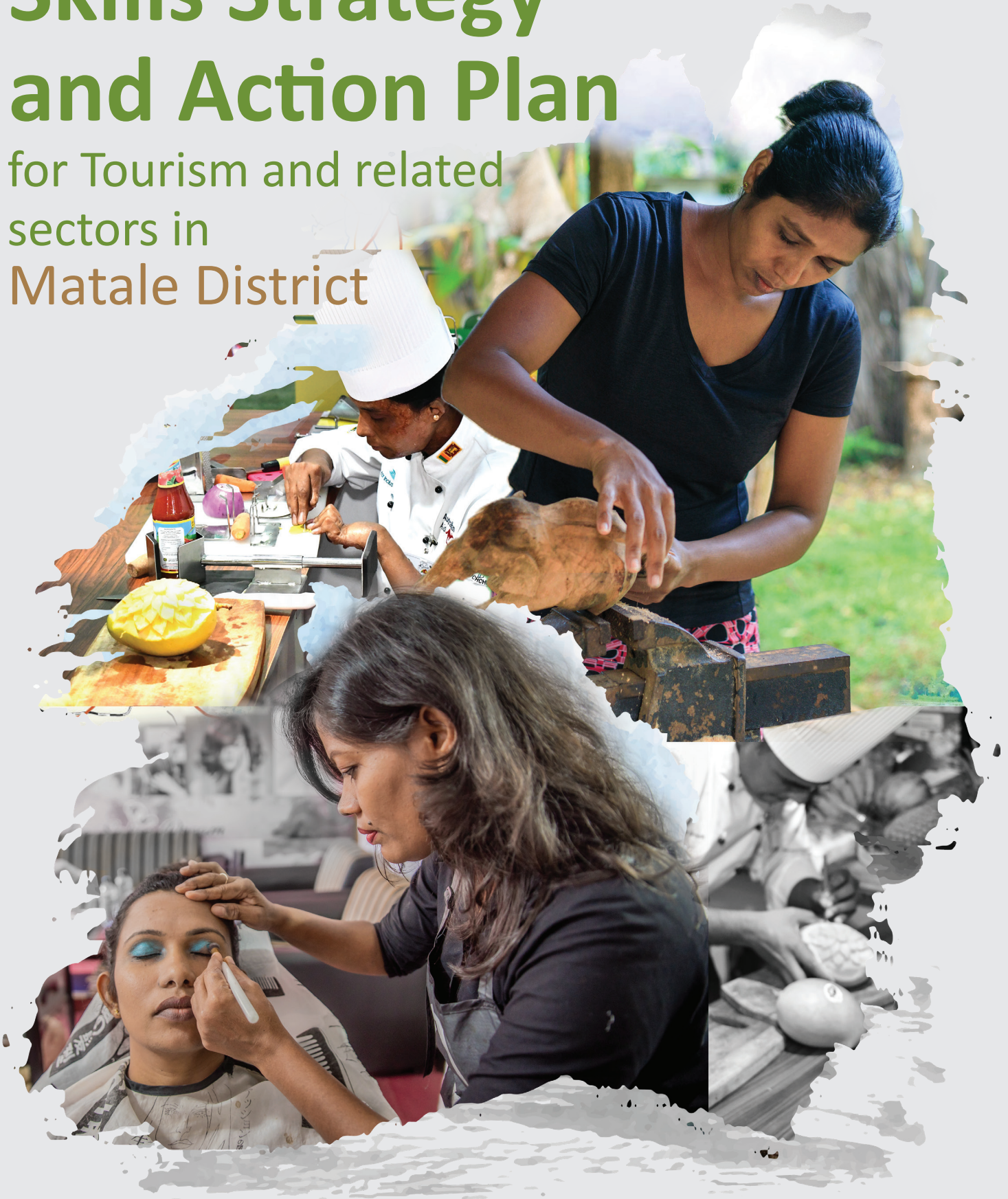
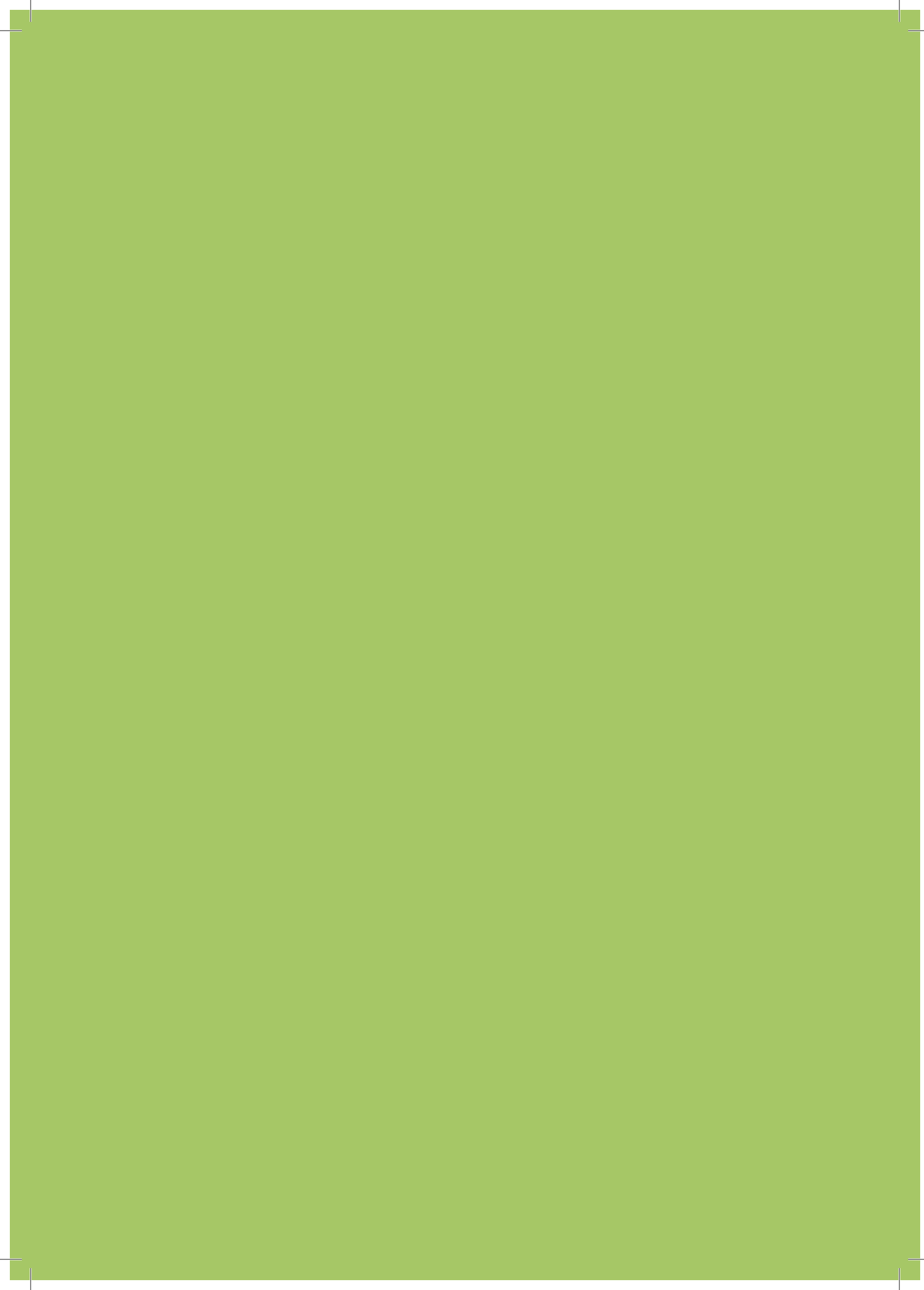


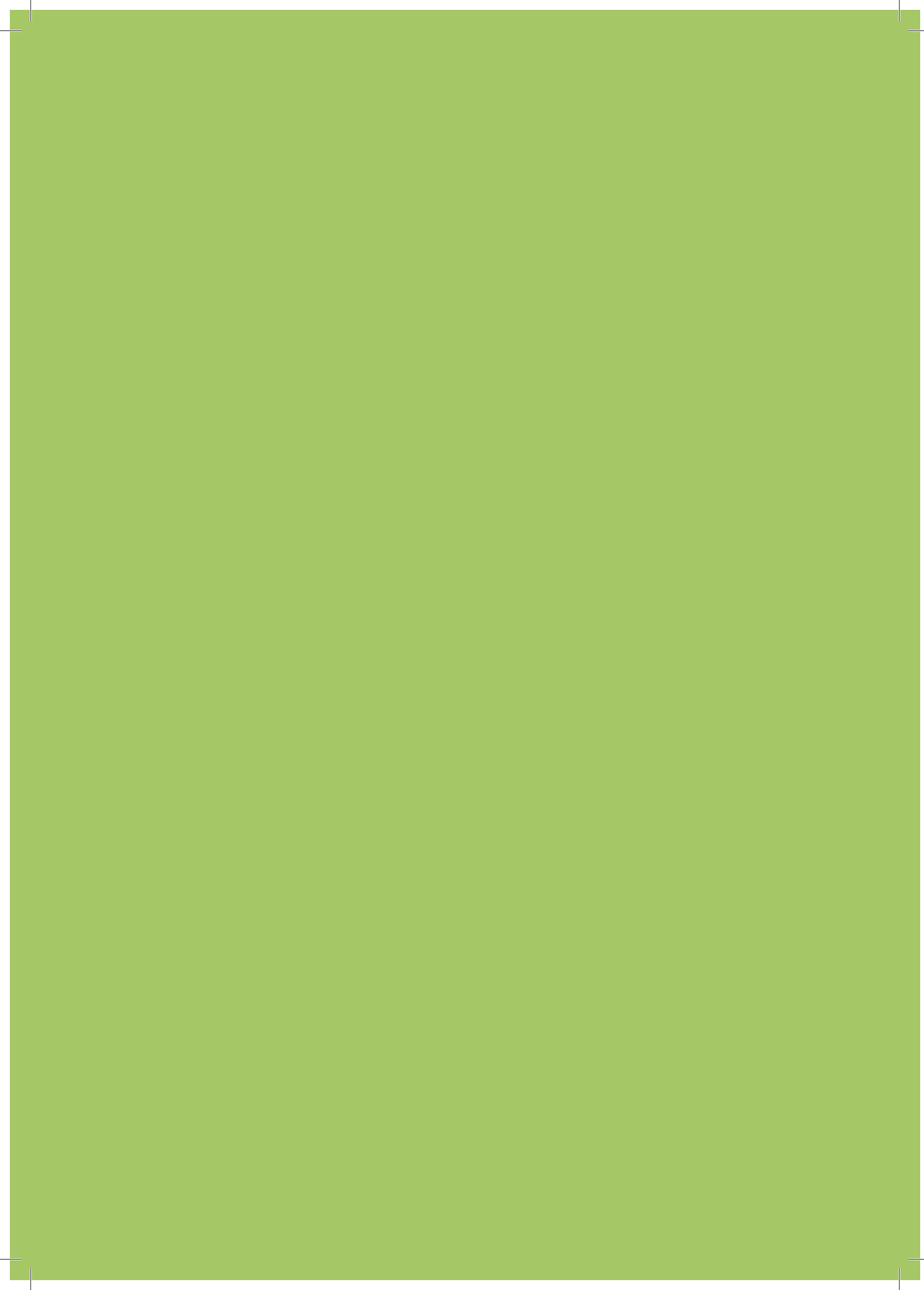


Skills Strategy and Action Plan

for Tourism and related
sectors in
Matale District







MESSAGE

Director General



First and foremost, I would like to extend my gratitude to the Skills for Inclusive Growth Program for the support extended to prepare a skills-based strategic plan for Anuradhapura and Matale districts together with the stakeholders engaged in the tourism sector.

