism Organisation, and ***the Departments' of Census and Statistics definition*** which is based on the UN's International Classification Standards for Industrial Sectors. In addition, our definition also takes on board a value chain approach for analysing how tourism and hospitality integrates and impacts on other sub-sectors. This has enabled the SDP to construct a holistic and inclusive approach for defining tourism (see figure 2)⁵.

Through the Tourism Development Strategy, the government has confirmed their national commitment to tourism in the Easter Province. Under the ***Eastern Development Plan (EDP) 2011-2016, tourism is identified by the Eastern Provincial Council as a key development priority*** and important post-conflict reconstruction strategy for the Province. The EDP confirms that the potential for future development of tourism is high and there are plans for further investments in the Province, with a specific focus on ***'authentic, experience-based' tourism***⁵. Despite the framework to guide developments the operational and implementation arrangements remain weak. Mandates between National, Provincial and District agencies are not clearly defined, with public financing being fragmented between 21 Ministries. Against this background the SDP is a strategy to align planning systems and to generate at least at the District level inter agency cooperation and support with industry for local economic development.

⁵ A full definition and rationale for tourism can be found in annex I

Figure 2: Targeting Value Chain for the tourism and hospitality sector in the Eastern Province



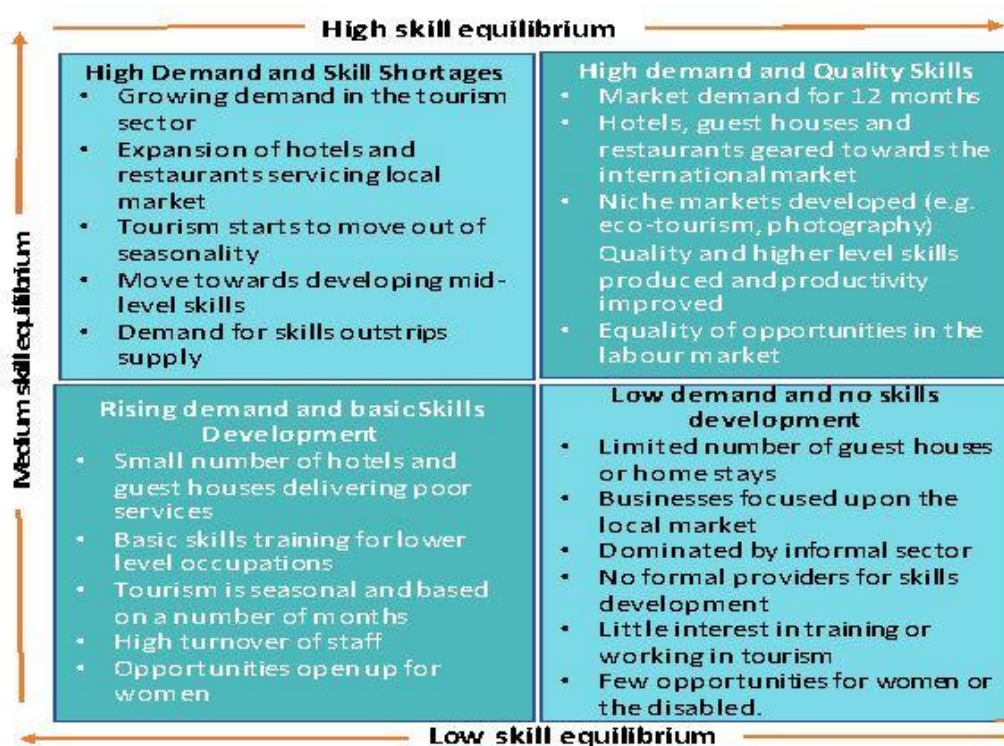
Source: World tourism organization (WTO)

In order to work with the government and stakeholders, and to tackle the challenges and take advantage of the opportunities in the three districts, ***the 5 Year Skills Development Plan and Employment Strategy (SDP) will identify the specific nature of these constraints and what are the suitable strategies for tackling them***, including what role partners will play in this process. Many donor programs in the Eastern province have experienced significant implementation failures because they have not been built on valid or timely intelligence. The current Skills Development Plan will not make such a mistake and will be in a better position to ***provide targeted interventions***, strengthen the supply of training and business support, and work with government and stakeholders to improve coordination and development a more responsive and inclusive system.

1.1 Objective of the Skills Development Plan and Employment Strategy (SDP)

The ***overriding objective of this Five Years Skills Development Plan and Employment Strategy (SDP) is to create quality jobs and support the inclusive growth of businesses*** in the tourism sector, specifically in the districts of Ampara, Batticaloa and Trincomalee in the Eastern Province. The Five Years Skills Development Plan will provide the conditions for the Eastern Province to move from a lower skilled equilibrium, to higher skilled and inclusive growth equilibrium (see Figure: 3). Currently, each of the districts in the Eastern Province are in a low skill equilibrium, characterised by small number of TVET providers, limited basic skills development, a low or seasonable demand for tourism and employers who prefer to poach rather than train employees. Over the medium term the Five-Year Skills Development Plan Development Plan and Employment Strategy (SDP) will identify the strategic conditions for how development in each of the three districts can move towards a higher skill path.

Figure 3: Types of Skill Pathways that can be followed by districts in the Eastern Province



More specific objectives of the SDP include the following:

- ❖ Provide a foundation and framework for matching supply and demand for Employment Strategy and Skills in the tourism and hospitality sector
- ❖ Support initial identification of priorities for the Skills Development Fund (SDF) established by the S4G on an annual basis for the next 5 years
- ❖ Ensure a move towards inclusive growth through the piloting of demonstration projects that will be documented within individual district action and implementation plans.

1.2 Approach to developing the Skills Development Plan and Employment Strategy (SDP)

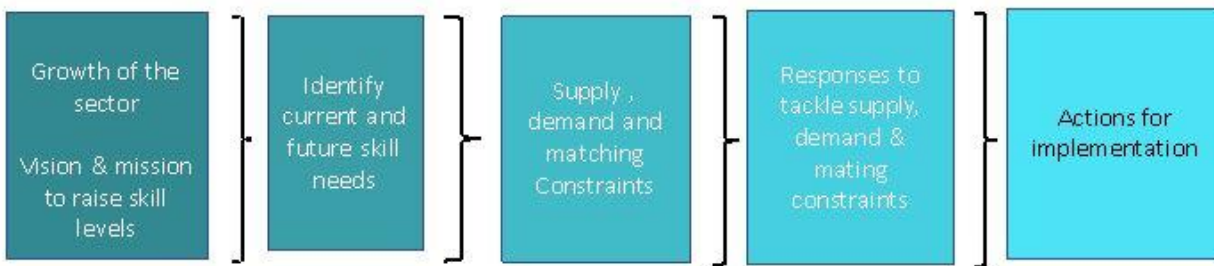
The approach for developing the **5-year Provincial Skill Development Plan and Employment Strategy** (SDP) is shown in figure 4. When undertaking work for the SDP extensive discussion and consultation took place with government partners and stakeholders⁶ and the process for developing the SDP involved the following stages:

- ❖ **Understand demand and direction of the sector:** Research was undertaken to understand the sector, including demand and potential growth (see section 2)
- ❖ **Determine the key skill needs of the sector:** Through an analysis of data from an enterprise survey, the priority skill requirements for each district were determined. Qualitative analysis was also undertaken on evidence to determine the future direction of the sector and how it might impact on demand (see section 2 and annex IV).
- ❖ **Identify the constraints facing the sector:** Reference to a rapid assessment of the sector provided the basis for understanding the constraints facing demand; supply and matching for the tourism and hospitality sector⁷ (see section 3).
- ❖ **Develop strategic responses.** Once the direction needs and constraints of the sector have been identified, the next important task is to identify how they can be tackled at the strategic level (see section 5). In addition, work took place with the government and partners to develop a vision and mission for the sector (see section 4).
- ❖ **Confirm actions for implementation.** In order to move forward a number of actions were identified for implementation within action plans at the district levels (see section 5)

⁶ More specific details of the assumption underpinning the approach and the data collection, as well as the engagement strategy, are outlined in Annex II

⁷ See S4IG (2017) Rapid Assessment of the Tourism and Hospitality Sector of the Eastern Province: Batticaloa office; SCOPE International.

Figure 4: An overview of the approach for developing the SDP

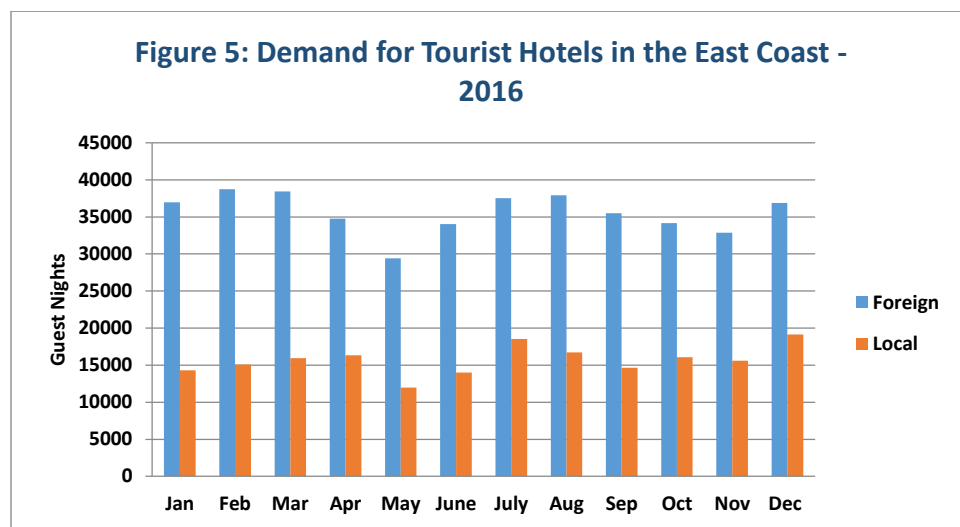


2. Understanding growth and skills demand in the Eastern Province

The demand for tourism and related skills is a derived demand, determined by the growth patterns and change in the sector. The first part of this section analyses the demand and potential demand for tourism over the next four to five years. The second part is looking at how this impacts on the current demand and future demand for skills in the sector.

2.1 Demand for tourism in the Eastern Province

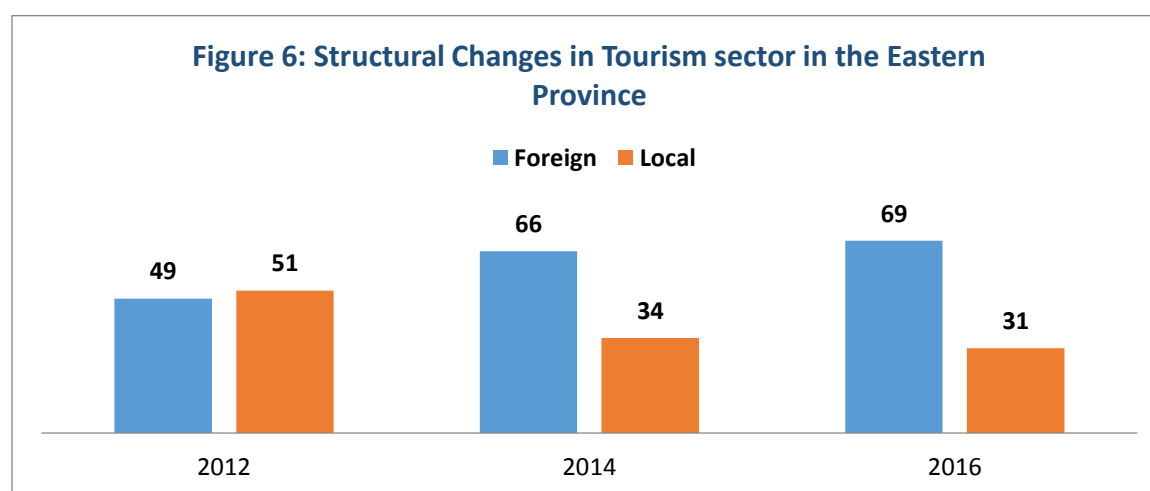
One of the most effective signals on the demand within the tourism sector is to understand the number of nights a tourist spends in specified tourism accommodation. Figure 5 shows the number of guest nights across the East Coast and highlights there are twice as many foreign guests' nights, compared to local ones. Another significant trend is the apparent demand for tourism accommodation across the whole year, suggesting that the province might be moving out of the seasonality and towards a market for tourism that lasts the whole year.



Source: SLTDA, 2016

Within the tourism sector, demand has experienced a structural transformation over the 2012 to 2016 period. During this period⁸ both sectors have experienced change, but the foreign sector has emerged as the most dominant segment of the tourism industry in the Eastern province.

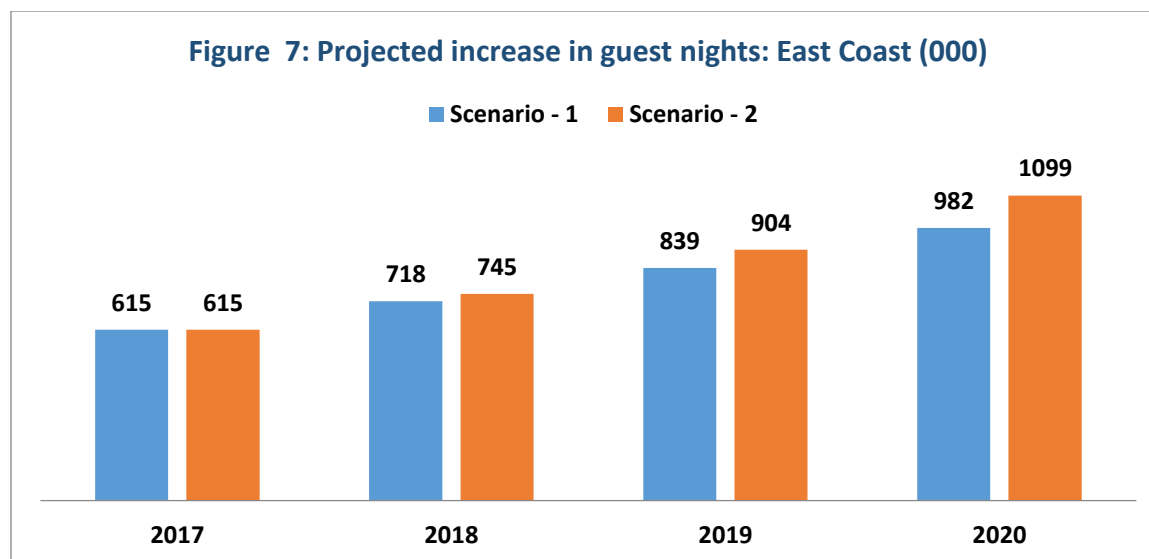
When looking at demand an important issue facing planners is the potential growth of the tourism and hospitality sectors over the next four to five years. Under a business scenario of 20% for foreigners, and 9% for nationals, the number of guest nights per month could increase to 982,000 by 2020 (see scenario 1 in figure 7). If demand is higher and the number of guest houses nights increased by 25% for foreigners and 12% for locals, then the number of guest nights per month could be expected to growth to 1,099,000 per month. The expected increase in foreign exchange earnings is in the range of US\$ 74 mns in 2017 to 136 Mns in 2020 under scenario 1 and US\$ 74 mns in 2017 to 154 Mns in 2020 under scenario 2⁹.



Source: SLTDA, 2016

⁸ Note: Includes classified, unclassified and boutique hotels

⁹ Based on SLTDA figure of US\$ 168.2 per guest night for 2016 and projected values for 2018 to 2020



Source: Own calculation by author

2.2 Current Skills demand

The most recent evidence on skill needs in the tourism and hospitality sector in the Eastern province comes from an enterprise survey supported by Australian Aid in May 2017. This survey found that an overwhelming 74 percent of enterprises in the hotels sector in the Eastern Province are experiencing vacancies. Most significant vacancies were experienced in the hotel sector (87%), followed by restaurants (67%) and homestay units (67%). Across districts the highest proportion of unfilled vacancies are reported in Trincomalee (20%), followed by Batticaloa (15%) and Ampara (14%). The same enterprise survey investigated whether employers in the region have experienced vacancies for longer than 6 months. This measure provides an indication of what economist call *severe skill shortage and high demand*. The results are shown in table 2 and highlight that vacancies were most severe for restaurants (56%) and guest houses (33%). In the home stay unit's vacancies are not so significant and could imply a greater reliance on family labour to solve their immediate employment difficulties.

Table 2: Data on whether vacancies existed for longer than 6 months by business sector in the Eastern Province?

	Hotel	Guest house or Home stay unit	Restaurants and similar	Other
Shortage greater than 6 months	31%	33%	56%	6%
Shortage less than 6 months	69%	67%	44%	94%

Source: Enterprise survey (2017), Skills for inclusive growth program

In order to understand the nature of skills shortage the same enterprise survey investigated the number of vacancies by district, how demand varied by skill level across the districts, the top or priority vacancies during the past 6 months and those that have existed longer than 6 months (hard to fill vacancies or high demand). The most significant vacancies occur in Ampara, where numbers

are much higher than in other districts. What is equally important to note is that the fact that 42.4% of vacancies in Ampara are for lower skilled occupations. This must be contrasted with Batticaloa where demand is concentrated for higher and medium level occupations.

Table 3 also investigates the top occupational vacancies by districts. What is apparent is the fact that most of the top 5 occupational vacancies in the short-term (less than 6 months) are for low skilled occupations. After 6 months, the evidence shows that enterprises in most districts are able to find lower skilled workers and fill these vacancies. The occupations proving more difficult to recruit are that the medium to higher level, indicating their shortages. The evidence in this table provides signal on possible shortage areas and those that should be given priority for skills development. It is not possible to produce a list or ranking since this could suddenly change due to employer behaviour and could result in the wrong decision being made about investment. Therefore, this data should provide a broad framework for investments around skills and what type of skills programs should be developed or expanded.

Table 3: An overview of occupational vacancies and shortages across the Eastern Province

District	No. of Vacancies	% of High Level Skills	% of Mid-Level Skills	% of Low Level skills	Top 5 occupations with vacancies in rank	Hard to fill vacancies
Ampara	373	12.1%	45.6%	42.4%	Cleaners, room attendants, waiters, Cooks, helpers	Cooks, cleaners, waiters, fast food preparers
Batticaloa	84	32.1%	54.8%	13.1%	Cooks, Front Office managers, waiters, receptionists, Guest relation officer	Receptionist, waiters, kitchen stewards, front office managers, cooks
Trincomalee	96	24.0%	46.9%	29.2%	Waiters, cleaners, cooks, Room attendants, Maintenance workers	Cleaners, head waiters, room attendants, barman

Source: Enterprise survey (2017), Skills for inclusive growth program

In terms of quality of labour, serious skill gaps in tourism industry and related sectors have been observed in the Eastern Province. With regard to cognitive skills, deficits are higher among high and middle skilled workers in English language, literacy and numeracy skills. Deficits in non-cognitive skills are also observed among high and middle-skilled workers particularly in communication and problem-solving skills. These are essential traits of employees working in tourism industry as it requires high level of human touch in interacting with customers from different socio-economic and cultural backgrounds. Among technical skills, severity of skill gaps is higher in the areas of management and customer service skills. Similarly, deficits in planning and organization, computer literacy and technical skills are higher among medium and high skilled workers of the tourism industry.