Although plans are prepared covering various fields, it is interesting to see a skills-based plan being prepared at the district or local level. The tourism sector has been chosen as a priority in this skills-based plan, and this plan helps to solve the skills related problems existing in the district. With pertinence to the preparation of this plan, the skills needs and the problems in the districts have been identified with the involvement of not

only our institution and the district secretariat but also of all the stakeholders in the tourism value chain. Accordingly, we have consulted and negotiated with them on the remedies to be given for these concerns and have identified the activities and relevant fields blending with the opinions of the experts in the field.

It is significant that the activities to be done and the manner in which they can be done too have been identified through this. This is a very valuable plan. We all have to work together to bring this to an operational level. All institutions including the District secretariat, Provincial council, training institutes, (government and private) private organizations, non-governmental organizations have been identified in this plan and it is of timely importance to help the restoration of the activities which is indeed the the expectation of our institution as well.

We hope to expand the knowledge acquired and the methodology adopted in endeavor to other districts as well, and it is my feeling that these two districts will be able to set an example and provide guidance to other districts by turning this plans into action plans.

Dr. K. A. Lalithadheera,
Director General,
Tertiary and Vocational Education Commission

MESSAGE

District Secretary - Matale



Matale District in the Central Province is rich in resources inherent to the tourism industry and it is a famous tourist destination. Particularly, Matale, Dambulla, Sigiriya are very famous as tourist destinations and many small and medium enterprises and service providers have engaged in various tourism industries in the district.

As a result of the 2019 Easter attack and the 2020 Covid pandemic, the tourism industry in the island as a whole and in the Matale district was disrupted, which directly and indirectly affected the businesses of entrepreneurs in the tourism sector. Nevertheless, with the improvement of the situation, a district tourism action plan was already being prepared and necessary

steps were being taken to prepare a plan for the development of the tourism industry in a manner unique to Matale district in accordance with the national and provincial sectoral tourism plans to promote the tourism sector. The skills development strategy and action plan in the tourism sector which was introduced by the S4IG project for the duration of 2023-2025 is planned to implement for that.

According to this action plan for the promotion of tourism in Matale district, it is expected to be implemented in the future by introducing various fields in tourism, different tourism packages and tourism zones. Further, as an integrated program to develop the services and abilities and skills of the tourism sector, Divisional Secretariats, government agencies that are related to the tourism industry and the private sector jointly implement programs and thereby it will be help to identify, develop and improve the opportunities of entrepreneurs in the tourism sector.

Under this action plan, it is proposed to implement skills identification training programs, Digital Content Development coaching programs for government officials, institutional training programs, tourism destination improvement programs and tourism business capacity development programs.

The guidance and contribution provided by the project staff of S4IG to improve the tourism businesses and destinations in Matale district is greatly appreciated and I am happy to inform that the necessary actions have been taken to implement the 2023-2025 tourism strategic action plan and activities successfully, according to the district development plan. I take this opportunity to thank the S4IG project for promoting the tourism sector in Matale district by using an integrated approach working with other government agencies to promote sustainable development in the tourism sector.

Thejani Thilakarathna ,
District Secretary/Government Agent,
District Secretariat,
Matale.

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ACRONYMS

ADB	Asian Development Bank
CBSL	Central Bank of Sri Lanka
DCC	District Coordinating Committee
DCS	Department of Census and Statistics
DS	District Secretariate
F&B	Food & Beverages
FG	Foreign Guests
GCE	General Certificate of Education
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GoSL	Government of Sri Lanka
HRD	Human Resource Development
H&T	Hotel and Tourism
IE	Informal Economy
IMF	International Monetary Fund
LG	Local Guests
NAITA	National Apprenticeship and Industrial Training Authority
NPD	National Planning Department
MSME	Micro, Small and Medium scale Enterprises
PC	Provincial Council
QLFS	Quarterly Labour Force Survey
SLITHM	Sri Lanka Institute of Tourism and Hotel Management
SLTDA	Sri Lanka Tourism Development Authority
VTA	Vocational Training Authority

EXECUTIVE SUMMARY

Matale district is endowed with a diverse set of tourism assets. In addition to destinations of historical, religious, and archeological significance there is substantial potential to develop nature-based tourism. Matale district represents some of the most popular destinations in Sri Lanka including Sigiriya (fortress complex) and Dambulla Cave Temple (Golden Temple of Dambulla), Aluvihare Temple, Sri Muthumari Amman Kovil, St. Anthony's Church, Nalanda Gedige (stone temple), Ibbankatuwa Megalithic Tombs, Knuckles Mountain Range, Waterfalls (Sera Ella, Saree Ella), Mini World's End and Wasgamuwa National Park. The comparative advantages of tourism industry development in Matale district is very high and offers great opportunities for inclusive and job-rich business recovery in Dambulla district. The tourism value chain in the district covers 12 different sub-sectors.

Tourism used to be a key contributor to the socio-economic development of the district during the pre-COVID period accounting for about 6 percent of total foreign guest market and 8 percent of local guests. During the pandemic period, the tourism industry completely collapsed, and post-COVID business recovery in Matale district was 17 percent in 2022 as against the national average (30%). This slow recovery could be due to several reasons including absence of skilled workers, low level of digitalization and inadequate institutional support. Tourism sector skills development in Matale district is dominated by public sector training providers led by the VTA training centers (51%), and the rest is shared by REDA (18%), NAITA (9%), NYSC (9%), Super International (9%), and Air Force- hotel School (2%). The annual training output is around 394 trainees and Baker & Cookery programmes account for about 39 percent of student enrolment. The high demand programmes also include Restaurant & Bar service, Pastry & Bakery, Food & Beverages, and Housekeeping. Female participation in tourism sector skills development was 26 percent in 2019 and it has reduced to 24 percent in 2021. Skill-gaps in tourism value chain is significantly high in ICT, Technical and business skills. By occupation

category, the highest proportion of unfilled vacancies was reported in two major occupation categories: cooks (23%) and waiters (16%). By type of business, unfilled vacancies are higher in restaurant (20%), hotel (12%) and bungalow / resort (10%) sub-sectors. These are clear indications of low-skills equilibrium status of skills development in Matale district.

Consultations with a wide cross-section of stakeholders on business recovery of tourism industry led to identification of 16 action programmes structured under 8 strategies and 12 interventions. In fact, some stakeholders have already started working on three action programmes (e.g., foundation hospitality, e-tourism, and capacity building of MSME owners) immediately after validation of the proposed action plan. Each action has a time frame and identifies the relevant agencies for implementation, considering the nature of the action and possible partnerships with key stakeholders. The action programmes pay special attention to major skill gaps in the tourism value chain and propose the following activities for immediate action.

- a. Enhance digital marketing skills.
- b. Improving cookery & bakery skills
- c. Train Master trainers on Foundational Hospitality skills
- d. Workplace based Multitasker skills development.
- e. Provide Business Coaching support, and
- f. Capacity building of sub-national level staff in skills development.

CHAPTER 1

Introduction



1.1 INTRODUCTION

Matale district is rich in tourism assets and represented by several destinations of historical and archeological value. The diverse geographical features and associated climates with number of tourist attractive places such as Sigiriya, Dambulla Cave Temple, Aluvihare, Kawatayamuna Temple, Sri Muthumari Amman Kovil, St. Anthony's Church, Wahakotte, Nalanda Gedige, Ibbankatuwa Megalithic Tombs, Knuckles Mountain Range, Mini World's End and Wasgamuwa National Park etc., create a favorable environment for tourism.¹ Matale district is renowned mainly for its agricultural products such as spices, tea, rubber, and vegetables. Further, there are several places popular for traditional handicraft industries that can also be used to promote tourism in the district.

The total land area of the Matale district is 1,993 sq.km and it is bounded to Anuradhapura district in the north, Polonnaruwa, Badulla & Ampara districts in the East, Kurunegala in the West and Kandy in the South. The district consisted of 11 Divisional Secretary Divisions (DSDs) that are further sub divided into 545 Grama Niladari Divisions (GNDs) and 1483 villages. The Local Government Bodies consist of two Municipal Councils (Matale and Dambulla) and 11 Pradeshiya Sabas.

Matale is about 143 km away from Colombo and it takes about three and half hours to travel from Colombo by a taxi. Railway transport is available only up to Matale town and there are only two railway stations available in the district which are in Matale and Ukuwela DSDs. Road network provides easy access to most parts of the district and A9 road from Kandy to Jaffna passing across the district. However, public transport in the remote areas of the district is limited. For example, 274 GNDs out of 540 do not have bus start/destination places within 5 km distance.² Other infrastructure such as pipe borne water that is either supplied by the National Water Supply and Drainage Board or by community water supply schemes is available in 342 GNDs out of 540 which is 63%.

Tourism is a major contributor to economic recovery of Sri Lanka both at national and sub-national level. Sri Lanka has been heavily reliant on the tourism sector for foreign exchange earnings and has been using tourism earnings to partly setoff the burden of heavy trade deficit experienced since 2011 (CBSL, 2023). Hence, the country should attempt to get the maximum benefit from tourism earnings as tourist arrivals are gradually recovering from the 3rd quarter of 2022.

At district level in particular tourism industry has the capacity to generate income and employment opportunities for a wide cross-section of the regional economy through the MSMEs operating in tourism value chain. The demand for tourism in Matale district during pre-COVID period is estimated to be around 66,000 and 13550 guest nights per month by foreign and local guests respectively. This is a clear indication of the tourism sector's contribution to the regional economy of Matale district. More specifically, the multiple effects of employment and income generation through tourism sector MSMEs are vital in boosting economic activities of the district.

¹ For more details see Annex 1

² Matale district GND statistics. 2020. DCS.

1.2 BACKGROUND

The Skills for Inclusive Growth (S4IG) program is an initiative of the Australian Government's aid program and is implemented by Palladium on behalf of the Australian Department of Foreign Affairs and Trade (DFAT) in collaboration with the State Ministry of Skills Development, Vocational Education, Research & Innovations, Tourism Authorities, Provincial and District level administration, and Industry & Community Organizations. The program will improve the tourism value chain in Sri Lanka through an integrated approach to skills development.

In this context, the S4IG will support sustainable job creation and enhance income of marginalized groups including, disadvantaged and people with disabilities and women. It is expected to enhance the capacity of skills development planning at regional and district levels, improve coordination, reduce mismatches, and generate demand for skills. Further, strategies will be adopted to shift the informal sector towards more formal and improve productivity in the tourism value chain, leading to sustainability.

1.3 OBJECTIVES

The overall objective of the Skills Strategy and Action Plan (SSAP) for Matale district is to promote inclusive growth in the regional economy by transforming the learning experience for individuals and employers to create a sustainable, dynamic, entrepreneurial, and innovative culture, responsive to future business opportunities.

More specific objectives are.



► To Provide an overview of the services available from the training supply network to support business development in the Tourism Value Chain.



► To identify the **main challenges** facing skills development with specific focus on Tourism and related value chain sectors.



► To develop an **Action Plan** with key interventions to promote skills development of the district through inclusive growth.



► Propose **recommendations** that lead to structural transformation and a more inclusive growth path through **employment creation**.

1.4 APPROACH USED TO DEVELOP THE SSAP

The analysis for SSAP is based on existing body of data and research evidence on growth performance and skills development of tourism industry at the national, and sub-national levels. In terms of policy directions, it is guided by eight policy documents.



The approach is also based on extensive consultations with key stakeholder groups such as business owners, training providers, employees in tourism and related industries and policy makers & administrators at national and sub-national levels. The analytical methodology is guided by labour market equilibrium and growth models employed in the literature on skills development and post-crisis business recovery. The assessment covers status

of the tourism industry at district level, challenges faced by skills development, strategic options, and action plan for implementation over the next three years i.e., 2023-2025. The SSAP prepared for Matale district provides specific actions for skill development of tourism industry covering wide cross section of the target beneficiaries and addressing the key issues in skills shortages.

1.5 OVERVIEW OF THE SSAP

The next chapter (Chapter 02) presents the development potential and strategic direction of the tourism sector at national and district levels. The challenges, strategies and action plan for skills development including vision and mission are presented in chapter 03. The last chapter focused on implementation and progress monitoring mechanism with a brief summary of SSAP.

CHAPTER 2

Development potential and strategic direction of the Tourism sector



2.1 INTRODUCTION

This chapter presents status of the of the tourism industry in Matale district focusing upon macro economy, regional economy, status of the tourism sector in the district, skills gaps, policy directions for tourism sector and institutional support system.

This foundational information provides the base for the formulation of strategies and action plan for skills development of the tourism sector in the district.

2.2 THE MACRO ECONOMY

The Sri Lankan economy faced its most onerous year in its post-independence history in 2022, comprising severe economic hardship that led to both public anxiety and political upheaval (CBSL, 2023). Years of economic mismanagement, weak governance, poor policy choices, and the impacts of external shocks such as the COVID-19 pandemic and the Russian-Ukraine war, plunged the country into its worst-ever crisis in 2022. Sri Lanka is the only negative growth performer in South-Asia and economic collapse and political instability have devastated lives and livelihoods across the board, dealing the heaviest blow to the poorest and most vulnerable. Economic growth was -7.8 in 2022 and at sub-sector level it was -4.6, -16 and -2 percent in agriculture, industry and services respectively in the same year. The projected economic growth for 2023, 2024, and 2025 are -3, 1.5 and 2.6 percent respectively as against over 5 growth projections for the neighboring economies. Poverty nearly doubled in Sri Lanka between 2021 and 2022, climbing from 13 to a staggering 25% (based on a poverty line of \$ 3.65 per person per day), and is projected to increase by more than 2 percentage points in 2023. In the urban sector poverty tripled from 5 to 15%. External debt is over 75 percent of

national income and national savings-investment balance is negative. Sri Lanka's people have been forced to quickly adapt to a new reality where prospects for a good job are limited, incomes are lowered and eroded by inflation, and opportunities for a better future are becoming increasingly rare. As pointed out by the IMF, "this economic episode reiterated the essentiality of data-driven policymaking; devastating implications of ad hoc policy experiments; crippling welfare impacts of myopic populist policies; and the cost of policy delays, disregarding evidence-based policy analysis, well-established economic fundamentals, and expert opinions. The public and businesses at large had to bear the cost of a one-time adjustment of delayed structural reforms" (IMF, 2023).

The severity of the crisis has made it clear that Sri Lanka needs a new development model and tourism seems to be one of the key sectors which can play a lead role in Sri Lanka's new development model. It recorded the highest growth rate of 27 percent in 2022 relative to 1.7 percent growth in 2021. With the continuous increase in tourist arrivals in the 1st Quarter of 2023 growth momentum may continue for the rest of the year.

2.3 THE REGIONAL ECONOMY

The total population in Matale district in 2022 was 530,000 with 258,000 males and 272,000 females. The total labour force in the district is 208,709 which is 2.44% of the total labour force of the country consisted of 64.04% males and 35.96% females. The employed population is 196,000 with 128,000 males and 68,000 females,

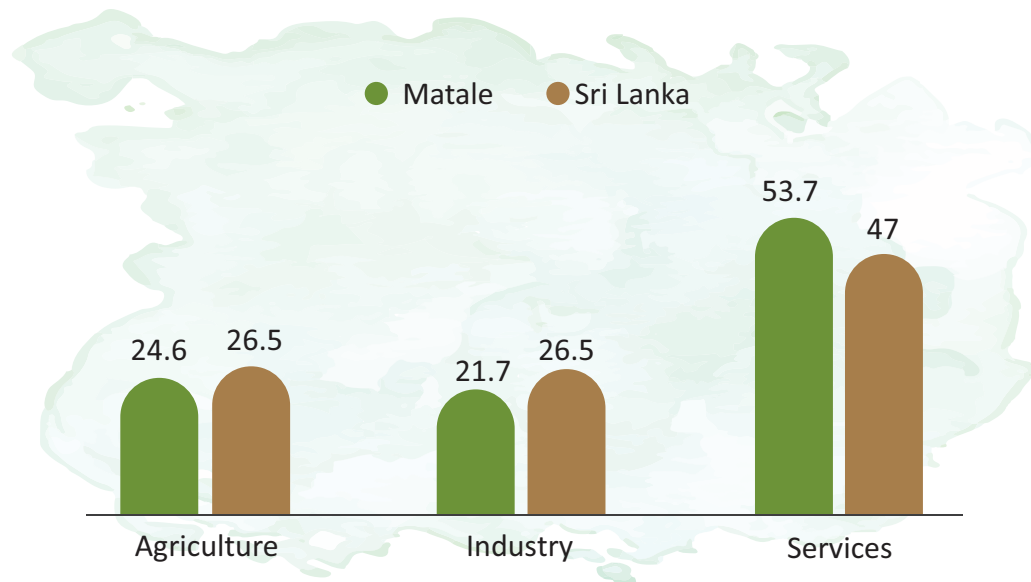
and unemployed population is 13,000. Per capita income (PCI) in Matale district is around Rs.834978 which is 30 percent below the national PCI (2022). New entrants to the training market with O/L and A/L education are around 4500 per annum. The poverty level in 2019 was 19.6 % (HCR) which is much higher than the national level (14.3%). With

the impact of COVID and economic crises this may have gone up to 39 percent. Before COVID-19 foreign guest nights in Matale district was around 792831 per annum (66069 per month) and it reduced to 18000 in 2021. The demand from local guests was around 162586 guest nights (or 5650 per month) in 2018. Matale district accounts for about 6 percent of total foreign guest nights and 8 percent of local guest nights.

Dominance of the services sector is the key structural feature of employment in Matale district (figure 2.1). The employment shares of agriculture and industry sectors of Matale district are much like sectoral employment shares at national level.³ The unemployment rate (6.2%), however, is higher than the national average of unemployment (5.5%) and under employment is

same 2.6 percent. Female participation in labour force in the district is 34.1% as against 32 at national level. In terms of employment status, the share of contributing family workers is 12.7 percent as against 6.8 percent at national level. The shares employer and Own account worker categories are also marginally higher than the national average. This means in the labour market, Matale district is emerging as a business district led by employers, self-employed and contributing family workers. Skilled migration creates a vacuum in the labour force and in 2021 out migration in Matale district was 3887 and over 56 percent of them were skilled and professionals. Loss of skilled workers due to overseas employment is more common under the existing economic crisis in the country and its impact on the tourism industry is very high.

Figure 2. 1: Employment structure of Matale district- 2022 (%)



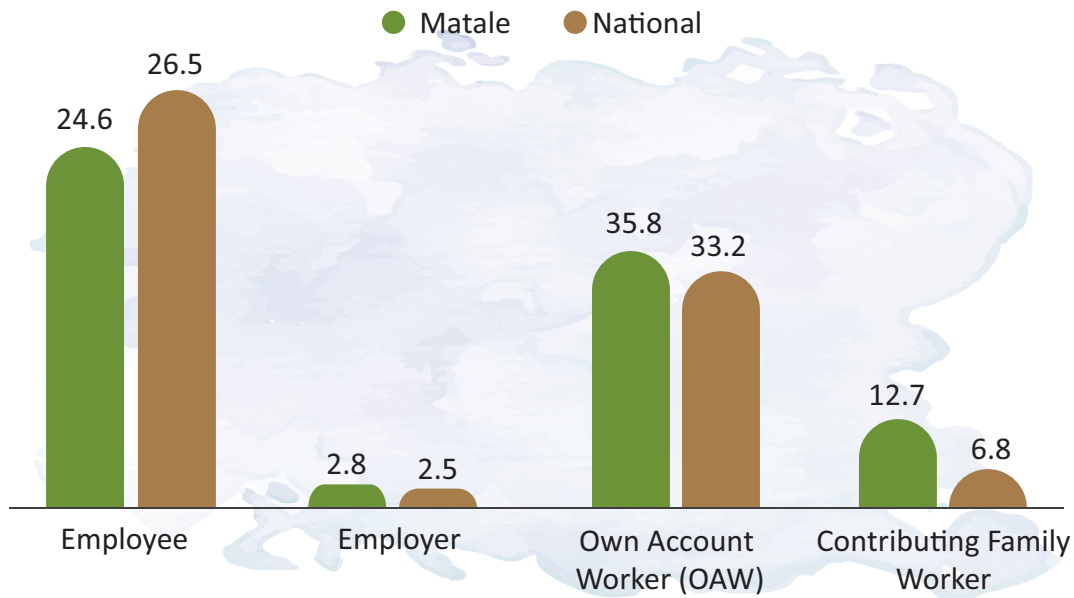
Source: DCS, 2023 (2022 LF bulletin)

³ For more details on see Appendix 3- Matale District Employment Map.

Table 2.1 : Labour force status in Anuradhapura district – 2021

Item	Unit	Matale	Sri Lanka
Total labour force – both sexes	Nos	208709	8,575,758*
Labour force - Males	%	64.04	65.72
Labour force - females	%	35.96	34.28
Labour force participation rate – both sexes	%	51.9	50.1*
Labour force participation rate - males	%	72.7	71
Labour force participation rate - females	%	34.4	31.8
Employed – both sexes	%	93.9	95.4*
Unemployed – both sexes	%	5.6	4.7*
Underemployment – both sexes	%	3.9	2.5
Informal sector employment - both sexes	%	60.9	58.4
Informal sector employment – non-agric. sector	%	48.6	47
Literacy rate – both sexes	%	93.3	93.3

Source: 2022 data

Figure 2.2: Employment by status of employment - 2020, %


2.4 TOURISM SECTOR IN MATALE DISTRICT

Matale district is blessed with a range of tourist destinations including historical, religious, and archeological significance. Sigiriya is one of the popular places in the district. This ancient palace and fortress complex is a World Heritage site. It has significant archaeological importance and attracts thousands of tourists every year and probably the most visited tourist destination of Sri Lanka. The Dambulla Cave Temple is also referred to as the 'Golden Temple of Dambulla' and is a World Heritage Site. It is the largest well-preserved cave temple in the country. In addition, several mountain peaks with historical significance such as Dambulla and Belyakanda, lie in the northern flat lands of Matale. The district is home to the Knuckles Mountain range, and therefore considered as a national heritage due to its rich biodiversity and geographical characteristics. Laggala in the eastern boundary is renowned for the three mountain ranges that run parallel to each other, along with the 'Small World's End' located in Pitawala popular for its bird's-eye view into the valley below. Further, the number of waterfalls and spice gardens also attract tourists. The diverse ecological environment with diverse geographical characteristics is an important tourism asset to promote tourism with novel and innovative services (Annex 3). Moreover, proximity to popular destinations such as Polonnaruwa, Anuradhapura and Kandy further enhance growth potential of tourism in Matale district.