2.3 Future skills demand

The next important question is what type of jobs are likely to be created over the short to medium term. Once again, this is difficult to anticipate with any degree of accuracy. The evidence from other countries shows that it takes a long time for labour markets to restructure and generate demand for new types of occupations on a significant scale. Under these assumptions the types of occupations in demand in the short to medium term will probably be similar to those identified in table 3, except that the number and possibly the demand will be stronger if nothing is done to address existing shortages.

It is important to understand where the tourism and hospitality sector might be going over the medium to longer term, and to identify the implications for skills, particularly around the demand for new types of occupations. Table 4 provides some evidence on this issue and draws on earlier evidence by looking at the major drivers of change in the sector and how they might impact on the demand for new occupations.

The first column refers to the drivers of change and is derived from the methodological approach outlined in annex IV. The second column refers to what measures or interventions will impact directly or indirectly on skills. The final column provides qualitative evidence on those occupations that are likely to be in high demand in the near future. In order to provide some indication of the severity of demand occupations that have been identified more than once in the final column are coloured red. Using this simple categorisation, it is possible to highlight those occupations in demand and those likely to be experiencing a severe shortage (i.e. those in red). Once again care must be taken when interpreting these findings since they are attempts to signal where change is likely to occur and those areas of high demand.

Table 4: Signals on future skills in demand for the tourism and hospitality sector

Driver of Change	Impact on sector	Future employment and skills in demand
Political	Government spending at the national level	Based on forecast it is anticipated that the number of guest nights could increase from 615,000 in 2016, to 1,099,000 in 2020. There is no doubt this will impact considerably on employment and further studies will be required to identify the exact numbers and occupations.
	Support for projects at the provincial office in the field of tourism	Front desk officers, back-office officers, house-keeping and craft skills
	District funding	Limited funds for the sector and unlikely to have a significant impact
	Tourism National Strategy	Legislatures, Planners, M&E experts, researchers, SME experts, coaches/mentors, trainer's familiar with entrepreneurship training. Marketing and communication managers, statistician, M&E experts, knowledge of digital marketing, events managers, ICT technicians. Mangers, administrators, knowledge of PPPs, craft-skills, tourism destination planning. Knowledge of licensing rules, HRM managers, chefs, career counselors, tour guides, community development officers, trainers.
Economic	Donor supported projects, including the Colombo to Trincomalee Economic Corridor (CTEC)	Government and key Donor Partners have commenced commissioning feasibility studies to develop economic corridors to support manufacturing and agriculture. These will provide direct stimulus to tourism in terms of numbers and related sectors through improved access and connectivity.
	No of foreign guest nights in the East are growing at a rate of nearly 20% per annum. This impacts directly on guest houses, home stays, restaurants, tour guides and the beverage sector	Middle level managers, front desk officers, HRM managers, receptionist, room attendants, fast food preparer, steward, chef, cook, waiter, tour guide, gardeners, cleaners and maintenance worker
Social	Support for gender parity (the constitution, gender mainstreaming strategy etc.)	Planners, managers, trainers, mentors and coaches with knowledge of gender mainstreaming for, experts in business start-ups and business expansion, career guidance and counselors,
Disability	Inclusion of the disabled (disability act,	Planners, managers, trainers, mentors and coaches with knowledge of gender mainstreaming

	disability strategy etc.)	for, experts in business start-ups and business expansion, and educators with background in flexible-learning
Technology	Community development (decentralisation)	Community development officers, Photographers, tour guides with knowledge of local culture and history, computer technicians with knowledge of developing applications for education,]
Environment		Organic farmers, environmental study teachers, archaeologist, tour guides, driving instructors, community development officers, health and safety technicians

3: Constraints and Barriers facing Skills Development and Employment in the Eastern Province

The preceding section provided the initial foundation for understanding the demand and priority skill areas for the tourism and hospitality sector in the Eastern Province. To develop a more responsive labour market it is necessary to identify the main constraints facing the supply and demand for skills, as well as the factors inhibiting their matching. Adopting such an approach can help us understand what actions or interventions are required to improve the operation of the labour market in the three districts and facilitate a move towards more inclusive forms of growth. An overview of the key constraints can be found in figure 8 and are discussed in more depth below:

3.1 Supply Challenges facing skills development in the tourism sector

The supply of skills in the tourism sector is influenced by different factors. Some of these relate to systemic challenges facing the education and training sector and others relate to the behaviour of employers or the cultural attitudes present in society. The existing key supply are summarized as follows:

- ❖ **Limited access to TVET programs.** The analysis of supply in annex III highlights that there are around 60 related tourism providers in the Eastern Province and out of a population of 1.6 million, only around 511 participated in tourism related training on an annual basis. This lack of access prevents the development of a pool of skills for the sector and will constraint the expansion of tourism in the region. Moreover, those living in rural areas are at a more severe disadvantage since there are no TVET providers.
- ❖ **Poorly equipped training providers.** Another influence on the poor quality of skills relates to the providers themselves. Most providers delivering tourism programs don't have adequate management, equipment or appropriately qualified trainers. Managers are unable to plan and lack adequate information. When trainers do exist, they lack suitable industrial experience and have not had their technical skills upgraded in years. More specifically there is a lack of instructors who speak Tamil. The key reasons for people not wanting to become instructors are because the salaries are low and people don't want to work in the Eastern province away from their family.
- ❖ **The lack of suitable training programs for the sector.** As the education and training section illustrated only 4 accredited programs are delivering programs for the tourism sector in the Eastern Province by formal providers. The type of programs developed don't reflect those shortage areas that have been identified in the survey. The mismatch between technical skills on offer and those required in the market place reflect a significant and growing skill shortage.
- ❖ **Lack of quality skills being developed.** Beside the quantity and types of skills coming out of the formal TVET system, there is also the issue of quality. The quality of skills doesn't reflect the standards required in the workplace. This reflects the use of traditional approaches to the development and delivery of skills. When it comes to the development of skills the country has an NQF system, but unfortunately there is no mechanism to link needs with the type of qualifications developed by the system. When training occurs, there is minimal employer engagement at the provider level and limited opportunities for trainees to develop employability skills.



- ❖ **Failure to develop suitable soft-skills.** It is not only technical skills that are in demand (and not supplied or developed by the formal education system), there is also the whole issue of soft skills. The extent of the shortages has been documented in other studies, with key needs being experience in English Language and Tamil speaking skills.
- ❖ **TVET programs are too long.** The length of time taken to gain a qualification in tourism at a formal provider is 12 months. This long-time period means that young people must forgo the opportunity of earning an income for 12 months. In practical terms, poorer sections of the community cannot simply afford to attend a training program in tourism at a formal training provider for such a long period of time. Also, when young people do have funds they prefer a program that leads to a degree level qualification (as opposed to a vocational one).
- ❖ **Poor attitudes of parents and learners towards sector.** There are also the attitudes of young persons. In the current education system, there is no system of career guidance to inform young people about the opportunities that are available in tourism. Therefore, young people are unaware about the potential opportunities to be gained from working in the tourism and hospitality sector. The attitudes of young people towards work are also strongly influenced by their parents and tourism is viewed as an industry in which young people especially women should not work. These cultural barriers mean that even if young people are trained to work in tourism then they are likely to work in another sector.
- ❖ **Brain drains.** A final constraint on the supply is the significant number of skilled workers who continue to work overseas. This started during the conflict and the data showed an estimated 55,000 have left the country, out of which 40% are from skilled positions. This represents a significant human capital loss for the tourist sector.

3.2 Demand Challenges facing skills development in the tourism sector

The demand for human resources influences employment levels and the types of skills that people require to perform their jobs. It will be affected unless demand is improved in the workplace than skills are unlikely to be utilised in the workplace. The key constraints influencing demand can be summarized as follows:

- ❖ **Limited commitment to training.** One of the most significant influence is the apparent lack of commitment to training by employers. Earlier evidence confirmed that even if people are provided with skills these are not utilized in the workplace. This means that it is a long way to go before enterprises are committed to a culture of learning and development. Enterprises are more committed to poaching a new employee as opposed to training their existing employees.
- ❖ **Lack of organized employers in the tourism sector.** Normally in most market based economies employers cooperate for training, particularly for entry level training. Employers in the same sector recognize that there are considerable benefits to be gained from cooperating in the training of young people, rather than poaching. However, this can only happen if the employers are organized at sector level and the available evidence for the tourism sector highlights that this does not occur. Unless the employers come together and cooperate the supply of training in the workplace will remain the same.
- ❖ **Lack of modern HR practices in the workplace.** Enterprises are not familiar with using certain types of practices in the workplace. Most significant practices not used in the workplace include flexible contracts and the use of mentoring. The lack of use of such practices explains why enterprises are not training and more likely to engage in cyclical practices of hiring and firing each season. Unless enterprises move towards the use of modern workplace practice there is likely to be minimal demand for training.

- ❖ **Failure to market Eastern Province as a tourist destination.** There is limited demand for tourism services in the Eastern province and the small number of visitors does not impact significantly on employment numbers in tourism. There is numerous reason for this situation, most significant of which is the reluctance of either tour operators in Colombo or overseas to market the region. Closely related to the former issue is the lack of a comprehensive marketing strategy based on market intelligence. When marketing does occur, it is not based on an understanding of the characteristic of the market or what the customer wants.
- ❖ **Limited utilization of ICT in the sector.** Sri-Lanka is supporting improved digitization and is implementing a national ICT project. Despite government commitment to this area there is a lack of utilization of technology in the tourism sector, representing a constraint at different levels. Antidotal evidence from the S4Gs teams visits to large hotels reveals they are not familiar with using the latest software to link webpages with booking or stock control with their monthly accounts. There is also limited use of the internet to market individual hotels or the Eastern Province as a tourist destination.
- ❖ **Labour legislation that favors employees.** The current Labour laws are restrictive for employers on many accounts. First, it is difficult for employers to make employees redundant if they close their business. Under the current conditions employers must make generous payments to employees if they made redundant. Second, under the Employee, Provident Fund (EPP) and the Employee Trust Fund (ETF) employers must contribute 12% and 3% of their employee's salaries. For larger companies this payment is fine, but for smaller companies it represents a large burden and means they are reluctant to hire new workers. Under this situation family owned business don't have to make these payments and in part explains why there are so many small or informal establishments in the sector, employing family members.
- ❖ **Limited support for the informal sector.** Most of the current support for employment and skills development in the formal sector has tended to focus upon the formal sector. A significant proportion of the current Labour force are engaged in informal activities, often involving self-employment or micro enterprise development. This is an area that has been neglected and one that has the potential to raise skill levels, productivity and help move people from informal substance activities, to more inclusive employment in the formal sector.

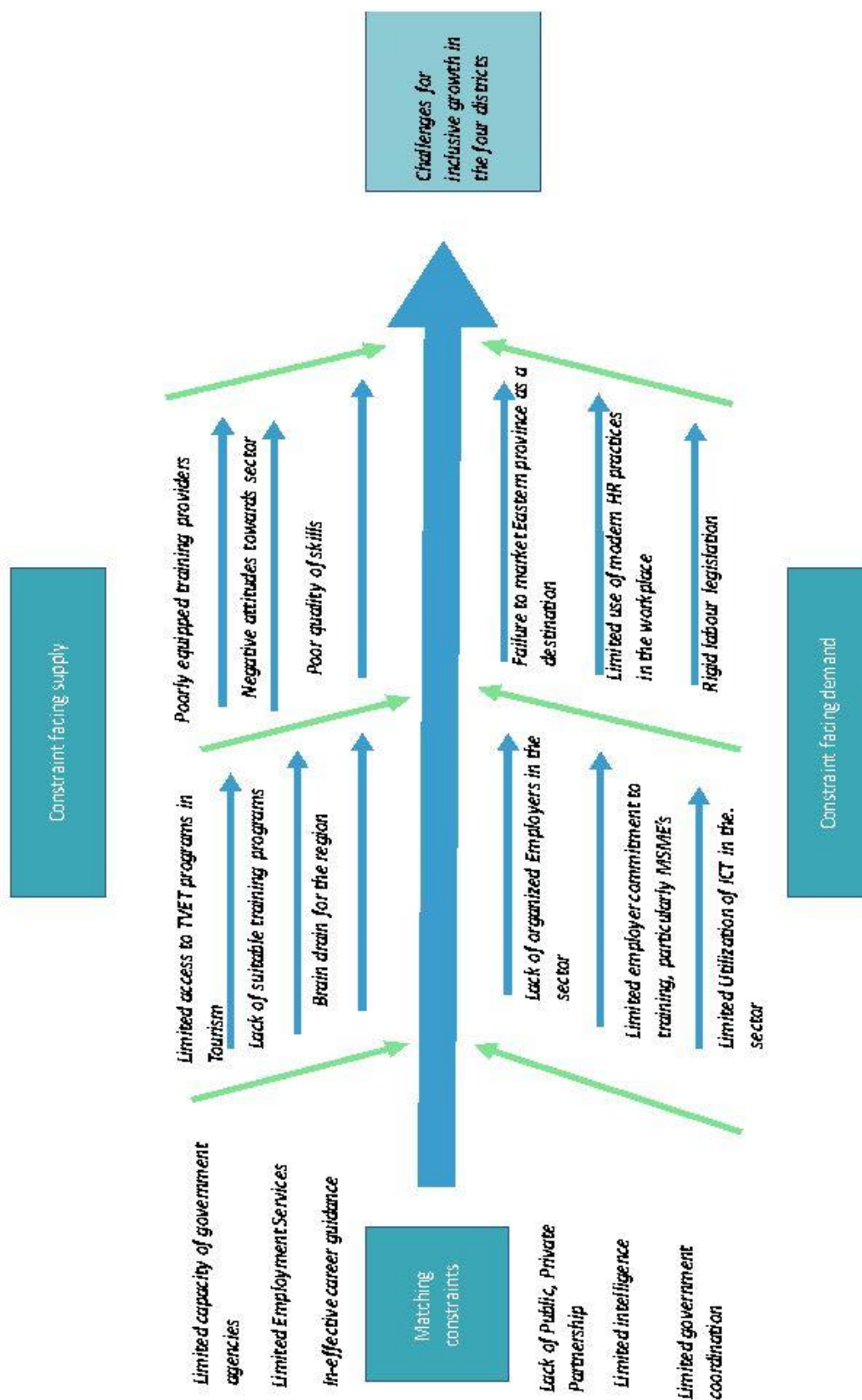
3.3 Matching constraints Challenges facing skills development in the tourism sector

There are significant constrains for the supply and demand of skills. Even if these constraints are addressed the supply and demand for skills in the tourism sector will not automatically match, particularly in the Eastern Province where markets and value chains are undeveloped. Some form of interventions is required to ensure that the supply and demand of skills match. This intervention can consist of utilisation of information, policies, or mechanism for linking different aspects of supply and demand. The following matching constraints were identified:



- ❖ **Lack of utilization of credible intelligence:** On many fronts, there is a lack of utilization credible intelligence. It is generally acknowledged that the country faces significant skill shortages and skills gaps, but until the enterprise survey supported by the S4G program was implemented there was limited understanding of the needs or how it varies across the three districts. Similarly, under until our analysis of demand using guest nights there was limited understanding of growth potential. Clearly, this evidence needs to be disseminated and district governments, along with partners, must be in a position to utilize this evidence. Without the utilization of this intelligence, it is not possible to develop accurate market campaigns, including e-marketing strategies to target potential customers.
- ❖ **Limited coordination between frameworks and policies.** At other levels of the skills and tourism sector there is limited coordination or synergies between different frameworks. In skills, there are different Ministries coordinating their own skills providers. This makes it difficult to ensure a systematic approach to developing skills and results in duplication of effort, as well as a failure to tackle areas of high demand. Problems in coordination exist between national and decentralized structures. For example, limited links between the Ministry of Tourism and the Ministry of Skills at the decentralized levels, preventing a clear understanding of the skill implications of the Tourism Strategy for skills development.
- ❖ **Limited capacity of decentralized government agencies/providers.** This represents a significant constraint to developing skills and supporting employment. There is a lack of human resources in many government structures for skills development and tourism. At the provincial and district levels, there are defined positions, but staff have been recruited to fill some positions. When staff is in position they lack the necessary skills or knowledge performs planning or coordination functions effectively. Besides planning there are also significant constraints at the provider level, with many TVET providers lacking trainers or suitable training programs.
- ❖ **Lack of Public Private Partnership for Skills Development.** One of the key mechanism for bringing together supply and demand are Public, Private, Partnerships (PPPs). These take different forms and occur at the strategic level and in the implementation process. Evidence shows there has been limited engagement at the strategic levels between representatives from the private sector and government structures for skills development or employment. More effective strategic engagement is required, enabling government structures at the decentralized levels to ensure policies and strategies are focused upon private sector requirements. Lack of effective engagement occurs at the provider level and limited evidence exists of TVET providers working with employers to deliver training. Under the current arrangements it will be difficult for learners to develop employability skills or for existing employees to acquire the foundation knowledge to upgrade their existing skills.
- ❖ **In-effective employment agencies for the regional economy.** In theory, these structures play a key role in facilitating the match between supply and demand. There are questions around how the employment services operate, including those in the public and private sectors. Evidence shows that the private sector agencies play a key role in matching employers with employers. The problem with existing private employment services is that they focus upon overseas employment and help to exacerbate regional skill shortages, as opposed to solving them. These agencies must start to play a more significant role in facilitating local Labour markets and helping employers find suitable skilled workers. With regard to the public sector there are limited attempts to match supply or demand, and reflect the lack of engagement with the private sector.