The tourism value chain in Matale district includes a diverse range of business activities. The accommodation sector (e.g., hotels, guesthouse/ rest house, holiday bungalows, lodging service etc.) is dominant and accounts for about 80 percent of business establishments engaged in tourism value chain. The rest includes restaurants, tour guide services, tour operators, transport of tourists, beauty salons, sauna & steam baths, and fast-food restaurants. The total employment in tourism value chain in Matale district is around 7114 persons.

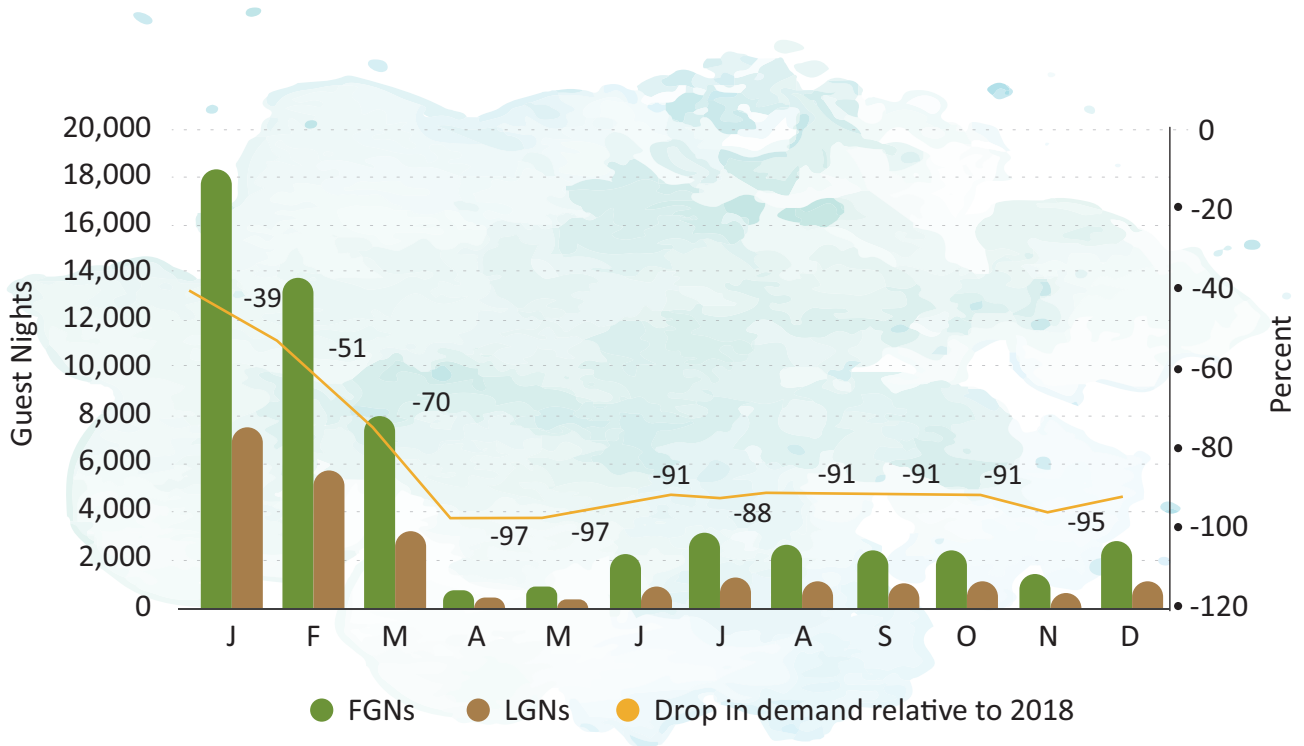
The annual turnover of tourism sector MSMEs before COVID was around 1.0 Mn per enterprise and in the 3rd quarter of 2021 it has reduced

to Rs. 0.3 Mn indicating a 70 percent drop in revenue. About 92 percent of firms operate under sole proprietorship while the rest function as Partnership (5%) and Private Limited Company (2%). Over two thirds of MSME owners (67%) also have any plans to expand business over the next few years and majority of MSMEs in tourism value chain have received training in entrepreneurship (83%), marketing (70%), ICT applications (67%), job specific technical training (60%) and management (53%). The MSME owners' training in productivity (40%) and finance (37%) is low and about 13 percent of MSME owners of tourism value chain have not received any training.

In terms of inclusivity, female ownership in tourism sector MSMEs in Matale district is 52 percent as against 22 percent in adjoining districts. Similarly, female share of employment in the tourism value chain in Matale is 32 percent and employment share of disabled persons is 2 percent. In terms of skill mix, 47 percent of employees are skilled workers while the rest belong to middle skilled (35%) and low skilled categories (18%). In terms of employment status, majority belong to permanent worker category (91%).

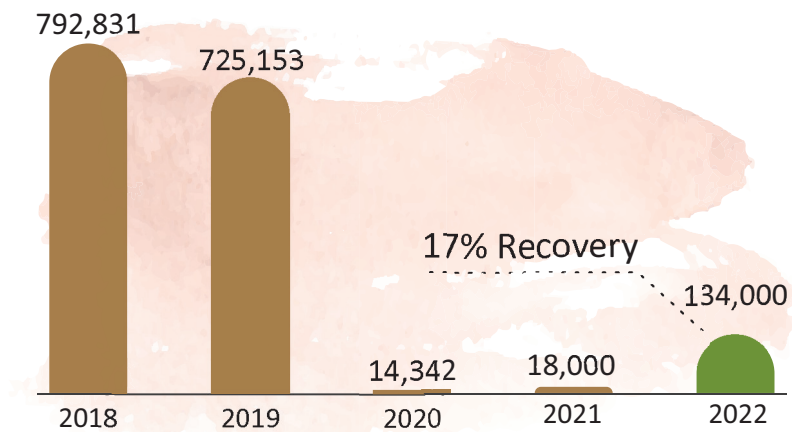
Investment in skills development by tourism sector MSME owners in Matale district is very encouraging and major sources of training are on the job training (70%), external training (70%), e-learning (70%), and in-house training (60%). About 90 percent of them connected to the internet through mobile router/dongle mode (90%) and fixed leased line/broadband facilities (90%). Most of them also use internet facilities for online marketing & communication (77%) and managing digital equipment (81%) but very low in use of social media (8%). In terms of willingness to participate in S4IG led support programmes the highest preference is for foundation hospitality skills (58%) and professional cookery (58%) followed by digital marketing (53%), destination marketing (52%) and business coaching (48%). About 87 percent of tourism sector business owners are aware of potential benefits of digitalization of business activities.

Figure 2.3 : Performance of tourism industry in Matale district in 2020



Source: SLTDA

Figure 2.4 : Recovery of Foreign Guests in Matale District- guest nights



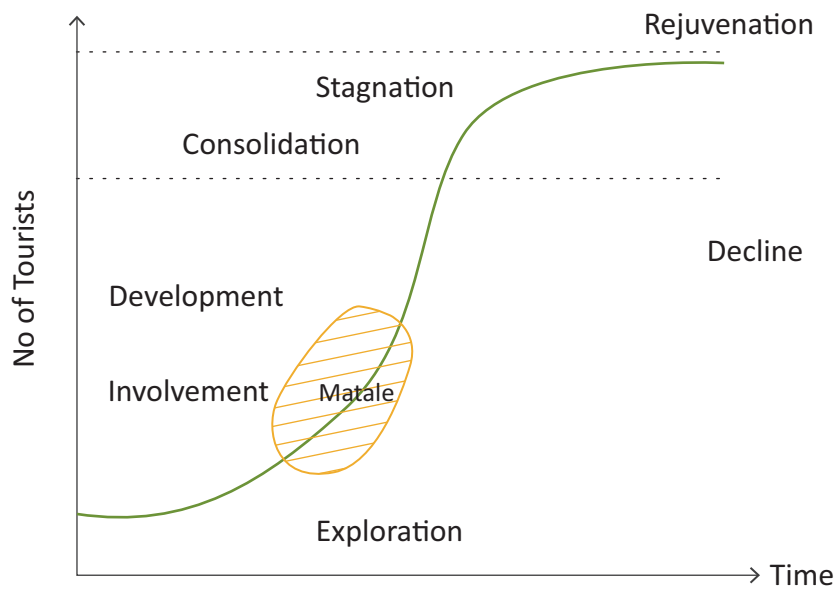
Source: SLTDA

The demand for tourism measured in terms of guest nights was around 66,000 foreign guests and 13500 local guests per month during the pre-COVID period in Matale district. As shown in Figure 2.3, the demand for tourism in Matale district dropped by 82 percent in 2020 relative to 2018. However, tourism industry recovery in Matale district was only 17 percent as against 44 percent in one of the adjoining districts⁴ (figure 2.4).

As elaborated in Butler (1980) type Tourism Area Life Cycle (TALC) model, development of tourism destinations involves six stages: (1) exploration, (2) involvement, (3) development, (4) consolidation, (5) stagnation and (6) decline/rejuvenation

(figure 2.4). Accordingly, Matale’s tourism industry lies along the continuum from involvement to development. During COVID crisis period, relative position of tourism in Matale district declined further and recovery was further delayed by the deteriorating macro-economic conditions of the economy. This contrasts with the fast recovery of tourism at global and regional level in 2022. As shown in Figure 2.4, recovery of tourism in Sri Lanka in 2022 is extremely poor relative to the achievements by global and South Asian countries. In fact, South Asia records the best recovery rate (-24%) in 2022 relative to the global average (-37%) and in July, October, and November it has exceeded pre-COVID tourist arrivals.

Figure 2.5: Life Cycle of Anuradhapura district



The validity of Butler type TALC in the post-COVID recovery period has been re-examined by several scholars including Butler (2021) in the context of different destinations. Butler (2021) discusses three possible cycles of post-COVID business recovery: a) COVID early cycle, b) COVID mid cycle and c) COVID late cycle. Given the severity of ongoing economic crisis and political instability, Sri Lanka is most likely to be placed in the early cycle stage of revised TALC. This means progression through a ‘normal’ life cycle in Sri Lankan tourism will not

be resumed till the end of 2023. Tourism industry in Sri Lanka must reframe its value proposition to conserve assets, develop and better define new markets and products, and include and involve key stakeholders and local communities as participants in the tourism economy. Service providers both at the center and periphery need to take an innovative approach to speed up business recovery of tourism in Sri Lanka. The slow progress in business recovery will have a direct impact on operational efficiency of the tourism sector labour market.

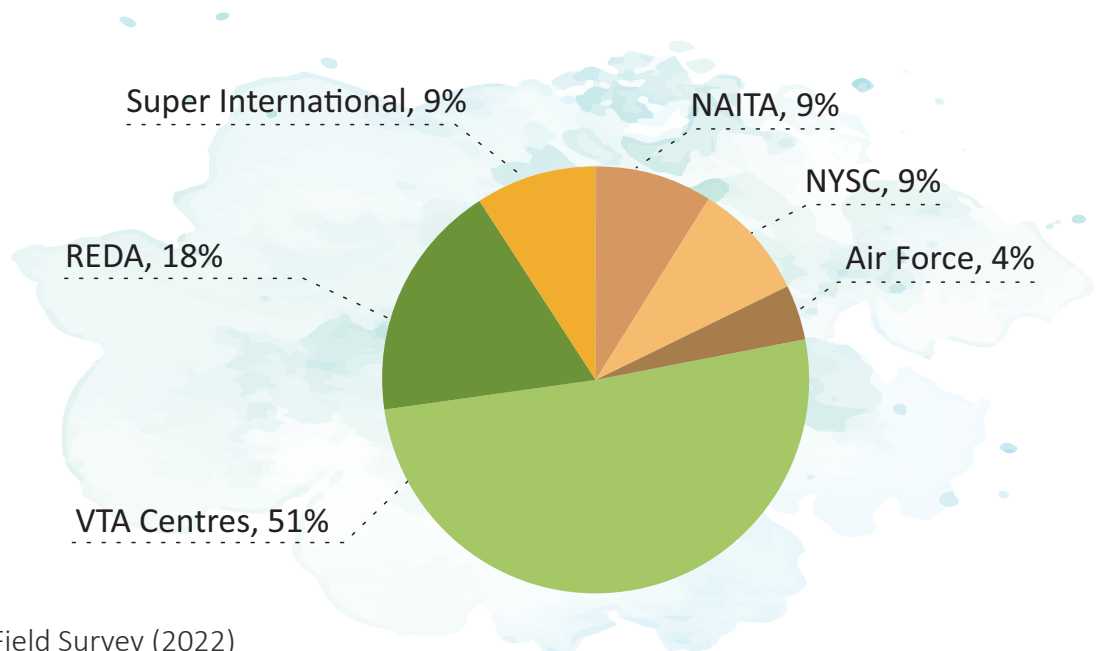
⁴Anuradhapura district.