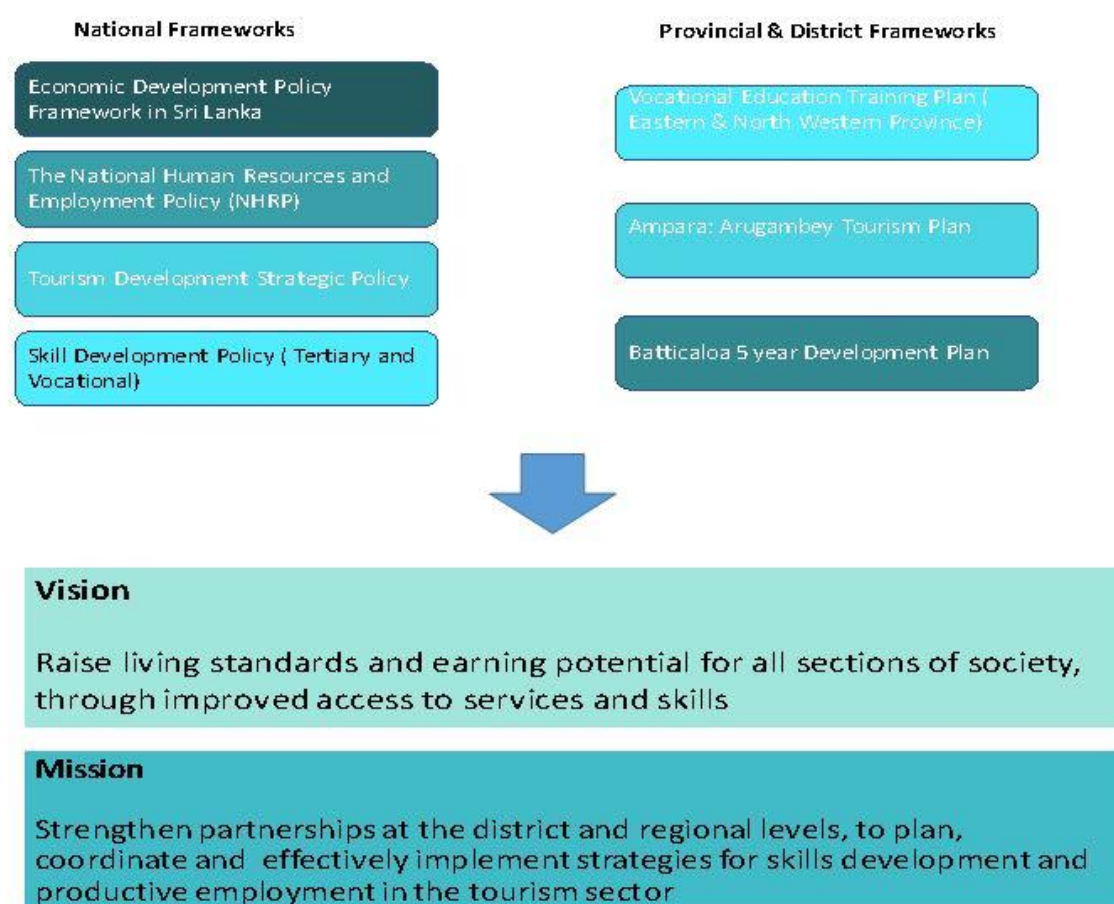
Figure 8: An overview of the main constraints affecting demand and supply, and their matching



4. Vision and mission statements for Skills and Employment across the Eastern Province

In order to tackle the constraints facing skills development and employment for the tourism in the Eastern Province, it is necessary to have a vision of where the sector is going, as well as how it will get there. A vision provides the basis for mobilising government resources at the national, provincial and district levels, together with those from stakeholders, towards a common goal, and the mission statement provides a vision of how it will get there. The vision and mission statements were derived from government policy documents and consultation with government partners and stakeholders¹⁰.

Policy framework guiding Tourism and skills in the Eastern Province



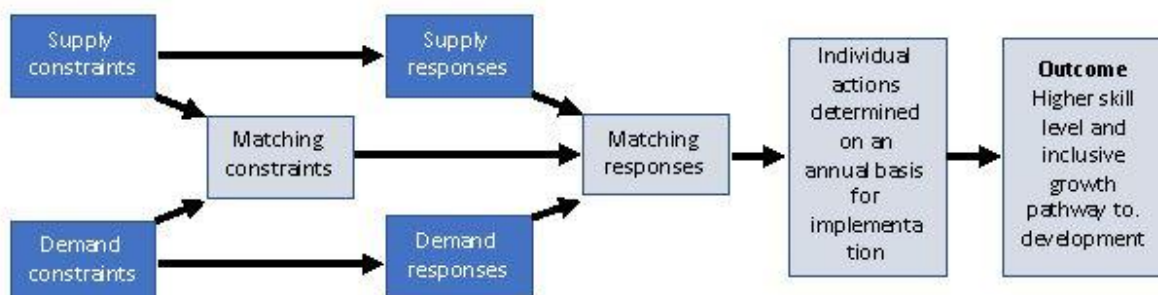
¹⁰ Details of the government bodies responsible for these different policy frameworks are found in Annex VI. Further information on the composition of each of these policies at the different levels can be found in Annex VII.

5. Strategic Responses and Annual implementation plan

The government at different levels will work with stakeholders, as well as development partners, to tackle the constraints and achieve the vision mentioned previously. The starting point is to define strategic responses required for tackling the systemic constraints inhibiting the demand and supply of skills. Even, if the factors inhibiting supply and demand are tackled, there will also be a need to ensure markets are cleared through addressing the matching constraints. A considerable number of constraints were identified across different areas and it will be necessary to provide a strategic overview of how these will be tackled, with the provincial government playing an important coordinating role, and district governments and their partners playing an important role in their implementation. During these processes, the planning structures will need to be strengthened and support provided to main-stream tourism into existing plans at the provincial and districts levels. Support for the planning process will be achieved through technical assistance, working with the provincial and district offices in the development of new, as well as the updating of existing master plans for their area.

The implementation of the plan will be incremental process and involve the piloting of actions at the district level to improve the quality of supply, rise demand and facilitating the matching between supply and demand. These actions will need to be identified on an annual basis to take on board changes in the labour market and implementation experiences. It can be expected that successful pilots will provide the basis for up scaling and support from government, as well as other government departments. Over the longer time period such actions will play a role in tackling the systemic constraints and for ensuring longer term sustainability. The relationships between the constraints, responses and individual actions, as well as the intended outcome of the 5 years skills plan are shown in figure 9. More specific details on how the constraints will be tackled and the type of actions to be implemented are discussed below:

Figure 9: Relationship between constraints, responses, actions and expected outcome from the implementation of the 5 Years Skills Development Plan and Employment Strategy





5.1 Tackling supply constraints

- ❖ **Improving Access:** Improving access requires an expansion of existing providers, including the building and construction of new providers at the different levels to increase the number of people coming out of the system. The government will work with partners to construct and equip providers to deliver TVET programs in the field of tourism and hospitality. Improving access will also require the move towards more innovative and flexible delivery mechanisms. Those measures associated with the use of more flexible delivery mechanisms involving ICT are discussed below. In addition, there is a need to explore the use of mobile training, in an attempt to target skills development amongst those groups living in isolated and rural areas.
- ❖ **Diversification of skills on offer:** There will be a need to introduce shorter programs and facilitate the move towards higher level skills programs for the tourism and hospitality sector. Most of the current TVET programs on offer in the East are geared towards lower level occupations and involve lengthy training just learn basic tasks. The provision of these programs will be made shorter, with more emphasis given to delivery within the workplace. This will reduce drop-out rates and increase the pool of trained lower level occupations. Technology will play an important role in the delivery of such skills through the use of case studies videos and the use of applications on phones. The diversification of TVET programs and the move towards higher level skills must reflect market demand. As each of the districts move out of the low skill equilibrium there will be a need to develop more middle and higher level TVET programs. Providers in the East will support the development and delivery of higher skill programs through partnership with public and private organisations in Colombo, and in some instances providers overseas where a capacity gap exists in Sri-Lanka.
- ❖ **Improvements in quality of provision:** A persistent problem with existing providers in the East is that they don't reflect the needs of the employer and are producing poor learning outcomes. The lack of quality is a reflection of many issues, including the physical infrastructure. TVET providers need to be established or upgraded to deliver new or higher-level programs and they will be equipped with new equipment to reflect industry standards. Another factor influencing quality are the instructors and trainers who deliver TVET programs. A cohort of trainers will be developed to deliver industry level standards learning outcomes, including those for higher level occupations. The focus of their training will be upon technical, pedagogical and industry experience. The latter is very important since a significant proportion of instructors and lecturers working in the system lack industry experience. For the development of instructors to deliver higher level programs it might be necessary to forge partnerships with overseas institutions to achieve international standards.
- ❖ Besides instructors, managers at training institutions play an important role in helping providers to achieve quality standards. Often managers need to have appropriate systems and mechanisms in place to develop strategies. Therefore, an executive training program will be developed for managers to improve their capacity, leading to a post graduate diploma or degree level program. The latter issue is important since it will act as an incentive for people to complete their training successfully.
- ❖ A final aspect of quality will focus upon the maintaining existing quality assurance programs, especially those associated with the development of occupational standards and assessment. Currently, these procedures occur at the national level and difficulties are experienced through a lack of employer engagement, especially in the Eastern Province.



Therefore, it will be important to ensure that employers continue to play a key role in the development of new occupational standards and develop mechanisms or structures to ensure this occurs. For higher occupational standards, there is a need to develop and award qualifications with overseas providers.

- ❖ **Promoting Positive Attitudes to training and working in the sector:** Changing attitudes will take time and will focus upon young people, as well as their parents. Unless the attitudes of parents can change it will be very difficult to encourage more young people to train or work in the sector. Part of the strategy will involve improved career guidance to help young people understand what opportunities are available in the sector and potential career pathways, as well as suitable training programs. This must be accompanied by the production suitable marketing material and organised visits to tourism destinations. The marketing material will portray positive role models of those working in the sector, particularly women who have worked their way up the career ladder. The visit to the tourism destination will be an important way to involve parents and so careful attention must be given to the organization and management of such tours. Other strategies to promote more positive attitudes must also involve the training and development of career guides, including a cohort of experts travelling around schools in the Eastern province to train relevant officials and teachers at schools.
- ❖ **Reversing the brain-drain and attracting diasporas back to the Eastern province.** The reversal of the brain drains and attracting diaspora will take time, and will need to focus upon improvements in the conditions in of the workplace for employees. Attracting diaspora can only really take place once improved HR conditions occur in the workplace. The experience from other countries illustrate that diaspora are very interested in helping to rebuild their home-land through providing short-term advice or training. In some instances, the diaspora is interesting in volunteering and provides their services free, including through use of organized distance learning. Suitable strategies will be investigated on how to involve diaspora and use their talent to support skills develop in the Eastern province.

5.2 Tackling demand constraints

- ❖ **Improved collaboration of employers in the sector:** At the heart of effective skills development is the commitment of employers to training. One of the ways to achieve this is to bring together employers who are working in the same sector to support skills development. Lack of trust in the sector and the wide scale use of poaching employees has made cooperation difficult. Initial attempts at working together must involve workshops to share employer's joint experience of training and development, and to start to build trust. Subsequently, systems will be put in place to encourage employers to collaboration in the area of skills, particularly through the training of young people. The setting-up of a group training model can provide the basis for this collaboration and involve apprentices being rotated around different companies. This will help create a pool of trained workers for the sectors. Numerous partners will be involved in this reform, including the Ministry of Skills and Training Industry Council at the Central level, as well as the Eastern Provincial Tourism board, along with providers and employers in each of the districts.
- ❖ **Improved commitment to training and use of modern HR practices:** Part of the improved commitment will occur through collaboration involving the use of the group training model. Additional, institutional structures and systems must be put in place to link public TVET providers with enterprises to facilitate effective and efficient skills development. Increased commitment to training by employers will not automatically occur. Training providers must reach out to employers in their locality and identify the most suitable means for



collaboration, particularly around the development and delivery of skills. This may involve the initial training of young people or improving the skills of those already in the workplace. One area of identified demand is for the training of basic skills training, with the need to deliver theory in the institution and practical's in the workplace. This will be supplemented with the increased use of coaching and mentoring for enterprises, particularly SMEs who need to improve their productivity and performance. The use of mentoring and coaching will support the move towards the use of modern management practices in the workplace and facilitate increase commitment to skills development. The use of coaching and mentoring can also be used as a means to expand the use of technology in the workplace, especially open source software that can enable SMEs to improve the operations.

- ❖ **Market the Eastern Province as a major tourism destination.** One of the key strategies for increasing demand will be improved marketing for tourism. This will require a number of actions, ranging from the creation of a unique brand for the Eastern Province, to the identification of key consumers to actual marketing. More detailed understanding of how to promote Sri-Lanka as a national tourism destination is outlined in the country's Tourism Strategic Plan 2017-2020. This outlines how to develop a marketing strategy, what research needs to be undertaken, how to develop a new brand, as well as aspects around market development, including plans for different markets, the use of digital, and the importance of public relations and events. Most of the emphasis within the plan is upon the national picture, but a similar approach should be followed at the Eastern level, with the Eastern Provincial Tourism board and partners taking the lead in this process.
- ❖ **Improved support for the informal sector.** Earlier data confirmed that significant proportion of those working in the tourism and hospitality sector are engaged in informal activities. Those working in informal activities must be facilitated to enter the formal sector. This will be achieved through a variety of activities, ranging from the mentoring and coaching of SMEs, to help with adding value to their existing products or expanding their markets. For instance, women living in rural areas who are engaged in subsistence activities could be given training to produce organic honey for the tourism market or advice on how turn their milk into yogurt or curd. Obviously, there will need to be a strong link between technical support and market demand. Support could also be provided for producers in the informal sector through improvements in quality or access to tourist markets. Specialists advisers with knowledge of markets in the Eastern Province will need to work with partners to facilitate pilots in this area.
- ❖ **Support a more favorable climate for MSMEs.** Changes in legislation and regulations need to occur for MSMEs operating in the sector. These enterprises face severe constraints compared to larger enterprises and these must be removed to facilitate their transition into the formal sector. The most significant legislation reform includes: a reduction in redundancy entitlements for workers employed by MSMEs. Unless this occurs MSMEs will be reluctant to take on board new employees for fear of incurring the higher costs associated with redundancies. Another area of legislative reform is the need to reduce the amount MSMEs are required to pay to the Employee Provident Fund and the Employee Trust Fund for their employees. Once again reduction in the amount of contributions for MSMEs would encourage them to employee more people.

5.3 Tackling matching constraints

- ❖ **Improve Utilization of Intelligence.** Until the current plan there was a limited understanding of the occupational demand and how it varied across the three districts. The nature of skills and occupations in demand need to be monitored over-time to track changes in the



workplace and be incorporated into decision making processes. District level government office should be supported by national bodies who will have more capacity, especially the Tourism Council and relevant Ministries. What is equally important is how intelligence is feed through into the planning process to inform decisions about what type of skills are in demand now and in the future. This require more effective links between the type of TVET programs developed and their delivering, with public funding influencing what type of skills are developed. Over-time there is a need to move towards a more output based funding model where providers receive varying levels of funding according to the types of programs they deliver and the number of trainees placed in employment.

- ❖ **Improved Planning.** One of the key issues facing planning is the limited synergies between different planning processes, covering vertical and horizontal processes. At the vertical level, improved synergies need to occur between National, Provincial and District level planning processes, particularly around areas of focuses and interventions that are likely to occur. At the horizontal level synergies need to occur between strategies for tourism and those for education and skills development. Movements are being made towards synergies through the medium-term expenditure framework, but more needs to be done to reduce duplication and ensure added value occurs between the different interventions being proposed for implementation. Focus also needs to occur on capacity building, particularly for district and regional structures. District officers will need to appoint officials to support effective implementation. Other agencies need to develop their capacity. For instance, the Eastern Provincial Tourism Council has confirmed their organizational structure, but does not have the capacity or know-how to move forward. An organizational assessment needs to be take place and a capacity plan for implemented needs to be supported. Planners working at the provision and district level offices need their skills upgraded. Currently, these offices rely on older traditional manpower planning techniques and need the skills to undertake Labour market analysis to inform decision making. Capacity building should occur through some form of executive planning program leading to a post graduate qualification.
- ❖ **Improved Public Private Partnership.** Currently in the Eastern province there are minimal partnerships between the public and private sector for skills development. These partnerships will not occur automatically and structures, mechanisms and incentives will be introduced to ensure that they occur. At the regional and district levels forums must be established, providing the private sector with an opportunity into determining priority areas for skills development, as well as the type of interventions being proposed for implementation at regional and district level plans. Besides planning employers needs to support the development and upgrading of occupational standards for the sector (see earlier section). For the delivery of training, TVET providers will also need to collaborate with employers in a number of areas. At the basic skills level providers need to support the development of modules to be delivered in the workplace, especially around the cleaning of rooms and other basic support functions. Providers also need to explore the most suitable arrangements for providing young people with work experience and longer-term occupational specific training. The use of internship is a good vehicle for familiarizing young people with the sector. These will be piloted in order to assess the suitability of experiences across the sector. Providers also need to become more pro-active and offer skill-upgrading through short courses, particularly in areas of demand, such as language skills and the use of ICT applications.
- ❖ **Making Employment Agencies Operate more effectively.** Significant reforms need to occur for private and public employment agencies. Each set of agencies need to perform their functions more effectively. The way in which the **public employment agency interacts with**



employer's need which will improve and employers will be gain confidence in their services. Incentives should be provided for employers to hire marginalized groups from public employment agencies. This would help build employer confidence.

- ❖ Private employment agencies need to reorientation their services. **Private employment agencies operate effective**, but they are geared towards the overseas markets. They must be orientated towards the local market through a combination of incentives and the provision of other services. The provision of incentives will be given to encourage local employers in the districts to hire potential recruits from the private employment agency. Private employment agency will need to provide target services, including training, mentoring and support to employers and new recruits. After time, the incentive will no longer be required and instead the private employment agency will obtain its revenue through the charging of fees to the employer. This will help ensure a more sustainable approach to matching job searches to employers.

5.4 Implementation of Annual Action Plan

The current strategic skills development plan (SDP) provides the framework for reform and identifies how the operation of the labour market for the tourism and hospitality sector can be improved. The actual implementation required to bring about change will involve a set of actions. These actions will be updated on an annual basis and those for the next 12 months, covering the period December 2017 to December 2018, are shown in tables 5, 6 and 7. Each year a new implementation plan will be developed with stakeholders.

The set of actions are derived from the preceding analysis and focuses upon how to rise demand, improve the quality of supply and strengthening the match between supply and demand. The implementation plans require some explanation. The first column in tables 5,6 and 7 refers to the focus of the intervention (interventions for demand, supply or matching). The second covers the actions that will take place under each intervention and the third column discusses the implementation mechanism or modality for implementation. There are different modalities, covering: the use of the Skills Development Fund (SDF), technical assistance, grants, and government or stakeholders support. The fifth column is the proposed time-frame for implementation and the sixth column is the expected outputs, and the final column the longer-term outcomes.

The finer details of implementation, including the role of district government, what partners are involved, how they can provide support, the precise budget and implementation details will be determined in three separate district implementation plans. Each of the districts will need to determine priorities and select the actions they want to support in their own localities based. The broad regional constraints and accompanying strategies have been identified in this province, now the precise details around implementation will be tackled in the individual district level action plans for Ampara, Batticaloa and Trincomalee.

In order to support the development of action plans and their subsequent implementation an Action Committee (AC) will be established within of the district offices in Ampara, Batticaloa and Trincomalee. The ACs has full support from representatives at Central, Provincial and District governments. Responsibility for leading ACs will rest with districts offices and divisional offices in the three districts. It is anticipated that representatives from the following will participate in these Committees: employers, training providers' stakeholders, and other development partners. Initial funding for the operational of the Committees will be provided by DFAT under the S4IG program. Once the action plans have been developed, it will be possible to move towards the setting-up of a robust decentralised monitoring and evaluation system.

Table 5: Annual Implementation Plan for the 5 Year Skills Development Plan and Implementation (Demand)

Demand	Activities	Implementation mechanism	Time period (in months)												Output	Outcome
			1	2	3	4	5	6	7	8	9	10	11	12		
1. Support existing MSMEs in the tourism sector	Development of business development support services (BDSS)	TA													BDSS developed	Employment and Demand for higher level skills increased
	Mentoring and coaching support services for MSMEs	TA													MSMEs receive coaching	
	Tourism Master Classes for businesses owners	TA/Government													Master classes delivered	
	Workshops to linked banks and MSMEs	TA/Stakeholders													Workshop delivered	
	Guest house improvement program	TA/Stakeholders													Guest-house upgraded	
2. Facilitate creation of new MSMEs in the tourism sector	Determine suitable models or approaches	TA													Models identified	
	Promote opportunities and development business incubators	TA/Government/Stakeholders													Marketing campaign implemented	
	Link BDSS to support programs, as well as partners	TA/Government/Stakeholders													Partners confirmed for implementation	
3. Build Capacity of Tourism Agencies	Prepare ToR for technical assistance	TA													ToR prepared	
	Undertake capacity assessment exercise	TA													Assessment completed	
	Develop guidelines and support for implementation	TA/Government													Capacity building improved	

Table 6: Annual Implementation Plan for the 5 Year Skills Development Plan and Implementation (Supply)

Supply	Activities	Implementation mechanism	Time period (in months)												Output	Outcome
			1	2	3	4	5	6	7	8	9	10	11	12		
4. Set-up of a Skills Development Fund to support improvements in supply	Establish guide-lines for Skills Development Fund	TA													Guide-lines developed	Supply made more responsive to the needs of the regional and local labour market
	Build capacity of providers to apply for funds and call for proposals	TA													Applications submitted	
	Evaluate and fund at least 15 proposals	TA/Government													15 proposals approved	
	Support implementation and monitor impact of projects	TA/Stakeholders													Implementation started	
5. Prepare capacity building program for providers	Support the development of a cohort of trainers	TA													25 trainers trained	
	Sensitisation training for the disability and gender	TA/Government/ Stakeholders													500 people trained	
	Training for providers, including a study tour	TA/Government/ Stakeholders													Study tour completed	
	Recognition of training modules with overseas institutions for QA	TA/Provider													Twinning arrangement	
6. Fund a selection of skills programs in high demand	Confirm occupations in high demand & develop standards, learning materials and assessment tools	TA/Government/ Stakeholders													Occupational areas confirmed	Supply made more responsive to the needs of the regional and local labour market
	Piloting of skill programs & evaluation	SDF													Pilot evaluated	

Table 7: Annual Implementation Plan for the 5 Year Skills Development Plan and Implementation (Matching)

Matching	Activities	Implementation mechanism	Time period (in months)												Output	Outcome
			1	2	3	4	5	6	7	8	9	10	11	12		
8. Enhance provincial and district coordination and planning	Update of annual skills development plan (SDP) and employment strategy	TA													Plan updated	Improve matching of supply and demand and support high level inclusive skills development
	Adjust (SDP) to align with the government planning and budget cycles	TA													Aligned agreed	
	Consultation with industry over the contents and direction of the plan/annual conference	TA/Government TA/Stakeholders													Conference takes place	
	Second enterprise survey	TA													Study completed and published	
9. Generation of intelligence	Informal sector study	TA														
	Understanding of value chain for the sector	TA														
	Study on remuneration and wages	TA														
	Analysis of private sector investment	TA														

[illegible]

Annex I: Defining Tourism in the context of Sri-Lanka

One of the first tasks for the SDP was to define the meaning of the term tourism and to identify what sub- sectors or economic activities does it cover. This task is complex due to the fact organisations at the national and international level, have different perspectives on what constitutes tourism. Despite these differences, it is important to reach a consensus on this term to locate where employment occurs and to identify constraints. Without an agreed definition, it is not possible to develop a targeted response for inclusive growth.

According to the United Nations World Tourism Organization emphasize is given to sustainability and they define tourism as *Sustainable tourism takes full account of its current and future economic, social and environmental impacts, addressing the needs of the visitor, the industry, the environment and host communities*¹¹. In contrast, the International Labour Organization adopts a more technical view of the sector and draws on the Standard Industrial Classification (SIC) to determine the composition key sub-sectors, covering:

- ❖ Hotels, boarding houses, motels, tourist camps, holiday centers;
- ❖ Restaurants, bars, cafeterias, snack bars, pubs, nightclubs and other similar establishments;
- ❖ Establishments for the provision of meals and refreshments within the framework of industrial and institutional catering (for hospitals, factory and office canteens, schools, aircraft, ships, etc.);
- ❖ Travel agencies and tourist guides, tourism information offices;
- ❖ Conference and exhibition centers.

Under this technical definition, the ILO points out those wider definitions of tourism frequently include the visitor attractions, encompassing: natural, cultural and heritage sites, museums, as well as zoos and theme parks.

The Department of Census and Statistics in Sri-Lanka draws on the UN's Standard International Classification Standard Industrial Sectors (SIC) and adjusts it to the local conditions. In doing so, the Department can measure the specific characteristics of the sector. Most of these are sub-sectors are common to other countries, but the types of accommodation are Sri-Lanka specific. A case in point is the term home stay. According to the Sri Lanka Tourism Development Authority this is defined as: *A house occupied by a family with at least one room up to a maximum of five guest rooms which is/are ready to accommodate tourists where the tourist and the hosting family interact with each other.*

The term tourism within Sri-Lanka government plans also uses an extended definition. For instance, within the Sri-Lanka Strategic Plan for Tourism one of the guiding principles is that tourism growth should stimulate and deepen the value chain and ensure viable long-term economic operations. The value chain is the process by which organisations or countries receive raw materials or inputs, add value to the inputs through various processes to create a final product or service, and sell this to a customer(s). In the context of tourism, the value chain can become complex and extend back to farmers who supply produce for tourists to consume, and the transportation that takes them from

¹¹ See: <http://www2.unwto.org/content/about-us-5>

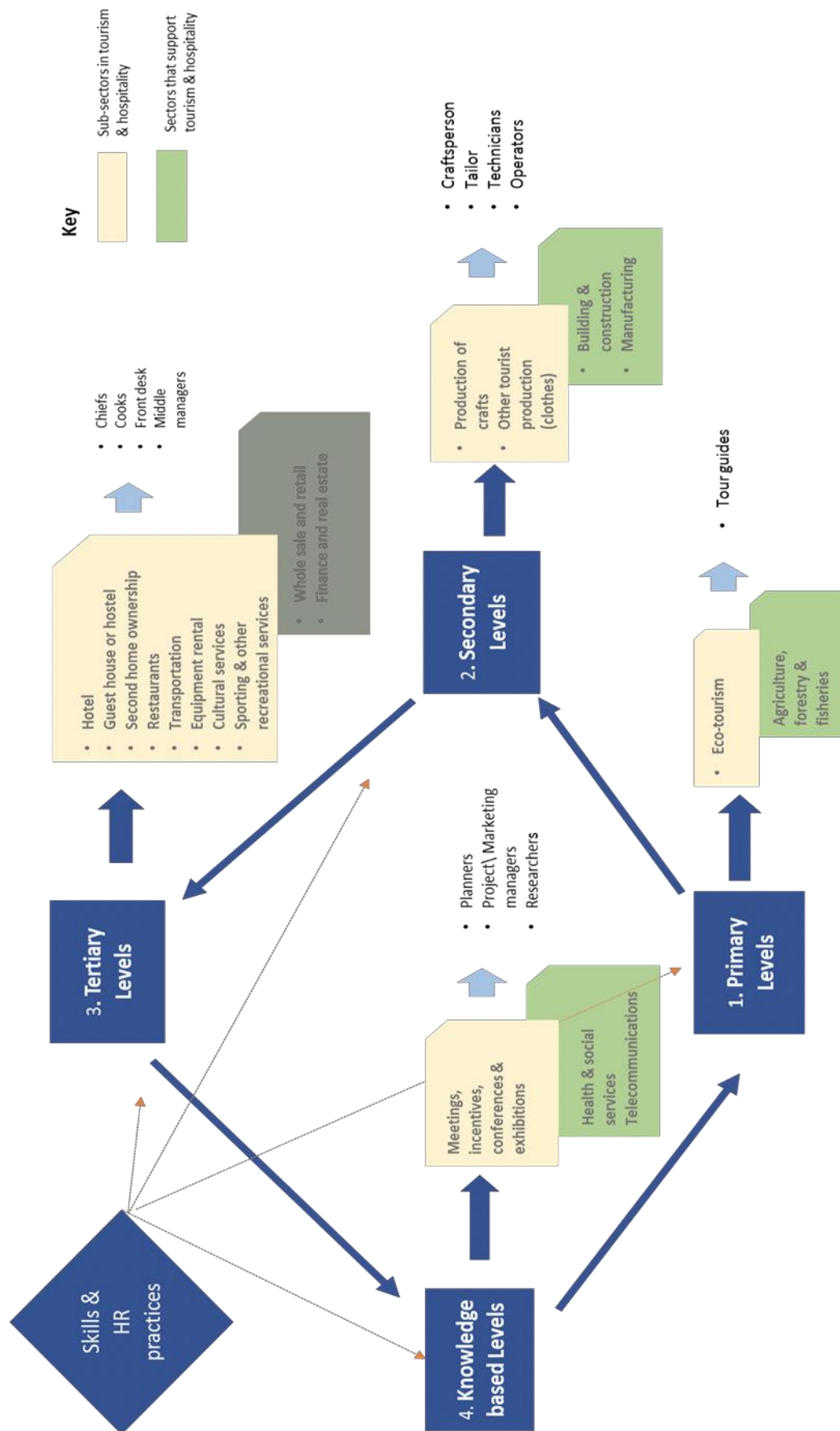
one destination to another destination, as well as traditional activities associated with the sector, such as hotels, restaurants and tour guides. The length and breadth the tourism value chain will depend on the purpose of the analysis and how the intelligence will be used.

The SDP takes on **board international and national definitions of tourism**, including the emphasis given towards sustainability and the technical definitions used by the Department of Census and Statistics in Sri-Lanka. Our Rapid Assessment and Response Strategy takes on board a value chain approach for analysing how tourism integrates with other sub-sectors and for identifying how targeted interventions will have a maximum impact on inclusive growth and employment in the three targeted districts.

Discussions amongst the S4IG team, government counterparts and stakeholders have shaped our current understanding of the value chain and how the Skills Development Plan will target interventions (see figure below). Our approach has certain assumptions. It starts from the premises that tourism is closely integrated and affected by developments in other sectors, most significant of which for the S4IG program is handcraft production and retail, and to a lesser extent agriculture or aquaculture. The latter sector is those most likely to support the employment of women and those with disabilities, and is vital to achieving S4IG's outcome of inclusive growth for all. Under the 5-year Skill Plan and Employment Strategy extensive analysis will be undertaken to unpack the contents of the different sub- sectors in the tourism value chain, how they differ across the targeted three districts and how they impact on the demand for skills and employment.

In summary, the S4IG team will use the standard definition confirmed by the Department of Census and Statistics. At the same-time this will be informed by developments in the value chain. Currently, there is no hard evidence on the value chain and more work need to be undertaken to un-pack this value chain and to understand how it works, particularly around the relationship between the informal and formal sector. This will be undertaken by the S4IG team over the next couple of months (see figure 10 below).

Figure 10: Understanding of the Value Chain for Skills Development in Tourism and related Sectors



Annex II: Approach and Framework for developing the 5-year skills development plan and employment strategy (SDP)

The approach for developing the **5-year Provincial Skill Development Plan and Employment Strategy** is shown in figure 1. The left hand-side outlines the process for developing the plan. This begins with defining the objectives for the plan, supporting data collection, undertaking extensive consultations with those working in the sector. The objectives were outlined earlier and developed through consultation with the team. The data was obtained from two three main sources: An Enterprise Survey and an Analysis of Census and Labour Force Survey (LFS) data.

The enterprise survey collected responses from **nearly 500 enterprises in the formal tourism** sector across the three districts. The survey will collect information on skills shortages, gaps and training practices of enterprises. Extensive analysis took place on the Census and Labour Force Survey (LFS) for the current 5 Year skills plan. As far as we know this is the **first time that this data has been analysed down to the district level**. This helped build an accurate picture of the labour market, enabling the SDP to present evidence on the characteristics of the workforce and how they are differing across the three different districts.

The **method for analysing this data** and putting together of the 5 Years Skills Development Plan involved sequential stages. The first stage involved understanding the context and gathering background data to improve our understanding the sector. The starting point was to understand what do we by the term tourism. Without a consensus over this term it is not possible to gather evidence or target support. It is equally important to understand who the key actors in the sector are and what policy frameworks guide activities for the tourism sector.

Other aspect to understanding the context involve looking at the **structures involved in supply**, including who develops skills for the sector and how many people are coming out of the sector. Beside supply it is necessary to understand demand. The demand for skills is a derived demand and determined by developments in the economy. Therefore, an attempt was made to document trends in the national and regional economy, and to understand the impact on the labour market. A final part of understanding the context involved investigating human resources and the actual behaviour of employers who use skills.

Once context has been understood the **next stage analysed the key skill shortages and constraints** facing the sector. Analysing skill shortages involved using data from the enterprise survey mentioned above, focusing upon three related questions:

- ❖ The number of vacancies in each of the three districts and whether they were high, medium or low skilled.
- ❖ The top 5 occupations with a vacancy in each of the three districts.
- ❖ Which occupational vacancies have taken 6 or months to fill?

Besides the current skill needs, the Five-5 years Skills Development Strategy, also needs to take into account future needs. It is recognised that it is impossible to identify the precise number of different occupations that will be required in the future. However, it is possible to obtain signals on the major drivers of change in the sector and how they will impact on the workplace, including the type of skills in demand. The method used for obtaining signals on the drivers of change in the sector is called **PESTEL** analysis. Under this method **P** stands for the political drivers of change and primarily involves understanding how the government and donors will influence changes in the

sector, particularly through investment and the implementation of strategies or plans. The **E** refers to economy and it is necessary to take on board the economic drivers of change and their corresponding impact. A similar approach is followed for **S** (Social), **T** (Technology), **E** (Environmental) and **L** (Legislation). Through adopting such an approach, it is possible to develop scenarios of how the sector might change, the key factors driving this change and their corresponding impact on the future demand for skills.

Another method was used to analyse constraints and focused upon:

- ❖ Constraints impacting on the amount and quality of skills being developed (supply),
- ❖ Constraints influencing the number and type of jobs being created (demand) and finally
- ❖ What constraints prevent matches occurring, including difficulties being experienced by structures mandated to perform this task

The assumption underpinning this approach is that once the constraints to supply, demand and matching have been understood it is possible to identify how they can be resolved, ensuring the labour market in the districts operates in a more responsive and inclusive manner.

Once the needs and constraints have been identified it was possible to move onto the responses and the annual action plan. The responses guide broad reforms that are required to tackle systematic constraints over the next 5 years. This provides the sector with a broad vision of what reforms have to take place over the next five years for the areas of supply, demand and matching. The individual actions mainly cover a period of 12 months and in some instances, depending on the outcomes, they may be extended for a longer time period. These individual actions were derived from a combination of the analysis and consultation with government officials at the national, provincial and district levels, as well as with stakeholders working in the sector. These actions plans will be updated on an annual basis to reflect changing needs and demands.

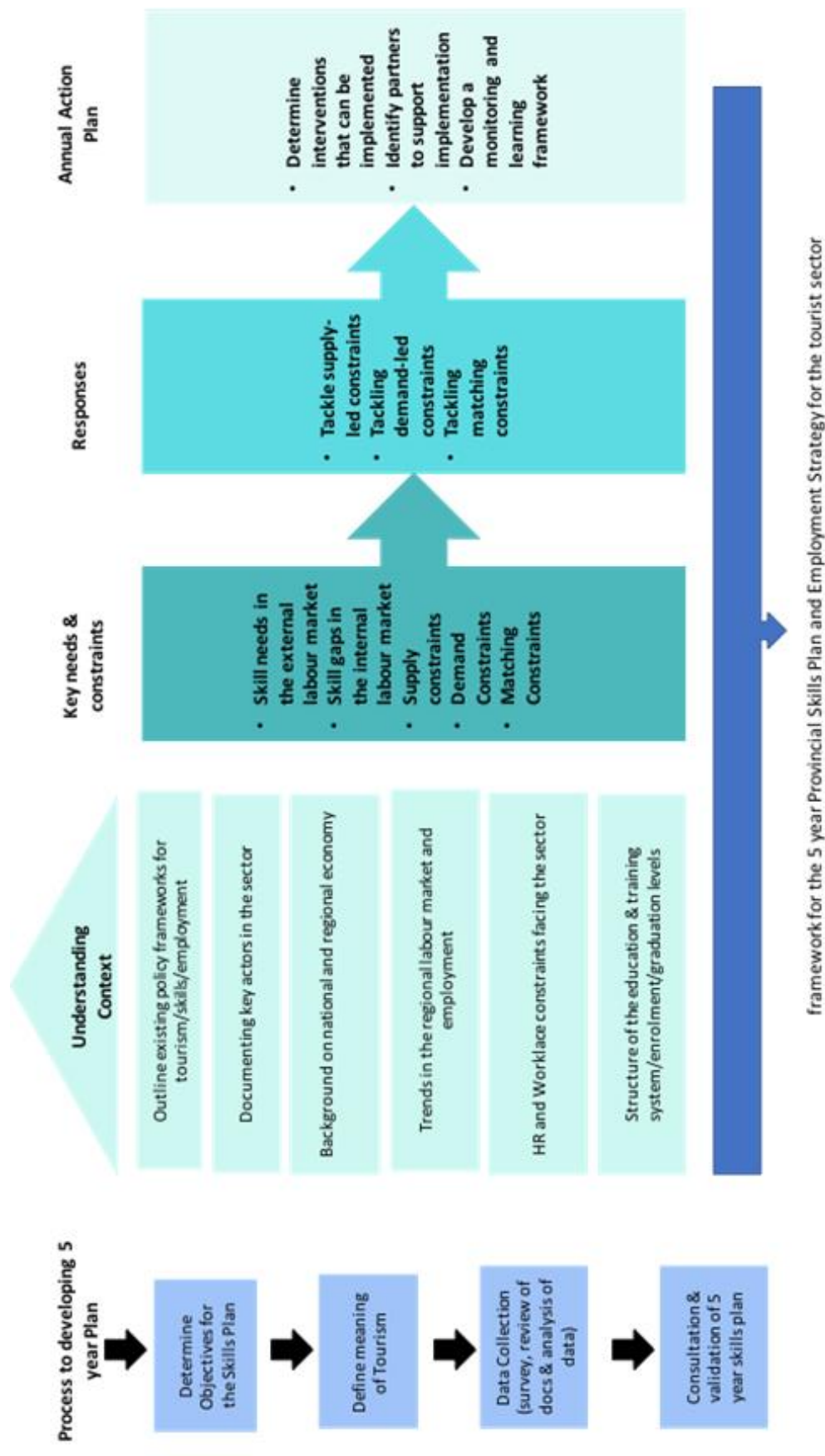
One a final note, the process of ***annual updating will gradually involve a shift in responsibility towards district officials who are involved in implementation***. At the second year of updating there will integrate between the 5-Year Skills Development Plan and Employment Strategy, and the updating for the district level Master Plan for 5 years. In moving towards the development of a single plan it will be important to ensure synergies occur between the planning process at the district level, with those responsible for the current 5 Years Skills Development Plan and Employment Strategy.