2.5 STATUS OF SKILLS DEVELOPMENT IN MATALE DISTRICT

Tourism sector skills development in Matala district is dominated by public sector training providers and four VTA centers (VTCs) account for 50 percent of enrolment while the rest is shared among Regional Economic Development Agency (REDA-9%), Super International School of Tourism and Hotel Management (9%), NYSC (9%) and NAITA (9%) (Figure 2.5). These training providers offer 24 programmes directly relevant for tourism sector skill requirements covering both craft and certificate programmes. Super International School of Tourism and Hotel Management is the only private training provider which offers a programme on Restaurant & Bar Service, Housekeeping, Guest Relations, and International Cookery. In addition, REDA also runs as private entity with international support and offers programmes

on Hotel Operation, Pastry & Bakery and Multi-skills in Hospitality.⁶ Bakery and Cookery is the most popular programme and it accounts for 39 percent of student enrolment. The other programmes in high demand include Restaurant & Bar service, Cafeteria Helper, Guest relations, and Housekeeping. Total enrolment prior to COVID-19 was around 426 students and the graduate output 394 with a dropout rate of 8 percent. The enrolment and graduate output reduced drastically during the COVID-19 period and in 2021 the drop in enrolment and graduate output relative to 2019 was around 19 percent per academic year. Female participation in tourism sector skills development was 26 percent in 2019 and it has reduced to 24 percent in 2021.

Figure 2.6: Partners in Skills Development in tourism in Matala District



Source: S4IG Field Survey (2022)

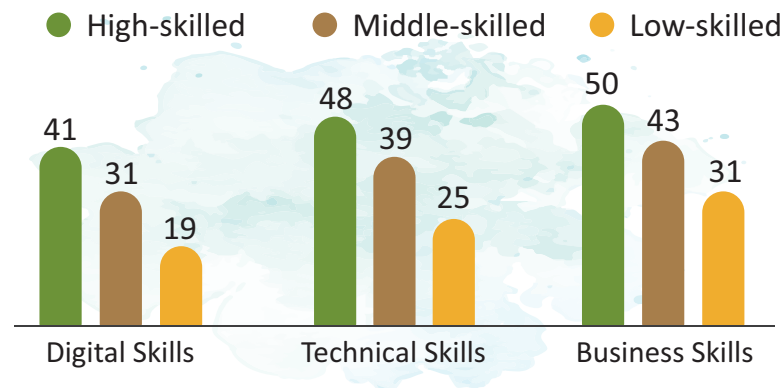
⁶ It is functioning under the auspices of the Central Provincial Council. It is also supported by the Aquinas College, Jobs Link and London Chamber of Commerce of and Industry.

2.6 EVIDENCE OF LOW-SKILL EQUILIBRIUM IN THE LABOUR MARKET

In Sri Lanka, skill shortage has been a critical factor in the tourism value chain even before the pandemic. During the post-pandemic period with gradual recovery of tourism industry and increasing trend of outmigration semi-skilled and skilled workers, the issue of skill shortages has exacerbated, and tourism sector recorded the highest level of vacancies (23981) in 2021 representing both formal (9%) and informal (91%) sectors of the value chain (TVEC, 2022a). By occupation category, highest ranking unfilled vacancies were in cook, waiter, kitchen helper, Kotthu maker, cashier, room boy, hoper maker, steward, helper, and baker categories. The status of unfilled vacancies was much more severe at district level due to low wages, inadequate supply of training facilities, limited programme mix, inadequate industry and institutional support, and resource constraints.

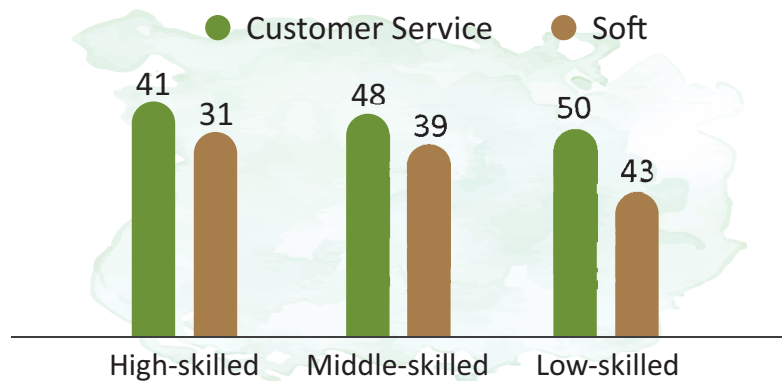
A recent survey of tourism sector MSMEs including Matale district revealed the presence of serious skill deficits in digital, technical and business skills among high, middle and low-skilled employees (figure 2.6). During stakeholder consultations, the severity of skills gaps in digital marketing (e.g., use of digital medial platforms such as Facebook/ YouTube/ web and content developments etc.) were highlighted. In addition, the employees of the tourism value chain seem to be less equipped with soft skills (figure 2.7). By industry sub-sector, skill gaps were higher in the food services sub-sector relative to the accommodation sector. By scale, skill shortages were higher in medium scale firms relative to micro and small-scale firms.

Figure 2.7: High Skill gaps in digital, technical & business skills- % satisfied



Source: S4IG (2022).

Figure 2.8: low skill gaps in soft skills and customer service - % satisfied



Source: S4IG (2022).

The issues of skill shortages were also analyzed in terms of unfilled vacancies, and it was higher in restaurant (20%), hotel (12%) and bungalow / resort (10%) sub-sectors. By occupation category, the highest proportion of unfilled vacancies was reported in two major occupation groups: cooks (23%) and waiters (16%). The stakeholder consultations at district level also revealed skill gaps in multitasker functions, digital skills, e-Tourism, business management, cookery, use of modern technology (ICT) and tour guiding. From this evidence it is clear labour market in Matale district at present is operating at low-skills equilibrium. In other words, both demand and supply sides of the labour market are inefficient, and it could be attributed to multiple reasons: a) inadequate supply of training, b) limited programme mix, c) low quality of training, d) outflow of workers, e) low wages, and f)

displacement of workers to other industry sectors during the COVID period. On the other hand, the demand for skilled workers in the tourism sector is more than the supply and skill gap are gradually increasing along with the recovering of the industry.

On the positive side, both stakeholder consultations and survey evidence point to high degree of willingness to participate in skills development work by the MSME owners particularly in the areas of professional cookery, foundational hospitality, digital marketing, and destination development. In addition, 50 percent of MSME owners have also indicated their willingness to participate in business coaching programmes. New entrants to the training market in Matale district with O/L and A/L education are around 4500 per annum.

⁸The outward migration in Anuradhapura district in 2021 was 1357.

2.7 POLICY DIRECTIONS FOR TOURISM SECTOR AT NATIONAL AND DISTRICT LEVEL

As stated in Chapter one, the SSAP for Matale district is guided by eight major policy documents covering both national and sub-national level policy directions on skills development of tourism industry. The first, national level policy documents spell out policy measures to attract more tourists and support for the development of MSMEs. Tourism Strategic Plan (2022-2025) deals with seventeen focus areas including skills development through establishing tourism training schools in main tourism cities and introducing attractive course programmes. The Public Investment Programme (2021-2024) has allocated Rs. 85,381 Mns for the development of tourism industry in three main areas: human resource development, agri-tourism promotion, and product diversification. National Development Plan for the TVET Sector (2023-2027), covers all aspects of Skills Development and Vocational training and comprise of 73 policies assembled under six themes; a) Accessibility to technical, vocational education and training, b) Training developments

and rationalization of training, c) Labour market information and digitalization, d) Industry linkages and workforce development, e) Quality assurance and recognition in TVE, and f) Management of human resource perspectives of TVET – physical and financial resources. At sub-national level, the Annual Performance report of district secretariate provides information on allocation of resources for ongoing development work of the district.

The above policy documents provide adequate advice guidance to develop a skills development plan for the tourism industry in Matale district. It also emphasizes the urgent need for interventions in skills development, application of modern technology in service marketing and weak entrepreneurship culture for tourism. These aspects will be further examined in Chapter 3 with a view to workout strategic interventions for post-crisis business recovery of tourism through skills development.

2.8 INSTITUTIONAL SUPPORT SYSTEM

An efficient institutional support system is a pre-requisite in skills development. At the national level the Ministry of Tourism and Lands (MTL) takes necessary policy decisions and coordinates relevant public and private partners to promote tourism and skills development in the country. Sri Lanka Institute of Tourism and Hotel Management (SLITHM) functions under MTL and offers skills development programmes in tourism through its island wide network and accounts for about 31 percent of student enrolment and training output. Sri Lanka Tourism Development Authority (SLTDA) also functions under the supervision of MTL and concentrates mainly on planning, development, regulation, policy implementation

and progress monitoring. In the field of skills development, Tertiary and Vocational Education Commission (TVEC), under the supervision of Ministry of Education, conducts skills development programmes on 19 broad areas including tourism through its island-wide network of 560 institutes representing public, private and NGO sector training providers. TVEC share of student enrollment and graduate output is around 69 percent per annum.⁹ It's programme mix is much broader than the programme mix of SLITHM. In addition, there are several other important ministries providing institutional support for tourism industry development including the Ministry of Wildlife & Forest Conservation, and

⁹ Based on 2021 data.

Cultural Affairs. The District Secretariate (DS) provides the /performs institutional coordination for the development work at district level including the tourism sector. The key decision-making body is the District Development Committee presided by the Government Agent (GA).

Since tourism is a devolved subject, Provincial Councils (PCs) also play a major role in promoting tourism industry at district level. In the Central Province (CP), tourism industry development work comes under the Department of Cultural Affairs and Tourism which functions under the Chief Ministry of NCP. Its main function is to introduce and implement necessary strategies and action programmes for tourism sector development in accordance with national policies.

In Sri Lanka, the territorial hierarchy is divided across three levels – Central, Provincial, and local. Since the tourism sector is a concurrent subject, all the three levels have a responsibility to handle the subject, thereby calling for a high degree of

collaboration. In operational terms, district level development work is carried out by a network of government and semi-government organizations and all of them are inter-connected with the district secretariat. The Government Agent/District Secretary is the leader of the district administration and coordinates district level development activities through different committees. There are several district level institutions to support tourism sector development by providing training, service marketing, infrastructure development support, business development, etc. However, the non-existence of a proper coordinating structure at the district level which could effectively coordinate the stakeholders of the district and work collaboratively with national level tourism authorities has been identified as a major shortcoming by stakeholders. In addition, actions by conventional type departments (e.g., Dept. of Wildlife and Conservation, Dept. of Archeology etc.) seem to be a major constraint on new product development and product diversification of tourism sector service providers.