II.i. Principals guiding the development of the 5-Years Skills Plan and Employment Strategy

The current Five-Years Skills Plan will be based on the following principals:

- ❖ **Focus upon Skills and Employment:** This five years plan focuses primarily upon the development of skills that will lead to positive employment outcomes. This is not a sector based strategy for the tourism, but a plan to tackle skills shortages and gaps, as well as facilitate change and productivity in the tourism sector.

Figure 11: Approach and method used to develop the 5 Year Provincial Skills Development Plan and Employment Strategy for tourism sector in the Eastern Province





- ❖ **Evidence Based Strategy:** The intervention being proposed for this strategy will be based on empirical evidence collected on the tourism sector. More specifically the interventions will tackle skill gaps and shortages in the sector, as well as targeted support for constraints facing the demand and supply of skills for the sector. This has been achieved through the implementation of an extensive employer based survey in the East, a rapid assessment of the sector, a training mapping survey and various other pieces of research.
- ❖ **Adopt a more strategic approach that is pro-active, and facilitate change.** The development of the five-year skills strategy must anticipate and understand what is happening in the sector over the next five years and beyond. Most plans only attempt to understand the current situation and identify interventions for the next five years. The problem with the former approach is that the sector is undergoing change and the interventions must respond accordingly. Only through adopting such approach will it be possible to develop skills that can be utilized.
- ❖ **The focus is up on inclusive skills development and employment.** The plan will promote an inclusive approach to skills development and employment, ensuring an equality of opportunity for all regardless of their disability, gender, ethnicity, race, religious background or geographical location. In adopting an inclusive approach, the 5-Year Skills Strategy will ensure that women and those with disability are provided with the necessary support to access skills and employment on an equal basis to other groups in society.
- ❖ **Where possible a participatory approach has been adopted.** On the one hand this plan has been driven by a top down approach in which priorities have been determined by the government; particularly those initiatives identified in government facilitated skills plans. On the other hand, the current skills plans will have to be driven by the requirements of stakeholders and employers, with various workshops and discussions providing an input into the nature of priorities for skills development and employment.
- ❖ **Link proposed interventions to funds.** One of the short-comings of most plans, including those from Sri-Lanka, is the failure to have adequate funding for implementation. Therefore, any interventions that are identified for implementation will be linked to funds. This will be achieved through a series of annual plans, the first of which will receive funding from the Australian government. Over the next five years the Australian government will continue to support annual plans, with the expectation that the government will contribute more to implementation. This will help ensure implementation.

II.ii. Engagement Strategy

The development and facilitation of the Skills Development Plan and Employment Strategy involve extensive discussions with representatives from the following organisations:

- ❖ **Department of Foreign Affairs and Trade (DFAT):** Under the guidance of DFAT, the skill development plan focused on how to increase economic opportunities for the poor in the Eastern region, covering women and persons with disability. DFAT also emphasized the need for the plan to address identified skills gaps. These were taken on board.
- ❖ **Ministry of Skill Development and Vocational Training(MSDVT):** The team conducted number of meetings with MSDVT and its sub bodies of Vocational Training Authority (VTA). National Apprentice Industrial Training Authority (NAITA) at the national level helped the team to understand the existing skill development approach in the province. These discussions also provided detailed understanding around the planning processes and how to integrate various strategies and plans at different levels.



- ❖ **National Level Line Ministries:** Consultations took place with different line ministries including Ministry of Economic policy planning, Sri Lanka Tourism Development Authority, Ministry of Industry and Commerce, Ministry of Labour, Ministry of women and child affairs, Ministry of Social Empowerment and Welfare. The meetings with these line ministries helped understand the existing context and activities relating to tourism sector in the three districts.
- ❖ **Provincial and District level government bodies:** The team visited government representatives at provincial and district levels to understand the exacting situation of district level and province in the tourism sector and Skill development. Extensive discussions took place around the needs of the districts, what initiatives were taking place and how they approached planning processes.
- ❖ **Eastern Provincial Council** meetings with officials helped understand about the contents of their strategies, plan in relation to tourism sector development and skill development, as well as what funding was available.
- ❖ **Program Team and supportive Staff: Consultation and discussions took place between team members of the Skills for Inclusive Program.** The team is composed of staff working with different donor background and working experience in the province. Their ideas, suggestions and experience were captured in the developing the Skill Development Plan in the province.

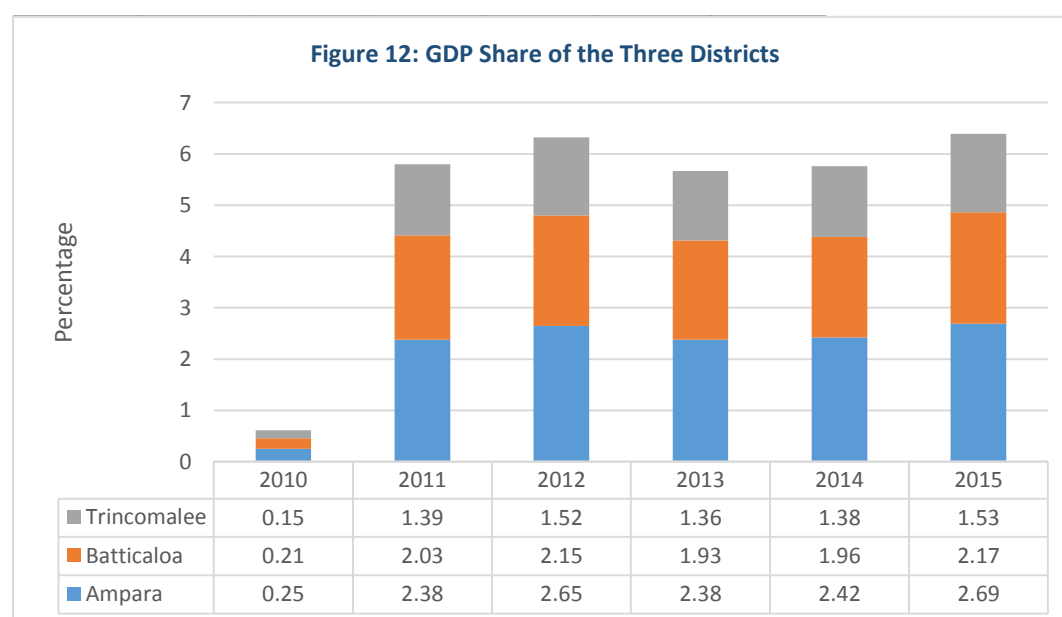
Annex III: Setting the Context for the Tourism and Hospitality Sector

III.i. Introduction

To understand the tourism sector and to make more informed decisions for the SDP, it is necessary to have an informed intelligence on the sector, including the GDP of the tourism and hospitality sector in the Eastern Province, the size of the labour market and the demand, as well as potential demand. It is equally important to understand how these developments impact on the current and future demand for skills. Other issues important for understanding the sector, include identifying the key government partners and stakeholders working in the sector, the key policies guiding developments and also supply coming out of the education and training system. Once improved intelligence has been obtained, it is possible to develop a vision for the Skills Development Plan and a corresponding mission. Consultation with government partners and stakeholders provided the basis for developing the SDP's vision and mission statements.

III.ii. Development in the Eastern Province

The GDP contribution of the three districts is around 6.39 percent for 2015 which is a significant increase from .61 percent in 2010, reflecting the impact of post-war development efforts at national and regional level. Taken together these three districts contribute around 96 percent of excess paddy production relative to other districts and 17% of fisheries production. Among the three districts, Ampara (2.69%) and Batticaloa (2.17%) make a higher contribution to GDP relative to Trincomalee.

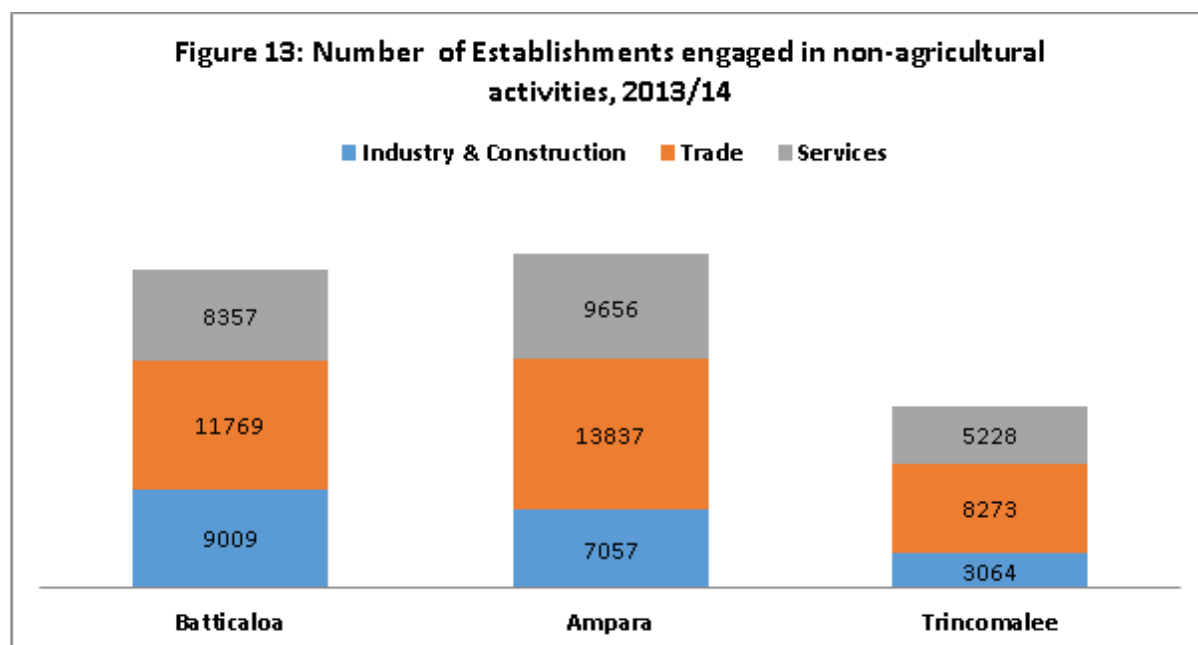


Source: Central Bank of Sri-Lanka Reports 2010 to 2015

It is also important to highlight structural changes that have occurred in the regional economy, reflecting changes at the national level. For instance, the relative share of agriculture at the regional level reduced from 22 percent in 2010, to 13 percent in 2015, while industry and services sectors increased their contribution by 34 and 53 percent respectively. The increased

GDP share of industry and services sectors is a positive change towards inclusive growth. In fact, a higher share of the industry sector (34.1%) stimulates growth of both primary and secondary sectors of the regional economy in a more inclusive and sustainable manner.

An important issue is the economic structure of each district and the relative significance of services, particularly tourism. The sector break-down of economy activity and the number of establishments by sector in the three districts is shown in figure 2. This shows that trade is the predominant sector in all districts. Around 50% of establishments in Trincomalee are engaged in trade related activities. When it comes to tourism it is possible to estimate the significance by looking at the proportion of establishments engaged in services, encompassing accommodation and food services. What the evidence shows is that services play a significant role across all the districts, with around 31.6% of establishments engaged in services in Trincomalee, 31.5% in Ampara and 28.6% in Batticaloa. Specific data from the census shows that around 16,200 persons are employed in the accommodation and food services across the three districts, with 29.62% of the workforce employed in these services in Trincomalee, 34.57% in Batticaloa and 35.80% in Ampara.



Source: Department of Census and Statistics

III.iii. The size and operation of the Labour market in the Eastern Province

Labour force participation rates, including details on employment and unemployment at the district levels are shown in table 1. Gender participation in the workforce at the district level reflects similar trends at the national level. The rate of unemployment among females is also higher in the other three districts suggesting a strong need for policy reform and specific interventions to promote inclusive growth.

Table 8: Labour Force Status in the region - 15 Years of age and above - 2015

District	Labour force participation %		Employed %		Unemployed %	
	Male	Female	Male	Female	Male	Female
Trincomalee	71.7	22.3	98.2	87.9	1.8	12.1
Batticaloa	72.7	22.3	98.3	87.1	1.7	12.9
Ampara	71.0	20.5	94.8	86.1	5.2	13.9
Sri Lanka	74.7	35.9	97	92.4	3	7.6

Source: Quarterly Labour Force Survey, 2015 Department of Census and Statistics

Another related issue, is the distribution of employment by age (see table 2). The existing evidence reveals concentration of 50 percent of the employed in the age cohort of 30-49 years. It also reveals the relative size of the retiring age cohort (5.5%) is higher than the new entrants to the labour market (e.g.4.25%). This has significant implications for policy in terms that the largest target group can be found amongst those already in the labour force and not youth. In terms of supporting skills development this means that interventions are most needed amongst those in the labour force and this is expected to continue in the near future. Another important trend to note is the size of the districts labour force is likely to decline since the numbers leaving the labour market are not matched those coming onto the labour market.

Table 9: Employed population by age – 2014 (%)

Age group	Batticaloa	Ampara	Trincomalee
15-19	6	4	3
20-24	11	10	11
25-29	8	12	14
30-39	25	27	28
40-49	24	24	21
50-59	20	18	18
60-64	6	5	5

Source: Quarterly Labour Force Survey, Unpublished data, 2014 Department of Census and Statistics

To target interventions, it is necessary to understand employment trends in the three districts, particularly in the service sector where the tourism sub-sector can be found. (see Table 3). Among the three districts, Ampara and Batticaloa accounts for more than 74% percent of employment. Across sectors, labour absorptive capacity of female labour seems to be higher in industry sector and significantly lower in agriculture, forestry and fishing sector. It is important to note that female participation is higher for the service sector in Ampara (26.86%), than in Batticaloa (19.96%) or Trincomalee (22.4%).

Table 10: Number of Employment by major industry groups, 2015

District	Agriculture	Industry	Services	Total
Trincomalee	32,156	23,233	64,736	120,115
Batticaloa	40,844	43,531	69,796	154,171
Ampara	62,711	39,834	90,151	192,696
Sub total	135,711	106,598	224,683	466,992
Sri Lanka	2,244,549	2,018,172	3,568,258	7,830,979
% of three districts	6.0	5.3	6.3	6.0

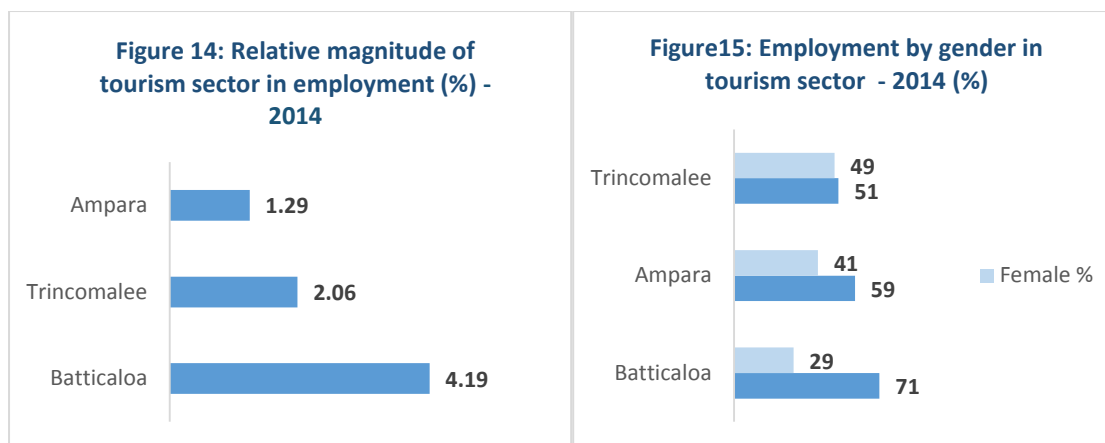
Source: Quarterly Labour Force Survey, 2015 Department of Census and Statistics

Table 11: Employed population by gender -2014 (%)

Sector	Batticaloa		Ampara		Trincomalee	
	M	F	M	F	M	F
Agriculture, forestry & fishing	88.54	11.46	83.7	16.3	91.94	8.05
Industries	74.29	25.71	74.5	25.5	72.62	27.38
Services	80.04	19.96	73.15	26.86	77.86	22.14
Total	76.47	23.53	76.35	23.65	77.8	22.2

Source: Quarterly Labour Force Survey, Unpublished data, 2014 Department of Census and Statistics

Looking at the data in specific sub-sectors reveals the role that tourism plays in employment generation. Among tradable sectors (productive) tourism plays a key role in creating productive employment and accounts for about 2.4 percent of total employment in the three districts (Figure 3). However, what is more significant is the actual level of female participation across the three sectors. On average female labour participation in tourism sector in the three districts is 39.6 percent and closer to 50 percent in Trincomalee (Figure 4). This is much higher than previous anecdotal evidence suggests. The evidence from the LFS shows that equality of opportunities for employment already exist for women in Trincomalee in tourism and good progress is being made in Ampara. More targeted effort needs to be made for increasing women access to the labour market for tourism in Batticaloa. Nevertheless, an unanswered question is what position do women hold in Trincomalee and Ampara? Earlier evidence suggested that women are predominately engaged home and would high-light the need the need to help women move from unskilled and semi-skilled jobs, to skilled and professional level jobs in the tourism sector. This finding is very important since it highlights that the focus of SAP interventions should not be around attracting women into jobs in the tourism sector, but in also moving them from unskilled to skill positions. The two problems are very different and will require different types of interventions.