2.9 SUMMARY

The demand for tourism both from foreign and local guests in Matale district was around 792831 per annum (66000 per month) during pre-COVID-19 period and it reduced to 121482 in 2021. The tourist traffic (both local and foreign) is concentrated in the Dambulla area, and a large part of the district is not linked with the tourism industry. As a result, the local economy suffers from poor value chain linkages that exist at present. An improved value chain with new tourist products, destination marketing, better facilitation and more importantly, effective management of visitor traffic within the district would be critical for the district to leverage gains from the existing and potential surge in tourism during the post-crisis recovery period.

CHAPTER 3

Challenges, Strategies And Action Plan For Skills Development



3.1 INTRODUCTION

This chapter presents the challenges, strategies, and action plan for skills development in tourism and related sub-sectors in Matale district. It begins with an explanation of the stage of skills development, challenges, opportunities, and strategies for skills development in the tourism industry in Matale district.

3.2 DEMAND AND SUPPLY SIDE CONSTRAINTS

International experience on post-COVID business recovery in tourism seems to be very encouraging and relevant for Sri Lanka. As stated by the UNWTO (2023), tourism is on track to achieve full recovery this year and ready to deliver on its potential as a pillar of peace and sustainability. They also state that the pandemic has accelerated the transition to more sustainable models of tourism and many of the countries have used tourism as an agent of resilience to overcome the effects of disasters and catastrophe. It was also an opportunity for them to redefine their product market, develop different market segments and to apply modern technology for product development and promotion. This innovative approach recognizes the value of rural tourism, agritourism, community tourism, and heritage tourism. Moreover, in the post-pandemic development agenda, women take a “Centre Stage” in tourism development (UNWTO, 2023). It also recognizes Tourism’s importance for rural development.

Tourism is a labor-intensive industry and business recovery during a post-crisis period is directly linked with skills development. As noted in Chapter 2, the tourism industry in Matale district is operating at a “low skill equilibrium” stage characterized by low demand and low supply of skilled labour. In such a situation, labour market does not function efficiently and requires interventions in demand and supply sides to transition to a high skill equilibrium stage. As stated earlier, Matale district is a well-established tourism destination in Sri Lanka with unique set of tourism assets attractive to both foreign and local guests. The increasing demand for tourism in the district during the post-COVID period is clear and its full development potential is constrained by several factors including skill gaps and shortages. The solutions to the issue of skill

gaps and shortages need to be worked out on both demand and supply sides of the labour market. As the sector recovers, we need to bring new workers with new skill sets in addition to upskilling the existing workforce to meet emerging challenges of the labour market.

On the demand side, key drivers for tourism value chain include several factors such as wages, firm size, industry structure, service mix/product mix, links with supply chains, educational and training background of business owners, performance of macroeconomic aggregates, applications of modern technology, and seasonality of market demand. In order to promote business recovery of tourism, these constraints need to be addressed in a systematic manner paying special attention to skills development of tourism industry.

Similarly, the supply side is also faced with several barriers in responding to market demand for skilled workers in the tourism value chain. Some of the supply side constraints include limited access to training, limited programme mix, inadequate presence of non-government sector training providers, lack of staff development (e.g. trainers training), resource constraints (e.g. finance, human resources, and infrastructure facilities), and negative perceptions towards tourism sector occupations.

At the global level, the tourism sector continues to bounce back from the pandemic and has accelerated the transition to more sustainable models of tourism. However, real recovery at district level will only be possible when macroeconomic conditions improve, and international tourism returns. This requires macroeconomic stability and global support for the economy to return to normalcy.

3.3 CHALLENGES AND OPPORTUNITIES FOR SKILLS DEVELOPMENT

Having identified the constraints affecting skills development we are able to move on to the next stage of analysis- challenges and opportunities of skills development in tourism value chain in Matale district. It is based on a series of consultations with a cross section of stakeholders engaged in tourism

sector business promotion and skills development in Matale district. The key demand and supply side challenges identified on this basis prevent the tourism industry from achieving its full growth potential, especially during the post-crisis recovery period (Table 3.1).

Demand side	Supply side
Low demand for tourism sector occupations	Lack of qualified trainers
Low enrolment and completion of TVET training courses	Low enrolment of women and PWD to TVET courses
Low salaries offered by the industry	Poor interconnection & coordination of Tourism Related institutions within the district
Limited access to training and development (upskilling)	Dominance of public sector in skills development
Less awareness on tourism sector career prospects and career development	Lack of institutional support for skills development of tour operators and guides
Destinations identification & promotions are very poor.	Poor female inclusiveness in tourism sector training & flexible employment opportunities
	Narrow programme mix

Despite these challenges, Matale district has several opportunities for growth and expansion of tourism industry through skills development. The major opportunities are given below.

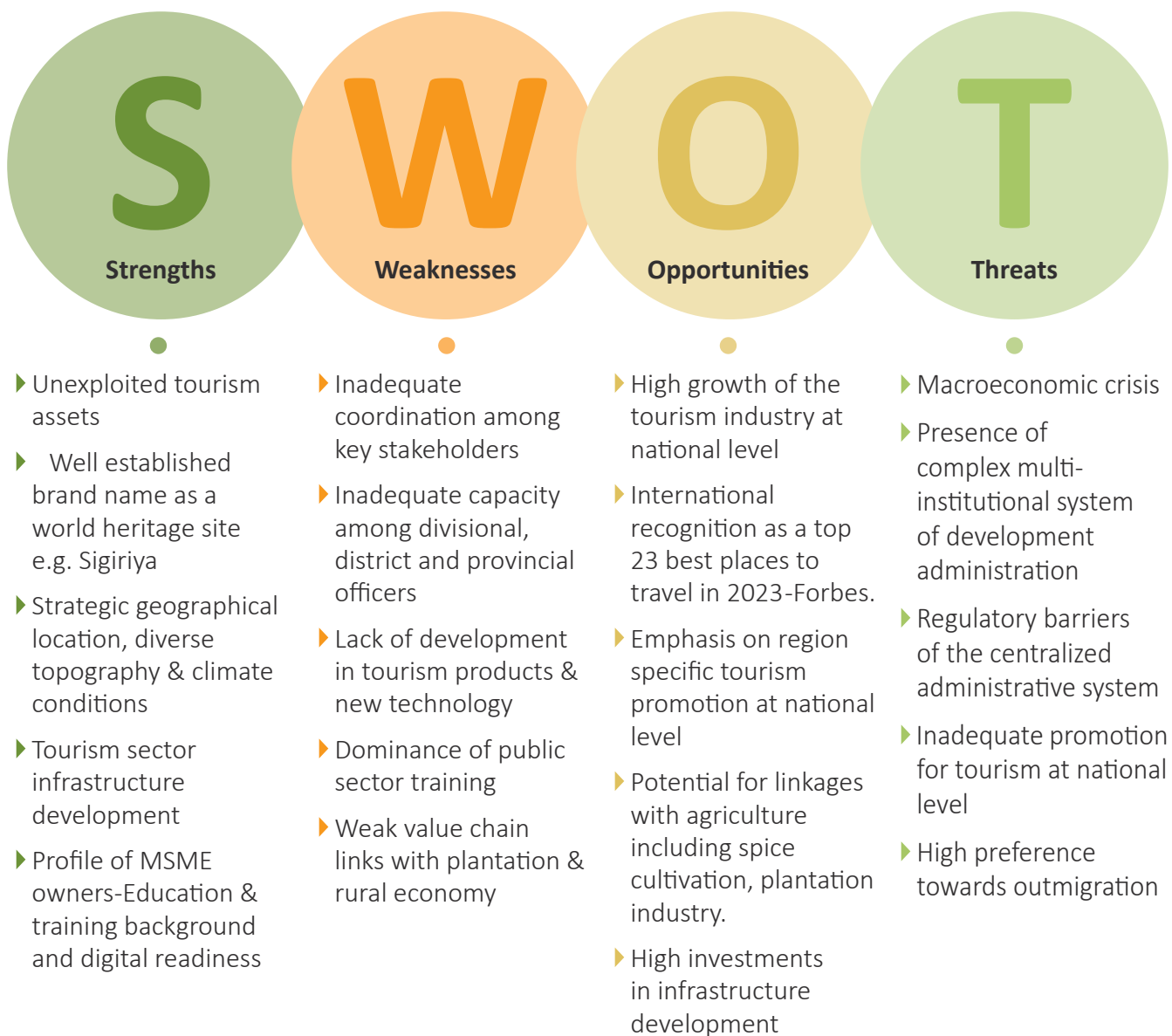
- ▶ High growth potential of the tourism businesses in the district
- ▶ Unexploited tourism related assets e.g., Nature reserves, Heritage sites, National parks, Archaeological sites, Water based tourism, Traditional industries, Agri-tourism, Eco-tourism, Spice Garden based tourism, Adventure tourism etc.
- ▶ District leadership and administrative support
- ▶ Availability of well-developed accommodation facilities for tourists
- ▶ The occurrence of popular annual religious events which attracts both local and foreign guests.
- ▶ The district is surrounded by other popular destinations and developed road network to connect them.
- ▶ Around 5000 school leavers joining the labour market on annual basis after OL (2500) and AL (2500) examinations. Another 1500 also join the labour market before OL examination.

3.4 THE SWOT ANALYSIS

This section of the assessment deals with SWOT analysis of tourism industry in Matale district. SWOT is one of the most frequently used methods in strategic planning/analysis. It is based on key findings presented in chapter 2 and Chapter 3

above and stakeholder consultations and ongoing tourism sector development work initiated by various stakeholders of the district (Annex-4). The findings are summarized in Figure. 3.1 below.

Figure 3.1: SWOT analysis on Skills Development of tourism industry in Matale district



3.5 VISION OF SKILLS DEVELOPMENT IN MATALE DISTRICT

The vision and mission¹⁰ developed by district administration of Matale district is given below.

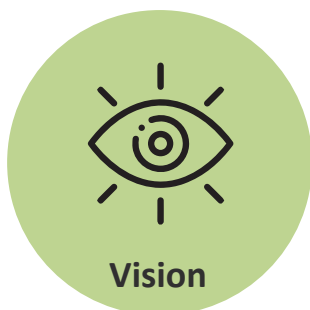


“Becoming the Excellent Administrative center to the Island through establishing a public related Administration”



“Contribution of the National Development Optimally managing necessary human and physical resources, ensuring a productive and efficient service to fulfill needs of people in Matale District”

The vision and mission statement for Skills Development Action Plan for Matale has been adapted from the Matale district vision and mission statements and it is given below.



“Elevate the tourism industry to high skilled equilibrium stage through human capital development.”



“Promote tourism in the district through skills development and digitalization”.

¹⁰ Performance Report, District Secretariat.

3.6 STRATEGIES AND ACTION PLAN FOR SKILLS DEVELOPMENT

The Skills Strategy and Action Plan (SSAP) for Matale district has been developed with the wider stakeholder consultation process including tourist sector employers, policy makers, administrators, training providers and other relevant stakeholders. In addition, relevant policies and existing strategies both at national and sub national levels associated with tourism and skills development provided guidance to formulate SSAP. The SSAP has 8 strategies under four themes: (a) Building MSME resilience, (b) Improve institutional support system, (c) Promote job-rich inclusive growth and (d) Sustainable tourism development (Table 3.2). The approach taken to develop the SSAP for the district is shown in Figure. 3.2. The analysis of the SSAP process underlines three policy priorities. First, addressing high skill gaps among high, middle, and low-skilled workers. The second main policy priority for the district is to promote digital applications among tourism sector MSMEs and the third is to promote an inter-institutional support system to ensure full stakeholder engagement in promoting tourism in Matale district.