Source: Quarterly Labour Force Survey, Unpublished data, 2014 Department of Census and Statistics

Not all people are able to find employment in the formal sector and a significant proportion are forced to earn a living in the informal sector. The informal sector accounts for 59.8 percent of total employment at the national level and by sector 86.3 percent are engaged in agriculture activities and 49.2 percent in non-agriculture sectors. At district level, the share of informal sector is closer to 75 percent in Batticaloa and around 70 percent in Ampara district. It is lowest in Trincomalee (64%), suggesting presence of a relatively larger formal sector with more diversified economic activities, highlighting why women find it easier to work in tourism in this district. Once again this has implications for the types of interventions and what is likely to be more successful in one district than another. For instance, targeted support for starting or growing your small business is likely to be more suitable for Batticaloa, while formal type apprenticeship training might work better in Trincomalee due to the existence of more formal workplaces and more positive attitudes towards women.

III.iv. Understanding Supply of Skills

The structure of general education system in Sri Lanka consists of three main levels: primary (grades 1 to 5), junior secondary (grade 6 to 9) and senior secondary (grade 10 to 13). The tertiary system of education consists of universities, professional institutes, and technical and vocational education and training (TVET) institutes. The system of school education is decentralized forming a national structure with the line Ministry of Education (MOE), National Institute of Education (NIE), Department of Examinations (DOE), the Department of Educational Publications, and the nine (9) Provincial Councils. The central Ministry remains the authority for the formulation of national policy, management of national schools, design of the national curriculum, supervision to maintain standards, teacher education, and supply of textbooks and conduct of examinations. The Provincial Councils manage provincial schools and pre-schools through Zonal Education Offices and Divisional Education Offices.

The Technical and Vocational and Education and Training (TVET) sector in Sri Lanka is made up of complex system of public, private and NGO sector training providers. There are about 764 training providers in TVET representing both public (41%) and non-public institutes (59%). It provides vast opportunities for school leavers to acquire technical and vocational skills and join the world of work. The TVET system is operating through the National Vocational Qualification (NVQ) Framework which provides recognition, employment opportunities and career path to achieve higher educational qualifications, leading even up to the degree level, by joining a College of Technology or UNIVOTEC. Vocational education and training in Sri Lanka is managed

by the Tertiary and Vocational Education Commission (TVEC) of the Ministry of Skills Development and Vocational Training. The public-sector dominates most of the provision in TVET and private sector market for skills has yet to develop. Lack of qualified, skilled and experienced technicians is a significant bottleneck to the socio-economic development of the Country. Investment in Technical Vocational Education and Vocational Training is a vital need for the future development of Sri Lanka. Enterprise training is underdeveloped in Sri-Lanka and receives limited government funds. As a consequence, most employees in the tourism and hospitality sector have no formally recognised skills. The few courses available through the TVET system to the tourism sector is extremely limited and it fails to capture key skill or occupational growth areas for the sector, such as tour guides, adventure and recreational activities, water based activities, bushwalking and trekking, MICE etc.

III.v. Tourism related Training in Eastern Province in Sri Lanka

There is a lack of data on the provision of TVET at the provincial level. A recent survey supported by the S4GI program has started to gather data on supply. The initial evidence highlights the dominance of public sector service providers, accounting for 80 percent of training institutes. Another issue to emerge from the survey is the dominance of three institutions, NVTC, DVTC and VTC (see table 12).

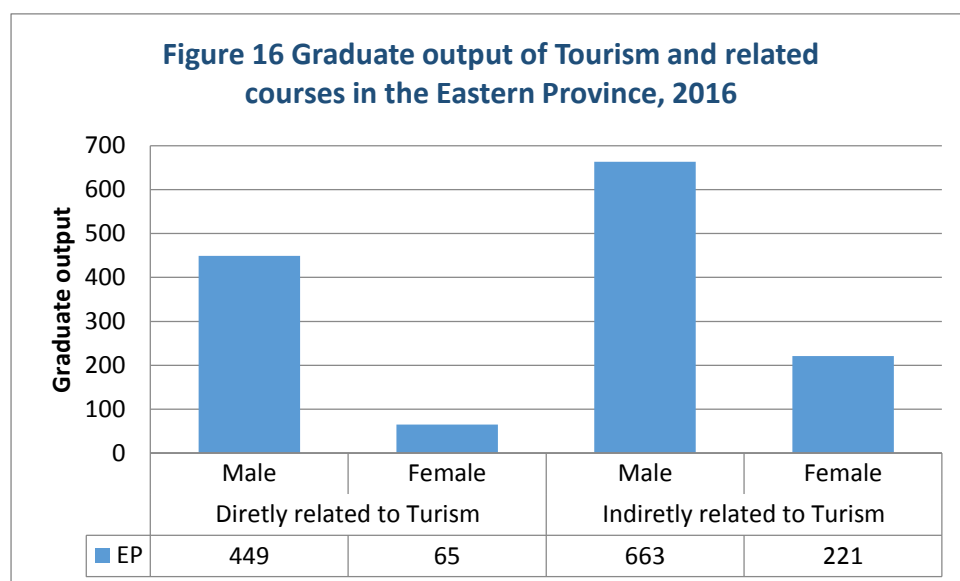
According to available data on the Eastern Province is around 1400 graduate from these providers per annum (for 2016), out of which 37 percent of them graduated in programed directly related to the tourism sector ¹²while the rest (63%) have followed course programs indirectly related to the tourism sector. ¹³ (See figure 16). Female graduation rates for direct and indirect programs are 13 and 25 percent respectively. Unfortunately, there is no time series data on enrolment or graduation rates. Data is available on the types of programs on offer and this is shown in table 12 and reveals a very narrow range of programs.

Table 12: No. of training providers in the Eastern Province

Public	No of providers
University	3
SLIATE	3
COT	1
Technical Collages	5
NVTC, DVTC, VTC	25
NYSC	5
NAITA	3
SLITHM	1
Other government	4
Total Public	50
Private & NGO providers	10
Total	60

¹² Hotel Management, Event Management, Sports and Leisure, Wellness and Product Offering (e.g. Craftsman).

¹³ Infrastructure and Maintenance, Electrician, Refrigeration, Air Conditioning, Equipment Maintenance, Technician, Aluminum Fabrication, Mason, Plumber and Construction Craftsman.



Source: Map of Training Providers for the Tourism Supply Chain in the three Districts, 2017

Table 13: Existing Tourism related training courses in the Eastern Province

District	Course
Ampara	Room Attendant, House Keeping, Waiter/ Steward, Restaurant & Bar, Cook, Bakery
Batticaloa	House Keeping, Restaurant & Bar, Cook and Basic Cookery, Food and Beverages, Room attendant/ Steward, Front office Operator, Hotel Operations, DIVING, Swimming
Trincomalee	Cook, Food Processing, Bakery, Waiter/Steward, Room Attendant, House Keeping, Hospitality Management, Food Production

Source: Training Provider Map Survey, Skills for Inclusive Growth Program

Annex IV: Strategic Direction of the Sector

Most economists will argue that the demand for skills is a derived one and the type of skills will be determined by what is happening in the sector, and how this impacts on the workplace and the skills that people require to perform their job effectively. Obviously, the tourism and hospitality sector will be in a constant state of flux and it is important to assess the processes driving change and how they impact on the demand for skills, now and in the near future. One of the most effective techniques for understanding the changes that are occurring within the sector is through analysing how Political, Economic, Social, Technological, Environmental and Legislative factors are impacting on the sector and the corresponding implications for changes. Adopting such an approach will help the strategy to understand the impact of future changes on the demand for skills.

IV.i. Political Drivers

The key driver for change under this first component will be the government, and the impact in the Eastern Province on skills and employment will be felt in different ways. The second influence will occur through donor projects that can have a direct and indirect impact on skills. Some of these influences will primarily occur at the national level, but their impact will be felt at the regional and district levels.

IV.i.i. The role played by the government in directing change

The key drivers of change for skills and employment can be found at the national, provincial and district levels, most significant of which is through the way in which they fund tourism and the policy frameworks for guiding development in the sectors, most significant of which are the National Tourism Strategy, the Provincial Development Plans, District level Plans and the National Vocational Education and Training Plan for the Eastern Province. Each of these will be tackled in turn and their possible implications for skills and employment tackled.

IV.i.ii. Government Funding

One of the most significant influences on tourism occurs through government expenditure. Expenditure can provide an indication of government's commitment to tourism and in what areas are viewed as most important, as well as the degree to which they influence skills and employment.

IV.i.iii. National Level Funding for Tourism

Total investments in travel and tourism sector in Sri Lanka is estimated to be around US\$ 0.9 billion in 2016 and the major contributions come from the private sector. The estimated amount of foreign direct investment (FDI) in tourism sector was around US\$ 136 million in 2015 (BOI). Tourism in Sri Lanka is one of the key sectors for FDI and ranked at 19th out of 141 countries in the Global Competitiveness Index for Travel and Tourism in 2015. In terms of projected overall investment in Travel and Tourism sector however, expected growth for the next ten years (2017-2027) in Sri Lanka is 2.6 percent as against 5.9 percent for South Asia (WTTC, 2017).

Projections by the National Planning Department (NPD) indicate tourism related FDI to reach US\$ 3 billion by 2020. In addition, public investments in skills development, urban development, regional development, roads, transport and environment would be a major part of government's facilitating role for tourism sector development. The projected investment in these sectors from 2017 to 2020 would be around Rs. 1353 billion. With a view to promote private sector investment, the government has established 'One Stop Unit' (OSU) to assist potential tourism investors interested in

Sri Lanka Tourism. It is a one-stop location and point of contact for investors to identify feasible projects, obtain information regarding potential investments, submit applications, and provide support in obtaining investment promotion privileges, trade licenses and other approvals required for project clearance. OSU prevents the need for investors to spend time in search of answers and ensures all queries are handled by its specialist staff. The OSU reduces the time taken on receiving approval from various government agencies and does the coordination on behalf of the investor.

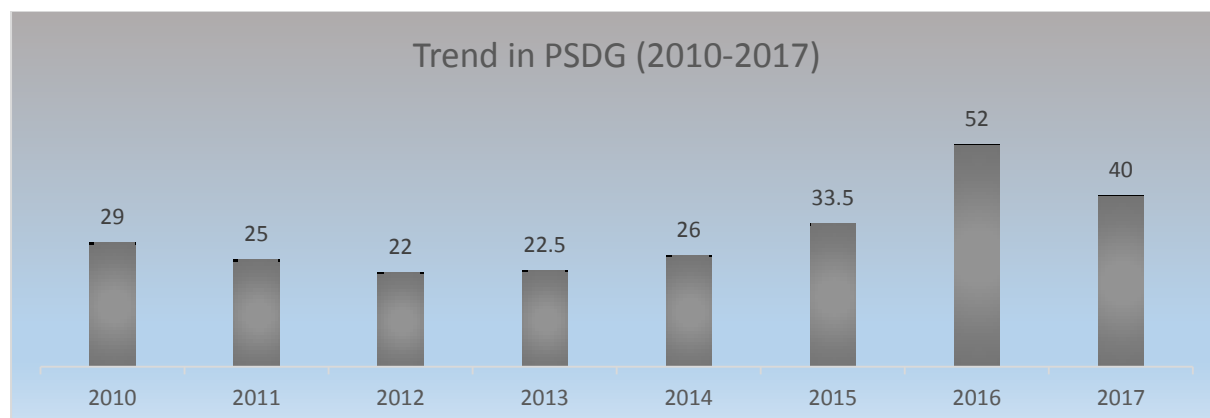
There is no doubt that government investment will have a significant impact on employment and skills in the sector. According to the Travel and Tourism Council (2017) the pro-growth policies of the government will impact significantly on the sector, with around 380 thousand jobs being created over the next 10 years. The Council anticipates that the impact will occur through what they term direct, indirect and induced drivers. The term direct refers to investment in the sector mainly through private spending. While indirect covers travel and tourism investment by the government, and induced is the spending directly and indirectly from employees. Using this methodology, the direct drivers will lead to around 120 thousand new jobs; the government will help generate 50 thousand new jobs in the sector and 130 through induced investment.

IV.i.iv. Provincial Level Funding for Tourism in the Eastern Province

Funding for tourism at the decentralised levels can be gaged by looking at how funds are allocated for tourist promotion. According to table 1 there has been a significant rise in the number of projects funded for tourism and reflects the ability of the leaders in the province to successfully lobby for higher Central Government Allocation for the East.

What is equally significant is the type of projects funded and what activities were supported for infrastructure and manpower development. This evidence clearly shows that within all districts the focus has been upon the upgrading of existing amenities, the construction of new amenities and the beautification of specific areas, and only minimal resources have been allocated to the area of training or skills. The only district that has committed resources to skills development is Ampara. In Trincomalee and Batticaloa manpower development amongst the PSDG support is primarily focused upon handicraft training and in Ampara upon hotel training¹⁴. Given the current state of development and the focus upon rebuilding the focus upon infrastructure can be expected. However, more emphasis at the district level will have to occur for skills development linked to identified demand.

Figure 17: Trends in the allocation of Province Specific Development Grant (PSDG)



	2010	2011	2012	2013	2014	2015	2016	2017
Trend in PSDG (2010-2017)	29	25	22	22.5	26	33	52	40

Source: National Planning Department, Ministry of Finance

One of the most significant influences on the sector will come from the implementation of the country's Tourism Strategic Plan (TSP). This covers a period of four years and defines a framework for helping the country to move towards Sri-Lanka's Tourism Vision 2025, including the strategies and actions necessary to guide implementation. In order to achieve this vision and help tackle the systemic failures facing the sector a total of six thematic are identified in the TSP, with accompanying strategies and actions. These are organised around the following themes or areas of transformation:

- ❖ ***The first transformation themes focus upon improving governance or regulation.*** A number of strategies are being proposed for implementation, each of which has significant skills implications. The revitalization of existing organisations (first strategy) will focus upon improving the planning and management capacity of the Ministry of Tourism, as well as the SLTDA. Other aspects associated with employment include the filling of positions and strategies to improve recruitment and retention. A second strategy focuses around improved relationships, communication and coordination between stakeholders. Knowledge of PPPs is required, as well as a good understanding of the legal requirements associated with land use and general project management skills to support implementation. A third strategy deals with reforms of legislation and regulations. Specific skills will be required around how to develop specific regulations and knowledge of supporting the private sector. The final strategy is about creating an enabling business environment and improving entrepreneurship. Much of the emphasis is upon regulation and monitoring of the informal sector, but there are significant implications for skills, particularly around SME development, coaching and entrepreneurial development.
- ❖ ***The second transformation theme is how to understand visitors.*** This involves a pro-active attempt to understand tourism demand in order to provide an effective foundation for marketing strategies, communication and product development. In carrying out this task it will need to cover international and domestic visitors, key niche interest groups, and visitors to particular regions and sites. A number of strategies are proposed to support this area, the first of which focuses upon improved data collection and analysis. There are significant data gaps and understanding of the sector. Specific actions will involve strengthening the research team at the SLTDA and undertaking various surveys and conducting a number of pieces of analytical work. In terms of specific skills this will require a cohort who has project management skills, research, analytical and report writings, as well as a proven track record in the setting-up monitoring and evaluation systems.
- ❖ ***The third thematic area is marketing and communication.*** In order to Sri-Lanka to move to provide higher value services and products more effective marketing strategies must be developed to address specific consumer needs. Once again, a number of specific actions are identified, ranging from the need to develop a sharpened brand, support for digital marketing, to the facilitation of trade shows, MICES and possible road shows. Each of these areas will have specific implications for the types of skills required. These can be expected to include: conference and events managers, marketing professionals and experts with the knowledge of e-marketing.
- ❖ ***The fourth thematic area tackles developing sustainable destinations.*** Currently, tourism has been growing opportunistically, leading to regional disparities and approaches that are not sustainable over the longer term. Therefore, Sri-Lanka should move towards establishing a tourism planning framework and approach that can support sustainable tourism



destinations by developing and implementing integrated plans. A number of strategies are proposed to move into this direction, beginning with improved destination planning, which will require a well-resourced planning team to be established at the SLTDA. This will group will need to prepare regional events, monitor programs, establish PPPs and facilitate MSMEs collaboration and development. The second strategy is geared towards product regulation and creation of specific experiences and involves actions around regulations, support for craft producers, SME developments and specific actions for urban areas. Another closely related strategy is about improving tourist experience and a final strategy about facilitating destination tourism sites. All of the former areas will require a significant set of skills, ranging from planning and management skills, knowledge of SMES and PPP arrangements, research and M&E skills, to specific technical skills around improving transportation and upgrading of facilities taking on board environment and cultural concerns.

- ❖ ***The penultimate thematic area is about lifting industry standards***, helping to ensure that the tourism industry can confirm to international standards, taking on board the movement towards a more environmentally and socially conscience consumers. The following three distinct strategies are proposed: enhancing conservation, preservation and management of natural and cultural assets, presentation and management of natural and cultural assets, and facilitation of best practices at key tourist points and improvements for visitor information. For the first and second strategy, a number of action will take place including: an audit for protected areas, the development of specific site management plans, national whale watching plans, and mechanisms for improving booking and ticketing on-line. For the third strategy, various actions are also being proposed for the uptake of best practices, covering customer satisfaction surveys, a review of licensing conditions and awards, the development of a code of conduct for drivers and the strengthening of tourism police. Most of the skills about the former focus upon specific knowledge of tourism and cultural of Sri-Lanka, experience of developing and implementing regulations, as well as good management and administration skills.
- ❖ ***The final thematic area is around the engagement of the workforce and communities***. At the heart of Sri-Lanka becoming a high value destination is the need for the use of modern HR practices and strategies. The first strategy to help the country move in this direction is through the creation of an actively engaged workforce. A number of actions are proposed, including the introduction of improved HR practices, a commitment of employers to equality, a master class program for SMEs, an HR plan for the sector, and improved scheme of service for those working in the sector. The second strategy is focus upon the promotion of employment and career opportunities. This will require the increased awareness of employment opportunities in the tourism sector and the setting-up of career counselling, the promotion of the sector within schools and colleges. A further strategy is focus on training and development, proposing the creation of a tourism and hospitality framework, a new tour guide qualification, and support for other various tourism skill programs. A final strategy within this thematic group is about how to engage the local community. Different actions are being proposed, focused upon an improved engagement between hotels and the local community, various retraining and adult education programs and tour-guide programs. The skills and employment implications are significant and involve a concerted effort for HR managers and practitioners, experts with knowledge of qualification development for the sector and the delivery of workplace training, as well as those experienced working with the local communities and the private sector.

Another important driver influencing the sector is the Vocational Education and Training Plan for the Eastern Province. The objective of this plan is to identify the demand and supply of skills, ensuring the availability of trained personnel and help young people achieve their aspirations. The focus of the plan is upon supply issues across the whole sector, but attempts are made to provide a coherent assessment of the needs of priority economic sectors. In response to these needs the plan identifies the following objectives to be implemented over a four-year period:

- ❖ Identify key industry sectors and their development trends through analyses of socio-economic environment of the three districts in the Eastern province.
- ❖ Make demand forecasts of skills for the next five years through analyses of skills requirements of key industry sectors.
- ❖ Identify number and career aspirations of new entrants to the labour market through analysis of school education system.
- ❖ Identify the skills requirements of different livelihoods through assessments of livelihood occupations.
- ❖ Assessment of the VT courses available in the province and identify the potential for the supply of skills and examine the possibility of incorporating development of livelihood skills with the skills development programs.
- ❖ Match the demand for and supply of skills and make recommendations for establishment of career guidance services, improvement of existing courses, expansion or contraction of existing courses and establishment of new courses and training of trainers.
- ❖ Propose a mechanism to coordinate the implementation of the VET plan in Ampara, Batticaloa and Trincomalee districts.

Unfortunately, despite the good intentions of the plan no significant fund will be available to support wide scale implementation and so the actual impact will be minimal. On top of that there is limited understanding of the needs at the provincial or district levels, especially the East. Limited attempt has also been made to link with TVET and to engage with the sector and as a consequence there are limited synergies. Beneath the provincial level TVET plan the most significant influence occurs at the district levels through the implementation of the master plans, the purpose of which is to guide districts medium term plans, identify priorities for projects and programs, and to put in place a comprehensive monitoring and evaluation system. Each of the districts are required to develop their own master plans and to negotiate over the funding envelope with central government, leading to variations in levels across districts. Within all the three districts there is cross-sector coverage, but the significant focus is upon rural areas and livelihoods. Tourism is given a minor role in all district plans, partly reflecting the lack of support provided to this sector by the national government. The lack of commitment is evident in the fact that all districts in the East have not appointed full-time officials for the area of tourism due to the lack of government funding allocation. This situation prevents the district level offices from supporting implementation tourism activities even if funding was available, making it difficult for effective implementation of the Tourism Strategic Plan in the Eastern Province.

IV.i.vi. The influence of donors

Numerous initiatives and projects have been funded by donors across the three districts that support tourism and hospitality. A donor mapping exercise supported by the Australian government, under the S4IG Program, found there are 41 Programs in the 3 Districts that support tourism and hospitality industry in the following areas;

- ❖ Multi-sectoral youth employment training programs
- ❖ Language development training: English, Sinhala and Tamil

- ❖ Training for Hotel jobs – house-keeping, room attendant, steward, cooks, tour guides and receptionists
- ❖ Handicrafts programs for women – skills, product development, marketing
- ❖ Livelihood programs for women, persons with a disability and poor communities
- ❖ Capacity building for tourism agencies and the formation of the Eastern Tourism Development Forum
- ❖ New Business development programs for SPA/Therapy, elephant safaris, cultural sites, lagoon tours, web site creation, handicraft product development
- ❖ Community awareness programs that include site visits and hotel tours
- ❖ Access to finance for livelihood activities – handicraft and agriculture produce
- ❖ Promotion and career guidance through District and sub division 'Job Fairs'.

Specific details on the donors who fund these various initiatives and their implementation partners are listed in table 2.

Table 14: Key donors who provide support for tourism initiatives in our project target locations

No	Donors	Implemented through
01	Australian Aid	ILO, Plan International,
02	EU	UNDP, ILO, IFC
03	We Effect – Swedish cooperation	Kaviya, AHAM – Trincomalee
04	DFAT	World vision
05	Canadian Government – Global affairs Canada	WUSC
06	Church Fund from Italy and India	St. John's VT Centre.
07	Norway fund	ILO
08	USAID	VEGA B+, Chamber of commerce, SEDOT – Social Economic Development Organization – Trincomalee.
09	Operation Day work – ODW (Norway)	SWOAD
10	IFAD & CCD – Coastal Conservation Department	Palm Foundation
11	IFAD, IUCN, CCD, and NECDEP	Fisheries Society – Potuvil Lagoon tours.
12	IUCN, Mencaf	Arugambay Tourism Association.
13	EU – ZOA and WOOD & DAAD – Netherland.	Y Gro
14	Brothers of Hope	St. Joseph Technical Institute - Trincomalee.
15	Australian government fund for Act for peace	OFERR – Ceylon
16	GTZ	Social Development Foundation
17	WUSC	Hotel Society Welfare Associations

Source: Donor Map Survey, 2017, Skills for Inclusive Growth program

IV.ii. Economic Drivers

Sri Lanka, a middle-income economy with a per capita income of US\$ 3835 in 2016, has performed relatively well since 2009. The small economy has shown resilience in the aftermath of the global financial crisis and following the resolution of the internal conflict, with an average annual real GDP growth rate of 5 percent between 2010 and 2015. Since then, it has reduced to 4.4 in 2016 and projected growth rate over the next three years is around 5 percent.

In the global competitiveness index for Travel and Tourism, Sri Lanka ranked at 63rd out of 141 countries in 2015 while some of its competitors such as India, Thailand and Malaysia were placed at 52nd, 35th and 25th positions in the same year. As shown in Table 3, Sri Lanka's projected long-term growth rates for the next ten years is rather low relative to South Asia.

Table 15: Country Rankings, Long-term Growth 2017-2027 (% growth pa)

Criteria	Sri Lanka	Thailand	South Asia	World
Contribution to GDP	6.6	6.7	6.6	4
Contribution to employment	3.7	5	2.1	n/a
Capital investment	2.6	5.5	5.9	4.5
Visitor exports	5.2	10.3	5.6	4.5

Source: World Travel and Tourism Commission, 2017

Sri Lanka's tourism sector has exhibited strong growth in recent years, achieving a 14.2 percent compound average growth rate, as it has benefited from policy initiatives and investment incentives by the government. Tourism has been a focus of the post-conflict period as a sector to expand the economy and invest in infrastructure. The sector has a significant impact on the economy as it is the third-largest foreign exchange earner, contributing over 12 percent to the foreign exchange earned in 2016. Employment generated in the tourism sector (both direct and indirect) increased by 6.3 percent making 312,186 employees in 2016. Similarly, arrivals have increased to 2,050,832 (14% growth) and earnings per average room night have increased from \$164.1 to \$168.2 between 2015 and 2016. The share of domestic and foreign tourism in Sri Lanka is 35 and 65 percent respectively in 2016.

The demand drivers for tourism and related sectors in the Eastern Province include several factors such as changes in customer demand, degree of competition, investments in infrastructure development, household income and the regulatory system. Of these factors, customer demand from domestic and foreign sources seems to be key drivers of the demand in tourism and related sectors. In the Eastern coast, there has been a 53 percent increase on tourist guest nights from 2014 to 2016 and local guests account for 30 percent of guest nights. The total foreign guest nights in the Eastern Coast increased at a rate of 19.6 percent per annum in 2016 to 427136 from 306984 in 2014. The total local guest nights recorded in the Eastern Coast increased at a rate of 8.6 percent in 2016 to 188277 from 160589 in 2014. The increase in household income by 8.2 percent per annum between 2012/13 and 2016 lends further evidence in support of future growth potential of local segment of the tourism industry (DCS, 2017).

The competitive pressures from the other tourist destinations also affect the demand for tourism and skilled workers in the three districts. Similarly, on-going infrastructure development work under “Trincomalee Development Areas” identified by the Tourism Strategic Plan 2017-2020, other infrastructure projects such as construction of roadways, domestic airports and investments by the hoteliers in tourism and related sectors in the three districts contribute towards high demand for the tourism sector. In addition, structural factors such as dominance of MSMEs also determine the demand for skills in the tourism sector in the three districts. Employees in most of these establishments receive on the job training from experienced workers in the organization who also do not have any formal training on technical and soft skills applied in the tourism industry. This problem is very severe in several sub-sectors including Guest Houses, Home Stay, Restaurants, Tour Guides and food & beverages.

The regulatory system is yet another key driver of tourism sector demand. As stated by a recent study most stakeholders feel that the Provincial Government is yet to recognize tourism as a priority sector for development in the Eastern Province (Asia Foundation, 2017). It also identified non-existence of a proper coordinating or liaison structure at the provincial level which could effectively coordinate the stakeholders of the Province and work collaboratively with national level tourism authorities as a major shortcoming on regulatory system of the Provincial government. In addition, limited enforcement of the regulations on quality, safety and rent-seeking practices by various service providers subvert the regulatory process.

IV.iii. Social Drivers

Not all issues within the sector are driven by political or economic imperatives, and it is equally important that the plan understands social demands within the tourism sector and the implications for skills development and employment. Most economists use the term ‘externalities’ and these refer to activities that businesses don’t normally take into account, or that result from their business activities. In the context of Sri-Lanka the most important issues relate to the role of the women, the disabled and issues around community development.

The position of women in Sri-Lanka is complex. The Constitution of the Democratic Socialist Republic of Sri Lanka recognizes the fundamental right of gender equality and freedom from discrimination on the grounds of sex and also provides for the enforcement of this right under the law. Sri Lanka also has political and civil rights to ensure gender equality and promote non-discrimination against women in the public and private sectors. However, the evidence shown earlier demonstrated the unequal position experienced by women in the TVET sector and labour market. Women have extremely low representation in political and governance structures - in Parliament (>6%), Provincial Councils (>4%) and Local Authorities (>2%) and at senior levels in the public service. Women have low labour force participation (67% Male, 33% Female), especially in the formal sector and high unemployment rates, despite higher female participation in secondary and tertiary education. In the context of the East the situation is made worse by two decades of conflict that resulted in large numbers of women whose husbands died or were disabled. One estimate is that there are 89,000 women widowed as a result of the conflict; 49,000 in the east and 40,000 in the north.

Attempts are being made to tackle these inequalities through various structures and initiatives. The Ministry of Women and Child Affairs is the lead government agency for gender equality and women’s empowerment. The Women’s Bureau is its primary implementing arm which promotes and has programs for women’s economic empowerment, while the National Committee on Women supports women’s rights, receives and addresses complaints relating to Gender and follows up on the provisions of the Cabinet-approved Women’s Charter under which the

Committee was established. Sri Lanka adopted a Women's Charter in 1993, two years before the "Beijing Platform for Action". The Women's ministry also prepared a National Plan of Action on Women, based on the Beijing Platform for Action, which was endorsed by Cabinet and a National Action Plan to address Sexual and Gender-based Violence (SGBV) which was launched in December 2016. Women's rights are also addressed under the National Action Plan for the Protection and Promotion of Human Rights, 2011-2016. Under the authority of the Women's ministry, Women Development Officers (WDOs) are placed in the District and Divisional Secretariats.

In terms of the implications for skills and employment there are a number of significant issues. Starting at the planning level, and including this strategy, an attempt will be made to ensure that provincial and district plans are made more gender inclusive and responsive to local needs and context. Partnering with the provincial representatives of ministries for women, social welfare, TVET, and tourism will be enabling to share and validate the information for inclusive provincial level planning and coordination. Such partnerships must also be reflected at District level, by engaging with subject officers who can provide information and data to support district level design and planning. Key government, private sector and non-governmental stakeholders must be identified and consulted when reviewing and updating these plans in line with current needs of the tourism sector. Wherever possible this will take place with provincial and district bodies when they undertake their five-year plans.

It will be important that any interventions take on board appropriate gender issues. This will involve foster targeted and inclusive skill development especially among women and disabled people, by identifying the skills that are in demand in the tourism industry and orienting people to obtain these skills by focused dissemination of information and social marketing campaigns. This will assist especially women and disabled people to acquire skills that allow them to engage in sustainable economic activities – either in the formal labour force or in the informal sector through home-based or community-level enterprises.

It is anticipated that the tourism industry can contribute by providing mentors, coaches and role models to assist and demonstrate to women and youth the importance of identifying priority skills in the sector, guiding them through the process of business start-ups and negotiating the challenges of employment in the tourism value chain.

Given the social attitudes toward female employment in the hotel and hospitality sector, and the practical difficulties in entering it, many women may opt to be or have no choice in being tangentially linked to tourism through activities in the informal sector, such as making and selling handicrafts, catering and providing food to guest houses and café's and even by entering the home stay enterprise. These economic activities, too, require skills and capacity development. In addition to specific skill development, many women will also require training in small business management and financial literacy, to carry out home or community-based small/micro enterprises.

People with disabilities face equal discrimination and this was touched up in the context section. Persons with Disabilities in Sri Lanka are also usually excluded from development efforts due to various negative and ill-informed perceptions. Majority of the decision makers and development practitioners including various layers of service providers promote welfare based approaches

and others do not have practical strategies to assure the inclusion of Persons with Disabilities in development efforts. The effects of such exclusion increase inequality which directly results in high levels of unemployment persons with disabilities.

The Government of Sri Lanka (GoSL) has made a series of policy commitments which reflects its commitment to inclusion. Protection of the Rights of Persons with Disabilities Act had been passed by the Parliament of Sri Lanka in 1996 and amended in 2003. Also in May 2003 National Policy on Disability for Sri Lanka has been published by the Ministry of Social Welfare. In 2006, Mental Health Act and Accessibility Regulations were imposed. National Action Plan for Disability in Sri Lanka was prepared and finalized by Ministry of Social Services and Ministry of Health in 2014. GoSL has ratified UNCRPD in 2016 and now in the process of preparation of new Disability Rights Bill in accordance with UNCRPD to replace the Disabilities Act in 1996.

Department of Social Services under the Ministry of Social Empowerment & Welfare runs 8 vocational training centres in five districts in other provinces and offer skills training courses for five categories of difficulties namely persons with visual impairments, hearing impairments, physical impairments, intellectual impairments, and persons use wheel chairs but very few persons in project area enroll for these courses due to various reasons such as long distance since none of them are in project area or nearby districts, language barriers, long durations, and no assurance in job placement. Very few NGOs run vocational training centres in project area especially for persons with disabilities. Majority of these skills training courses are conventional and not market oriented, therefore all of these training providers face with difficulties in enrolling new recruits because they are not demand driven and providing skills which enable people to secure gainful employment. The few who attend these courses offered also have difficulties in using acquired skills for a sustainable livelihood or find employment after the training.

Vocational Training providers/ centres under Ministry of Skills Development & Vocational Training (MSDVT) and Ministry of Tourism offer a broader range of skills training courses which have a very good demand in job market in key sectors. However, very rarely would persons with disability enroll for these types of courses. The key limitations include lack of awareness, the lack of reasonable accommodation, lack of accessibility including communication and transport. The lack of integrated technology also limits delivery within many courses provided by VT institutions under MSDVT. And the vocational education system has enrolment requirements which restrict access. To improve the quality and status of TVET, the government has adopted entry requirements including previous educational qualifications, course duration and attendance, literacy and formal assessment systems. However, this has produced rigidity into the system that excludes flexible delivery, e-learning, part-time, distance and self-paced learning systems which has the adverse effect of further excluding persons with disabilities. The competence of instructors to nurture and facilitate learning to accommodate trainees with disabilities is a further barrier. There are no professional development opportunities for instructors in the vocational training system to develop skills and the methodologies to support inclusion are not readily available in the classroom.

In order to move forward with the area disability there is a need to obtain further evidence on the nature and extent of disability. There is no point moving forward with interventions unless a clear picture is obtained of the type of disability being experience by those in the East,

particularly women, and correspondingly what is the most suitable opportunity in the labour market. Adopting such an approach will help ensure that a match is achieved between the nature of a person's disability and what income earning opportunities they can carry out, thereby ensuring sustainability. Only through adopting such an approach will it be possible mainstream inclusivity into all activities and not have separate stand-alone actions or pilots.

Any subsequent intervention must involve the establishment of small-scale models of effective skills development, before moving onto large inclusive economic growth – that are then communicated and advocated to influence change within the broader system. Through formalized partnerships with Ministry of Social Empowerment & Welfare, Ministry of Tourism, Ministry of Industry & Commerce, Ministry of Labour, Ministry of Women Affairs, Provincial Councils in the Eastern and North Central Provinces, and relevant Departments/ Authorities/ Boards, it will be important to ensure that key GoSL counterparts are actively aware of, and engaged with, all program activities supporting GoSL inclusion agenda. It will also be necessary to put in place regular monitoring and reporting mechanisms to ensure that successes and lessons learnt are shared and, critically, that models leading to improved social and economic benefits for target disadvantaged groups inform ongoing policy reflection, revision, and wider systemic implementation.

The area of community development is an area that will also need to be addressed and one that has a number of skills dimensions. In the past communities were not involved in developments in their local areas, mainly reflecting the fact that development was totally driven totally by central government. With the move towards devolvement and handing down responsibilities for development communities can be expected to play a more significant role in tourism, particularly in the light of the fact that district government capacity in this area is very low. District level strategies need to be developed that will enable those working in the public sector, employers and community representatives to effectively work together. It will take time to develop trust and move towards a culture of learning, but initiatives must begin with workshops and the identification of pilots in which the local communities are responsible for implementation (and benefit from the process).

IV.iv. Technological Drivers

Technology is having an impact on many levels in the tourism sector and most of these have implications for skills and employment. The most immediate influence on the sector will occur through the internet, particularly influencing people's workplace and how they carry out their jobs. Over the medium to longer term technology could influence the hotel sector since customers will no longer seek assistance from Hotel staff or tour operators and instead rely upon group experience through on-line applications. Labour intensity is therefore more likely to be in tourism activities as opposed to accommodation service providers. Each of these areas are discussed below.

The use of internet can be a very powerful tool for advertising the Eastern Sri-Lankan tourism product across the globe. Technology can play a key role in e-marketing of tourism in the Eastern Sri-Lanka. E-marketing can provide a means of enabling tour operators in the East to take control of the Sri-Lanka market, instead of having it dominated by operators in Colombo who do little to promote tourism in the East. The taking back control of marketing must involve

the development of a viable product that can be marketed nationally and overseas. Currently, the district level government is starting to make progress in this area through the development of webpages identifying places of interest to visit. However, more needs to be done to develop a product that can be marketed, especially to overseas visitors. This will require experts with knowledge of marketing using the WWW, web-developers, and those with experience of developing products.