Implementation of these strategies to address key themes involves a series of action programmes to be implemented in the short and medium term. It is important to retain existing workers in the sector by opening new avenues through skills

development to increase their income. Meantime, it is also important to provide necessary skills to school leavers to facilitate the entering them into the tourism sector workforce. In addition, the disadvantaged groups including unskilled women and people with disabilities in the district, should be treated as a part of target beneficiaries of proposed skills development programme for Matale district.

Implementation of these strategies to address these transformation themes involves a series of action programmes to be implemented in the short and medium term. The four themes are equally important for Matale district. It is necessary to promote the marketing of career prospects and rewards available in tourism and related sub sectors among school leavers. It is also important to retain existing workers in the sector by opening new avenues through skills development to increase their income. In addition, the disadvantaged groups including unskilled women and people with disabilities in the district, should be concerned in skills development process. In addition, the disadvantaged groups including unskilled women and people with disabilities in the district, should be treated as a part of target beneficiaries of proposed skills development programme for Matale district.

Figure 3.2: SSAP Framework for skills development in Anuradhapura district



At the stakeholder discussions, the issues related to skills gaps were identified, classified, and listed under four major headings i.e. (1) Issues related to personal skills development, (2) Issues related to product/ destination development, (3) Issues related to awareness/knowledge and (4) Issues related to institutional matters (Table 3.2). Major strategies, interventions, and actions were formulated under different themes to address the identified issues (Table 3.4).

Table 3.2 Core demand and supply strategies and interventions for implementation- Matale District

Themes	Strategies	Key interventions/Action programmes
Building MSME resilience	Upskilling of the existing staff	Provide occupation specific training
		Develop Master trainers & TOTs
		Skill development of travel & tour guides
	Restore MSME business confidence	Provide Business Coaching support
		Capacity building of MSMEs
Destination marketing	Skills development on e-tourism and new technologies	
Improve institutional support system	Capacity building	Capacity building of provincial, district and divisional levels staff
	Strengthen inter-institutional coordination	Develop coordination among institutions
Promote job-rich inclusive growth	Increase access to training for vulnerable groups	Conduct awareness program on “Reasonable Adjustments” in skills development
		Enhance accessibility for training programs e.g. Flexible e learning online course on e- tourism
	Promote female participation	Promote female entrepreneurs
Sustainable tourism development	Skills development in Wellness, Agri-tourism, and Adventure tourism.	Facilitate training on Wellness and Agri-tourism and Adventure tourism development jointly with other stakeholders





The action plan given in Table 3.3 addresses both internal and external factors affecting tourism ecosystem at district level. Proposed interventions try to operate through the strengths of tourism industry in Matale district with full use of emerging development opportunities during the post-recovery period. It is also designed to neutralize possible threats and eliminate weaknesses affecting skills development of tourism value chain at district level. The target beneficiaries cover a wide range of business owners and employees operating in tourism value chain. It also places special emphasis on vulnerable groups such as women, and disabled persons. The efforts towards






building MSME resilience and skills development should lead to significant improvements in job creation, destination development, product development, image building and business development of tourism industry. The interventions on female participation and empowerment of persons with disability make the entire skills development plan inclusive and well balanced. However, there is a strong need for significant improvement of stakeholder participation in the planning and implementation of tourism sector skills development in Matale district. The results of stakeholder consultations show that Matale is rich and competitive in tourism assets





and facilities but lacks new product development and demand creation. In fact, many of the stakeholders pointed out a wide range of activities which could be used to create demand for tourism both from local and foreign guests. Some of the activities elaborated by them include Paragliding, Water Crafting, Bush walking, mountain bicycle tracks, promoting environmental systems (e.g.,




mountain bicycle tracks, developing Rock line along the Dumbara Mountains etc.), and plantation tourism (e.g tea estates within the Knuckles range). Trained groups in these events are very minimum at present and skills development of interested groups engaged in these activities may offer high dividends to the national economy.

Table 3.3 Tourism sector Skills Development Plan for Matale district 2023-2024

	Action programmes	Target Group	Duration	Expected outcome	Main Responsible Agencies	Supporting/ Collaborating Agencies
1	Upskilling of Chefs and kitchen operations staff (e.g., cookery & bakery skills) 	Existing staff in kitchen operations	2023/24	Assured better service and customer satisfaction	SLITHM, TVEC VTA SLYSC	DS, PC, S4IG,
2	Train Master trainers on Foundational Hospitality skills, Multitasker etc. 	Owners/ Managers in MSMEs	2023/24	Expanded training capacity with standard assured	SLITHM, VTA, NAITA, PC, DS	DPT, S4IG
3	Workplace based Multitasker skills development 	Existing employees in MSMEs	2023-2024	Improved performances	SLYSC, PC	S4IG
4	Provide foundation digital skills 	Employees of tourism sector MSMEs	2023/24	Improved digital visibility of MSMEs	FCCISL, PC	S4IG

	Action programmes	Target Group	Duration	Expected outcome	Main Responsible Agencies	Supporting/ Collaborating Agencies
5	Digital marketing skills & Social media skills (Two courses- (1) Digital story telling & (2) Digital Marketing) 	Employees of tourism sector MSMEs	2023/24	Improved digital visibility of MSMEs	FCCISL, PC, DS	S4IG
6	Train Tour Guides 	-Tour guides -Chauffer guides -Area guides -Site guides	2023/24	Increase customer satisfaction	SLITHM, VTA, DS, PC	TDA, TT, S4IG
7	Provide Business Coaching support 	MSME Owners/ Managers in Tourism	2023/24	Improved MSME performance	FCCISL, PC	S4IG
8	Capacity building of MSMEs e.g., use of modern technology, new products & markets. Etc., 	MSMEs	2023/24	Business recovery of MSMEs	DSI, SED, NEDA	FCCISL, S4IG
9	Skills development on e-tourism and new technologies (e content, e operation, e reputation, e marketing & e distribution, GIS applications) 	MSMEs	2023/24	Improved business performance	SLITHM, DS, PC	FCCISL

	Action programmes	Target Group	Duration	Expected outcome	Main Responsible Agencies	Supporting/ Collaborating Agencies
10	Follow up support on business coaching, e-tourism & multitasker etc 	MSMEs	2023/24	Improved business performance	S4IG, DS, PC	FCCISL, Tourism Association
11	Capacity building of sub-national level staff in skills development 	District level staff e.g., DC, PC & DS	2023/24	Skills development in planning	S4IG	DS, PC, DPT, DCS
12	Promote inter-institutional support for tourism sector MSME development 	MSMEs	2023/24	Enhance inter-institutional support for skills development of tourism sector MSMEs	DS, PC, Line ministries, NGOs	Hoteliers' Association, NGOs
13	Conduct awareness program on "Reasonable adjustments" in assessments of skills training programs 	Vulnerable groups	2023/24	Increase access to training for vulnerable groups	S4IG	GDO, NGOC, SST;

	Action programmes	Target Group	Duration	Expected outcome	Main Responsible Agencies	Supporting/ Collaborating Agencies
14	Enhance access to training (e.g., e learning online course on e- tourism) -10 locations 	MSME Owners/ Managers in Tourism	2023/24	Improved performances Recognition of prior Learning (RPL), Flexible Learning Mode (FLM)	TVEC, PC SLYSC, SLITHM, Individual Consultants	DS, HAH, S4IG
15	Female entrepreneur development 	Prospective female entrepreneurs	2023/24	Increase female participation in MSME development.	PC, SED, NEDA, DSI S4IG	NGOC, GDO,
16	Provide training on sustainable tourism development e.g., Plantation Tourism/ Spiritual Tourism/ Geo Tourism/ Indigenous Medicine Spices, Adventure Tourism etc. 	Multiple stakeholders interested/ engaged in environment tourism activities	2023/24	Sustainable tourism development	Planning Division of DS & EO, UNDP	Scout Association, HAH, S4IG

District Secretariat = DS; District Planning Team = DPT; Tourism Team (TT); Environment Officer = EO; Tour Guide Association (TGA); Hoteliers' Association Habarana (HAH); Dept. of Small Industries= DSI; Provincial Council = PC; Tour Guide Association = TUA, Gender Development Officer = GDO; NGP Coordinator = NGOC

CHAPTER 4

Summary and Recommendations



4.1 OVERALL VIEWS

The tourism industry in Matale district is faced with significant skill gaps and shortages. As a result, the industry is operating at sub-optimal level and its full development potential could be realized through a set of skills development strategies targeted at demand creation, business support and promoting inclusive growth.

Total amount of funds Rs. 7,119,000 as recurrent expenditure and Rs. 2,988,000 as capital expenditure allocated nationally for the Ministry of tourism and lands in 2022. The total expenditure of the State Ministry of Skills development, Vocational Education, Research & Innovation was Rs. 8,461,350 in 2021. Government budgetary allocation for Matale district in 2022 was Rs. 1,098,000,000 in which Rs. 891,000,000 was allocated for recurrent expenditure and Rs. 207,000,000 was allocated as capital expenditure. In 2023, the total allocation for Matale district is Rs. 1,122,000,000.¹¹ However, there is no direct allocation for the tourism sector and therefore this sector has not been highlighted much in district progress monitoring and performance reports. However, funds allocated for some infrastructure development have indirect impacts to the tourism industry. The Provincial council also receives funds to carry out development activities in Matale, Kandy and Nuwara Eliya districts. The annual allocation for the Provincial Department of Trade, Commerce and Tourism in Matale was Rs. m. 19.65 which was mainly used for training & development, promotion & marketing, and activity developments. Nevertheless, allocation for the Ministry of Tourism was halved to LKR 923 Mn, lowest since 2016. The government increased capital expenditure of the Ministry substantially in 2021 (from LKR 288 Mn in 2020 to LKR 1 Bn in 2021), and it has been drastically brought down to LKR 245 Mn in 2022.

Tourism sector business recovery in Matale district was 17 percent in 2022 as against the national average of 30 percent. It should be noted that comparative advantage of tourism assets does not necessarily translate into a competitive advantage.

It requires active involvement of key stakeholders in skills development and digitalization of tourism sector business operations of the district. The key stakeholders led by the Matale DS and the CPC need to make a joint effort to promote tourism within the district with a clear focus on skills development employees particularly in the areas of digital, technical, and soft skills. Such efforts may boost business confidence of tourism sector MSMEs and encourage them to exploit new business opportunities for growth and expansion.

The SSAP is based on policy directives and relevant strategies at national, provincial and district levels. It is developed with a vision of transforming the tourism skills at the stage of skills gap and shortages to high skills equilibrium stage. For this purpose, eight strategies have been developed under four major themes. This has been further expanded to 12 interventions and 16 action programmes. Each action has a time frame and identifies the relevant agencies for implementation, considering the nature of the action and area of specialization. In addition to the main responsible agencies identified for implementation, supporting agencies have also been given in the plan.

Since SSAP has divided responsibility for implementation it is not an easy task to implement the action programmes. Therefore, strong coordination at district level is needed with regular progress monitoring. There would be two types of funding since action programmes are multi-institutional and inclusive in nature: (a) State funds allocated at national, provincial and district levels for different agencies focusing on areas of economic and social return to education and training, equity, and poverty, and (b) Funds raised by joined actions aiming to deliver flexible and market responsive solutions to skills need with the utilization of government resources by adding the vale through the investments made by employers, NGOs and development partners.