Workplace technology influences the skills that people require to perform their work. Those working in the sector will need to develop better knowledge of ICT and appropriate packages. Technology will help organisation develop better control of their costs and able to track customers, all of which will help the move toward improved productivity. Besides existing jobs, technology will also start to displace existing jobs over the medium to longer term. For instance, in European countries there has been a move towards the use of apps for tourist and in some cases this beginning to displace tour guides. It will take a number of years before technology displace tour guides, but it is important to take this issue on board over the long term

A final issue that needs to be explored is the role played by technology in delivering skills within the tourism sector. The role of technology has traditionally focused upon distance learning and the role of interactive material over the webpage. Now it is possible to receive training and demonstration for whole programs. This is not a substitute for practical experience, but can play an important role in reaching out to learners in isolated areas where no formal providers exist. Another area where technology will have a significant impact on delivery is through the increased usage of apps, particularly for language training. This is already happening in Sri-Lanka and the British Council has a wide range of online and mobile resources to help adults, teenagers and children learn English. Amongst the most significant resources include: videos, mobile apps, games, stories, listening activities and grammar exercises. There will be a need to develop specific apps for use in the tourism and hospitality sector, which can reach the disabled and women living in rural areas.

IV.v. Environmental Drivers

One of the key drivers of change in the environmental sector is the country's National Environmental Policy. This renews government's commitment, in partnership with the people, to effectively manage the environment for the benefit of present and future generations. The aim of this policy is to ensure sound environmental management within a framework of sustainable development in Sri Lanka. This Policy is supported by many other policies and strategies developed for other sectors.

The National Environmental Policy emphasizes that *caring for the environment is the bounded duty of any institution, government or non-government, and of any individual that uses, or otherwise carries out an activity that has an impact on, the resources of the environment in Sri Lanka*. Ample environment related policies are available which support the move towards a green economy occurs for the following sectors: manufacturing, tourism, agriculture, fisheries, health etc. However, the country needs a skilled human resource base which can adequately provide knowledge and technical facilities/ services to implement these policies and support the building of green infrastructure required to move into a green economy. Such infrastructure is not currently available in the country at required levels and quality. The types of skills and occupations required are outlined in table 10.

As the economy adjusts to the urgent need for an environmental sustainability and low carbon production and services, the labour market will also begin to increase the demand for workers with new skills and expand offers for “green jobs” (environmentally friendly decent work) with opportunities for social dialogue. Such demands would eventually create new and additional productive employment opportunities for school leavers, educated youth and adults searching for decent and sustainable employment in the country or elsewhere with career development opportunities and improved health, safety and security in the workplace.

Skills will need to be improved and enhanced in order to respond to green restructuring, the greening of existing jobs and to support the negative effects of climate change. Initially, skills training activities will address environment-related priority areas such as climate adaptation, damage mitigation, vulnerability assessment, energy efficiency, renewable energy, efficient resource utilization including land and water, pollution control and waste management and so on, with provisions of further opportunities to expand this scope based on efficient monitoring and evaluation systems. Programs will be initiated to undertake research on the labour market for green jobs. Employment and skills needs forecasting will be integrated into economic planning so that developments in the labour market and implications for education and training can be anticipated.

By way of promoting green entrepreneurship, technical and financial support will be offered to entrepreneurs including SMEs to explore green business opportunities, create their own start-up companies and expand opportunities to learn about new technologies and create decent jobs that are productive, deliver a fair income and that are related to environmentally sustainable technology development and green businesses throughout the country.

Table 16: Key drivers of change in the environmental sector and their impact on skills

Sector	Activities aligned with tourism sector	Skill implications
Forestry and wild life conservation	Promote education, awareness and communication on biological diversity, Promote nature based tourism, agroforestry system, Promote research biological diversity	Train teachers to Empower the community
Agriculture, Plantation, Land Development and Mining	Promote the organic product	Training of producers to realise the benefits from organic farming
Fisheries and Coastal and Marine Area Management	Ensure that coastal environment one of the nation’s important assets is clean and healthy Conserve high priority archaeological, historical and cultural sites and scenic areas within the coastal zone and protect and enhance coastal public access	Archaeologists with specific regional knowledge, Tour guides with specific knowledge, professionals with knowledge of water sports (fishing, diving instructors)
Industry and Tourism	Promote "cleaner-production" and access to cleaner technology Ensure that industries and tourist establishments are located away from current and prospective drinking water intakes, to the	Training of guide to import knowledge about eco-tourism through the public awareness

	<p>extent necessary, so as to avoid possible contamination of the water</p> <p>In developing culture-and nature-based tourism, ensure that the resource is adequately protected and that set guidelines are fully adhered to, and that the well-being of the local community is given recognition</p> <p>Draw up zoning plans and adopt the provisions of such plans when allocating land for tourism related projects</p> <p>Encourage eco-lodges and small-scale guest-house projects with minimal impact on the environment</p>	<p>Water and sanitation technicians/engineers</p> <p>Community Development officers</p> <p>Middle level managers.</p>
Energy and Transport	<p>Ensure that adequate attention is paid to safeguarding environmental and cultural values, including conserving landscapes of high recreational value and preserving Sri Lanka's natural beauty when developing hydro-power resources and planning power distribution</p>	<p>Health and Safety technicians</p> <p>Water and sanitation technicians</p>
Health, Sanitation and Urban Development	<p>Update and amend, where necessary, and enforce regulations to prevent the use of harmful chemical substances in food items offered for sale to the public</p>	<p>Health and safety, Hygienic training,</p>

Annex V: Understanding the Key Actors Working in the Sector

Figure 18 provides a broad overview of the key government structures and stakeholders that directly and indirectly influence employment and skill developments in the tourism sector.

At the national level is the Ministry of National Policies and Economic Affairs who coordinate policies and direct economic development across the country. Beneath this coordinating structure are the line Ministries that formulate strategies and guide the direction of their respective sectors. Most significant line Ministries to the S4IG program are the Ministry of Tourism and the Ministry of Skills Development and Vocational Training. It is important to point out those different institutions and organisations operate under the former two structures and have direct impact on the activities being undertaken by the SDP.

Beneath the national organisations or structures are provincial and districts one that will work together. Beneath the Ministry of Tourism and Christian Affairs is the Sri-Lanka Tourism Development Authority (SLTDA) and in 2010 this was established as a one stop-shop for tourism investors, with the cooperation of the Sri-Lankan Board of Investment (BOI), the Urban Development Authority (UDA), Coast Conservation Department (CCD), the Central Environmental Agency (CEA) and other relevant agencies. The purpose of the SLTDA was to stream-line procedures for investing in Sri-Lanka and minimizing the need for investors to approach different organisations.

Another agency operating under the Ministry of Tourism and Christian Affairs is the Sri-Lanka Tourism Promotion Business Bureau (SLTBB) and they are responsible for handling all tourism promotion for the country. Another agency called the Sri-Lanka Institute for Tourism and Hotel Management (SLITHM) handles human resource issues for the sector, with around 300 private institutions delivering training across the country. According to a recent study carried out by the Asian Foundation more attention should be given by the SLTBB to the standardisation of curriculum and programs, as well as the introduction of improved remuneration packages to motivate and retain staff (this issue is discussed in more depth in the supply section).

Responsibility for tourism in the Eastern Province rests with the Eastern Provincial Council (EPC). The EPC covers regional tourism policy and planning development, including support for regional development and actions plans. In order to support the EPC with implementation an Eastern Provincial Tourism Bureau has been established to perform the following functions:

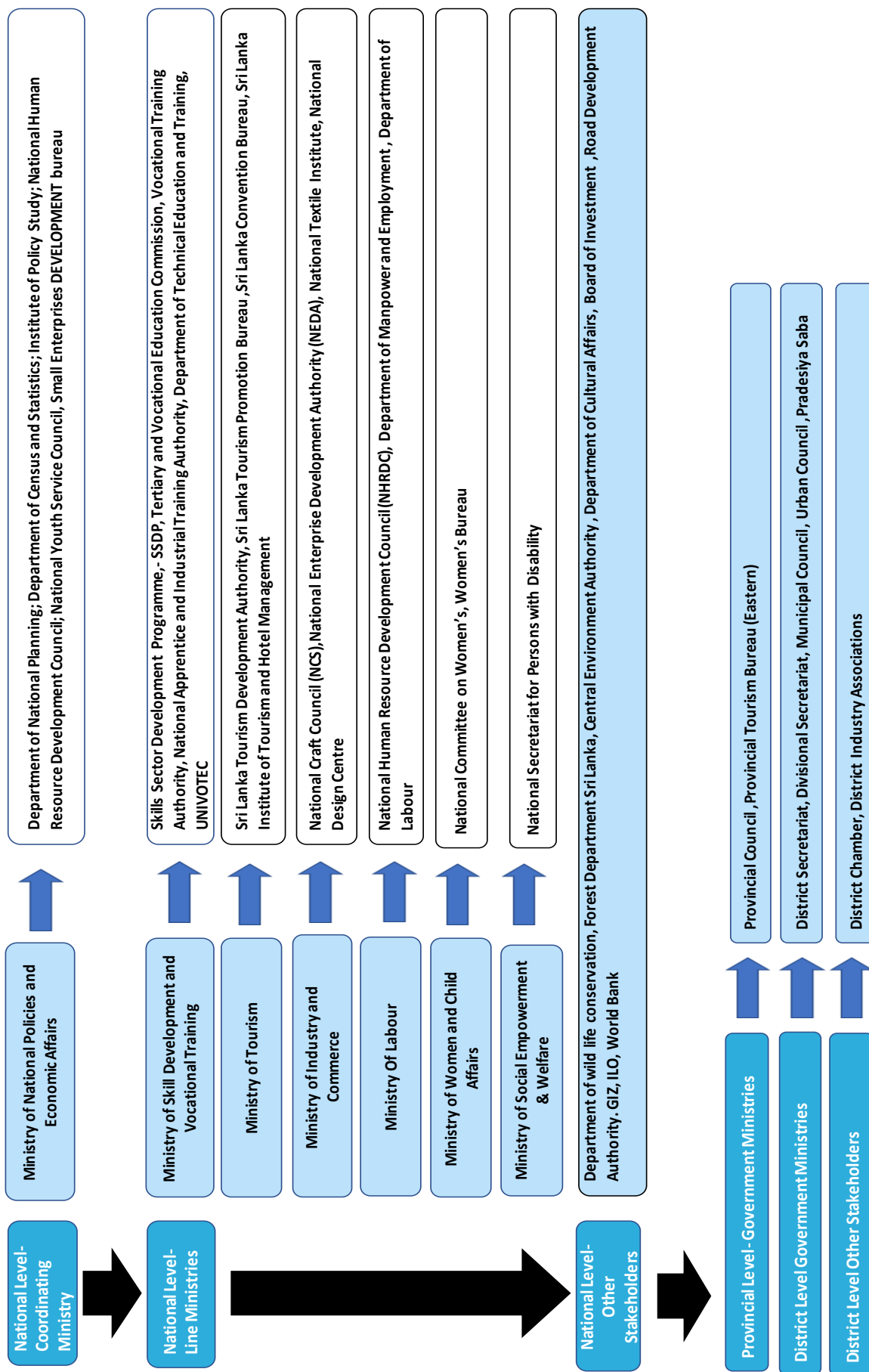
- ❖ To act as the “Regional Tourism Body” for the Eastern Province of Sri Lanka focusing on the development and growth of the tourism industry in the province, strategic tourism development and advocacy for the province.
- ❖ To consolidate the strategic direction of the tourism industry in consultation with the central government institutions for the entire Eastern Province and communicate with key partners such as Sri Lanka Tourism Development Authority, Sri Lanka Tourism Promotion Bureau, Sri Lanka Convention Bureau, Local Government Institutions, Central Environment Authority, Department of Coast Conservation and other relevant tourism industry stakeholders.
- ❖ To perform the following functions in consultation with the central institutions for the Eastern Province: tourism industry development, tourism product development, regional marketing,

strong advocacy and united voice for the region, effective coordination and communication, skills training, identifying investment/infrastructure opportunities, and managing tourism sustainability.

It should be noted that the Eastern Provincial Tourism Bureau operates under the Ministry of Tourism Development and Christian Religious Affairs. There are plans to establish 3 district offices. However, one of the most significant constraints that will face these offices (and other decentralised government structures) is the lack of capacity and the failure to fill vacant staff position with qualified personal. One of the key capacity constraints is that tourism development at the local level has not been planned and has often resulted in the use of non-standards practices. According to the Asia Foundation applications for investments are dealt with according to a person's background and where they are from, pointing to the existence of patronage operating at this level.

Between the three different levels (national, provincial and district) there are significant difficulties associated with regulatory, advisory and financial coordination. Regulatory processes of service providers are entirely handled by central agencies until a Provincial Statute is passed. For example, Eastern Province is empowered to regulate hotels having not more than five rooms; larger units are regulated by central agencies. There is no mechanism to jointly regulate the processes in order to ensure quality services. Advisory relationship between the central and provincial governments is very often treated as a formality that needs to be complied with. There is no close relationship between these two levels and no institutional mechanism to share knowledge and experiences. Lack of coordination in terms of investments and activities is seen to lead to replication and duplication of interventions by central and provincial agencies. There is also a prevailing view that the lion's share of resources is appropriated by central agencies. Perhaps the most significant constraint facing the planning and subsequent implementation is the fact that none of the district offices have appointed officers responsible for the tourism and hospitality sector. In practice, this means that despite having a National Tourism Strategic Plan implementation is not possible, even if funding was available, since no officers are in place to coordinate implementation or to working with stakeholders.

Figure 18: A map of government partners and stakeholders involved in Tourism in the Eastern Province and Northern Central Province



Annex VI: Policy frameworks guiding tourism, skills development and employment in the 3 districts

There different government structures and stakeholders involved skills development and tourism in the three target districts. This is a complex question to answer, but it is possible to start understanding their roles and functions through looking at the various policy frameworks produced by these government structures. Each of the different policies and strategies outlined in table 17 has their strengths and weaknesses. In theory, each of the policies is linked to each other, with feed-back mechanisms to ensure change and synergies occur between the different levels of government, as well as within the same government levels. For instance, the Economic Development Policy provides the overriding framework for the country's development and to determine priorities; especially at the sector level and to determine where the government will invest their resources. The NREP should also provide the broad policy framework for guiding skills development and demand practices in the workplace. While the plans at the line Ministries level (i.e. for tourism) guide specific priorities and implementation for their sector, the National Skills Policy helps ensure the relevant sectors are provide with the right quantity and quality of skills. Besides the national level frameworks there are also the decentralized frameworks, including the VET plan for the Eastern region that guides developments at the district levels around implementation.

One of the key limitations within this framework is that the various policies and plans are not fully integrated and often fail to support or relate to each other. In some instances, the boundaries between policies or plans become blurred and it is difficult to determine who is responsible for what. For example, the Tourism Development Policy has a single section about skills and employment issues, as well as identified interventions. The area of skills should be the responsibility of the Ministry of Skills Development and Vocational Training, and the Ministry concerned with tourism should instead inform the Ministry of Skills about its needs. More specific details on the impact and implications of these policy frameworks for skills development is identified in section.

Table 17: Key policy frameworks and strategies impacting on employment and skills development for the tourist sector in the Eastern Province (and north central province)

Title of document	Responsibility	Objective	Time & Partners
Economic Development Policy in Sri Lanka	Ministry of Policy Planning and Economic Affairs	<ul style="list-style-type: none"> • Generating of one million job opportunities • Enhancing income levels • Development of rural economies • Ensuring land ownership to rural and estate sectors, the middle class and government employees • Creating a wide and a strong middle class 	2016 <ul style="list-style-type: none"> • Ministry of Finance
The National Human Resources and Employment Policy (NHREP)	Ministry of Labour	<ul style="list-style-type: none"> • To promote the attainment of full, productive and freely chosen employment for all women and men in Sri Lanka; • To develop a highly competent, globally competitive, multi-skilled and productive 	2005 <ul style="list-style-type: none"> • National Human Resource Council • Department of Manpower and

		<p>workforce;</p> <ul style="list-style-type: none"> • To improve incomes and the quality of life of the working population across different sectors and regions • To provide the fullest possible opportunity to each worker without discrimination, to qualify for and to use his/her skills and endowments in a job, for which he/she is best suited- so that worker motivation and productivity are maximized; and • To safeguard the basic rights and interests of workers in line with national labour laws and key international labour standards 	Employment
Tourism Development Policy	Ministry of Policy Planning and Economic Affairs	<ul style="list-style-type: none"> • To set inspiration and direction that drives all tourism stakeholders to build the resilience and competitiveness of the diverse sector • To provide guiding philosophy, principles and values for the tourism sector that reflects Sri Lanka and Sri Lankan heritage • To formulate measurable objectives for the development of tourism aimed at a broader spread of tourism benefits throughout the country, along the value chain and by setting robust sustainability measures • To highlight the need for collaborative partnership and cooperation among tourism stakeholders and with government in achieving the vision 	<p>2017-2025</p> <ul style="list-style-type: none"> • Ministry of Tourism and Christianity Affairs • Tourism Development Authority • Tourism Promotion Bureau
Skill Development Policy	Ministry of Skill Development and Vocational Training	<ul style="list-style-type: none"> • To develop, review, and reformulate national policies on tertiary and vocational education and training, • To formulate plans for the development of tertiary and vocational education and training sector • To implement the national system of quality assurance through registration of institutes and accreditation of training courses • To ensure the establishment and maintenance of standards by TVET institutions to plan and coordinate the implementation of national trade testing and certification system • To develop and maintain a national system of vocational qualifications • To maintain the labour market information system for the TVET sector • To develop TVET institutes through 	<p>2005</p> <ul style="list-style-type: none"> • Tertiary and Vocational Education Commission (TVEC) • Vocational Training Authority (VTA) • National Apprentice and Industrial Training Authority (NAITA) • Department of Technical Education and Training (DTET) • University of Vocational Technology (UNIVOTEC)

		<p>management development programs and financial assistance</p> <ul style="list-style-type: none"> • To promote parity of esteem between education & training 	
VET Plan for Eastern Region	Ministry of Skill Development and Vocational Training	<ul style="list-style-type: none"> • Increase TVET accessibility to larger number of youth inclusive of special needs and vulnerable groups • Promote TVET as a skill development path that assures employment with clear upward mobility and attract more youth to follow TVET courses, resulting courses to run in full capacity • Improve quality and relevance of TVET courses • Meet skills and human resources training requirements in economic sectors • Improve employability of TVET completers • Strengthen planning unit of provincial council to coordinate with TVET institutions, chambers and Jobs Net to match demand for and supply of skills • Strengthen planning unit of provincial council to monitor implementation of TVET programs in the Province 	<p>2011</p> <ul style="list-style-type: none"> • Tertiary and Vocational Education Commission (TVEC) • Vocational Training Authority (VTA) • National Apprentice and Industrial Training Authority (NAITA) • Department of Technical Education and Training (DTET) • University of Vocational Technology (UNIVOTEC)



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