¹² ww.treasury.gov.lk

4.1 IMPLEMENTATION AND PROGRESS MONITORING

It is necessary to convince the responsible agencies to incorporate the actions available in the SSAP into their Annual Action Plans. This incorporation will help to obtain public funds for the activities proposed in SSAP through respective agencies. In addition, partnerships can be developed with private sector organizations, NGOs and donors for the implementation. The district level administration needs to focus more on tourism sector skills development with multi stakeholder participation. Similarly, the non-government sector service providers need support to build their capacity focusing on the integration of vulnerable groups into the main-stream workforce. Therefore, programmes should be conducted to inform the relevant agencies about SSAP and its implementation mechanism.

Since SSAP is a multi-institutional plan, there should be a common forum/platform with key players to monitor the progress of the action programmes implemented. This forum should be chaired by GA to coordinate all relevant stakeholder institutions. There are two options available: (a) use DCC as an appropriate forum to coordinate tourism sector development activities including the implementation of SSAP, and (b) establish a separate committee confined only to coordinate the tourism development activities. Each option may have certain advantages and disadvantages. However, it is a fundamental requirement to form a "District Tourism Development Committee" (DTDC) either as a new committee or as a subcommittee of the existing main committee to synchronize tourism development activities in the district and monitor the implementation.

The composition of the DTDC needs to be determined by the GA considering the SSAP and other tourism related activities in the district. In addition to government officers, representatives of tourism sector related NGOs, Associations can be nominated based on necessity. The role/functions of the DCC should be in line with the following.

- a. Prioritization of action programmes listed in SSAP.
- b. Coordination of resources for skills development from different sources.
- c. Address issues relating to inter institutional support for tourism development e.g regulatory barriers originating from conventional type administration (e.g. Department of Wildlife Conservation, Department of Forest conservation, Department of Archeology etc).
- d. Progress monitoring of Action programmes with regular intervals
- e. Suggest necessary changes/amendments to the Action programme in response to changes in the tourism industry, changes in policy directives and administrative procedures at district, provincial and national levels.
- f. Ensure continuity of skills development work of the tourism sub-sector through integration of core activities of the SSAP to budget items of line ministries.
- g. Take necessary steps to develop a mechanism to formulate a new Action Plan for tourism skills development with the lessons learnt, when the present SSAP time frame is over.

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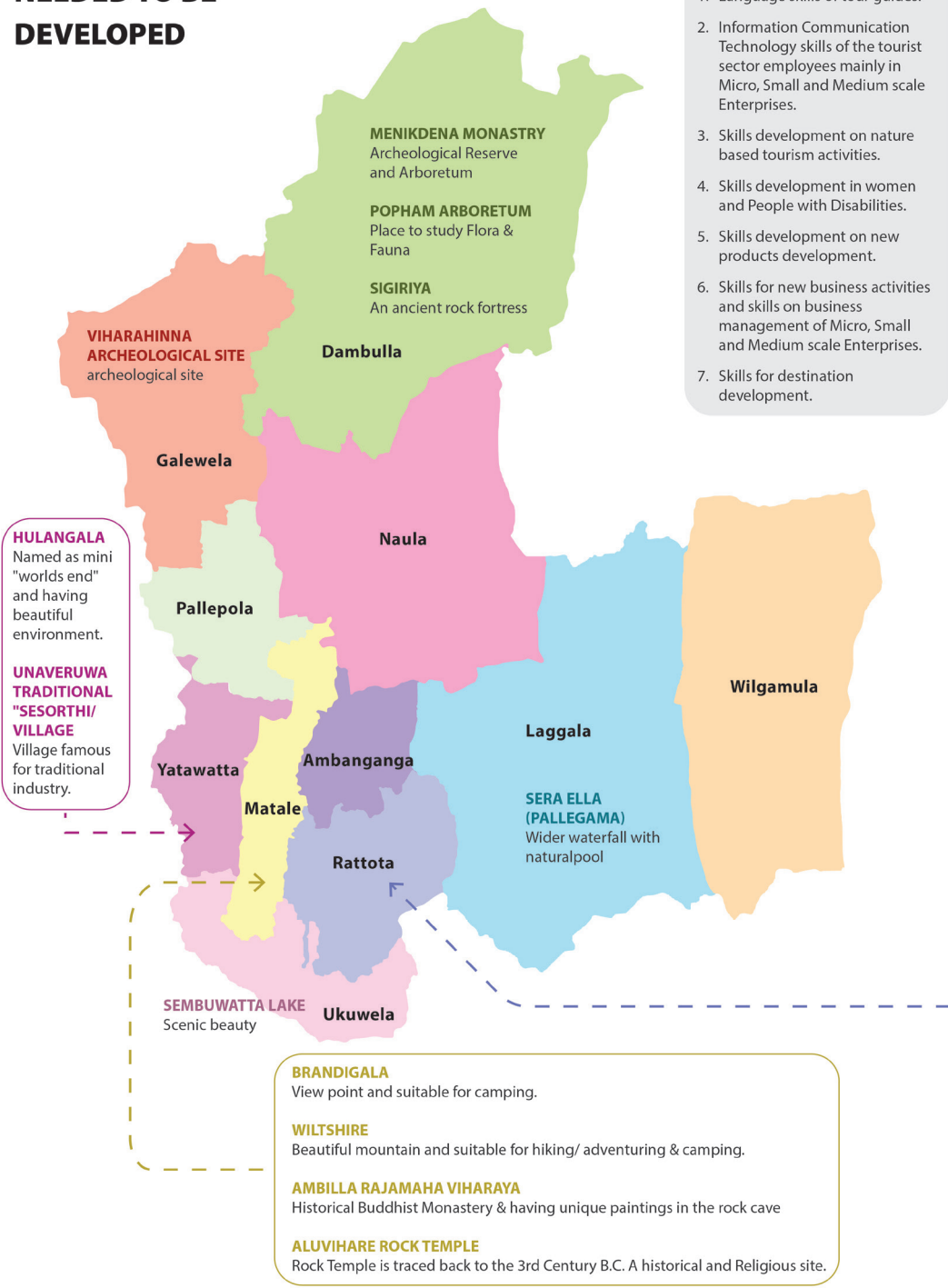
ANNEXES

Annex 1 - Tourist Destinations in Matale District



Annex 2 Labour market analysis of Matale District

MAIN TOURIST ATTRACTIVE SITES IN MATALE AND SKILLS NEEDED TO BE DEVELOPED



BAMBARAKIRIELLA
Falls A beautiful fall waterfall where a suspension bridge was constructed over the fall and a rock pool is located at the base of the waterfall.

DANKANDA LAKE
The lake was built during British era to generate Hydro-electric power. Location is extremely beautiful and rich in bio-diversity.

HUNUGALA VIEW POINT
360' view point and can be used for paragliding activities

HAPUWIDA TRADITIONAL "LAKSHA" VILLAGE
Village with traditional industry

BESAM WALA
Beautiful Natural pool

LUNUATUWA BUDDHIST MONASTRY
Historical cultural monument

NIKALOYA FALLS
Scenic beauty

KELEBOKKA UPPER DIVISION VIEW POINT
A view point located about 4500ft above the mean sea level.

RIVERSTON
Beautiful location situated at about 1500m elevation.

PITAWALA PATHANA
Fascinating landscape with unique grassland located in the Knuckles conservation forest

WEDDA PANI ELLA
Beautiful Waterfall

WAMBATUHENA ELLA
Beautiful Waterfall

HULANGALA
Named as mini "worlds end" and having beautiful environment.

UNAUVERUWA TRADITIONAL "SESORTHI/ VILLAGE"
Village famous for traditional industry.

BRANDIGALA
View point and suitable for camping.

WILTSHIRE
Beautiful mountain and suitable for hiking/ adventuring & camping.

AMBILLA RAJAMAHA VIHARAYA
Historical Buddhist Monastery & having unique paintings in the rock cave

ALUVIHARE ROCK TEMPLE
Rock Temple is traced back to the 3rd Century B.C. A historical and Religious site.

Annex 3 - Possible locations for destination development in Matale district

Name of the destination	Location	Coordinates	Current status Neglected/ being developed/ unattended etc.	Significance
Bambarakiriella Falls	Rattota DS	7.495527142811004, 80.69903462831192	being developed	Easy to access. There is an old-fashioned suspension bridge over the fall and a rock pool at the base of the waterfall.
Dankanda Lake	Rattota DS	7.5278504308683045, 80.72345432888218	being developed	The lake was built during British era to generate Hydro-electric power. Location is extremely beautiful and rich in bio-diversity.
Hunugala Viewpoint	Rattota DS	7.451631886031983, 80.68116936153876	being developed	360' viewpoint and can be used for paragliding activities
Hapuwida Traditional Laksha Village	Rattota DS	7.435301905192519, 80.66390901389796	almost neglected	This is the only Village in the world that traditional laksha works are done.
Besam wala	Rattota DS	7.455211994805002, 80.69438002837602	unattended	Beautiful Natural pool and can be developed furthermore
Lunuatuwa Buddhist Monastery	Rattota DS	7.4464139199738995, 80.65579913870498	Being developed	Historical cultural monument
Nikaloya Falls	Rattota DS	7.504106438694193, 80.6963385329725	unattended	Scenic beauty
Redd Barna Village	Rattota DS	7.5599425638339, 80.7512314540992	being developed	An abandoned Village in Knuckles range. Only one house is there. Ruins of the old village can be seen and there is a waterfall called "Pathane Ella" is in close proximity.
Kelebokka upper division viewpoint	Rattota DS	7.434770299274881, 80.71195656574456	being developed	The peak lies 4500ft above the sea level.one can have a 360' view of the whole area including Knuckles range.
Riverston Communication Tower	Rattota DS	7.526996634778787, 80.734283732682	recognized location	The elevation is 1424m. Surroundings are extremely beautiful.
Pitawala Pathana	Rattota DS	7.54966649793309, 80.75421135225157	recognized location	Unique grassland located in the Knuckles conservation forest

Name of the destination	Location	Coordinates	Current status Neglected/ being developed/ unattended etc.	Significance
Wedda Pani Ella	Rattota DS	7.517234200445498, 80.75613173875736	Neglected	
Wambatuhen Ella	Rattota DS	7.5596076063311335, 80.76717152341625	Neglected	
Sera Ella			being developed	Wider waterfall with natural pool
Brandigala	Matale DS		Neglected	Rock with 360' view & suitable for camping. Close proximity to Matale Town with easy access
Wiltshire	Matale DS		Neglected	Beautiful mountain with off-road access to top of mountain & suitable for hiking / adventuring & camping. Very close proximity to Matale Town
Sembuwatta Lake	Ukuwela DS	7.437051406888158, 80.69995639991112	being developed	Lake with beautiful environment
Hulangala	Yatawatta DS		being developed	Scenic beauty on a top of a mountain with mini worlds end (a cliff) & suitable location for camping.
Unaveruwa Traditional Sesath Village	Yatawatta DS	7.528512, 80.587856	being developed	This is the only Village in the world that traditional sesath works are done.
Menikdena Monastery	Dambulla DS		being developed	Archeological Reserve and Arboretum
Popham Arboretum	Dambulla DS		being developed	Educational Point to study Flora & Fauna
Viharahinna archeological site	Galewela DS		Neglected	archeological site
Ambilla Rajamaha Viharaya	Matale DS		Neglected	Historical Buddhist Monastery & having significant rare drawings in the rock cave / Close proximity to Matale city

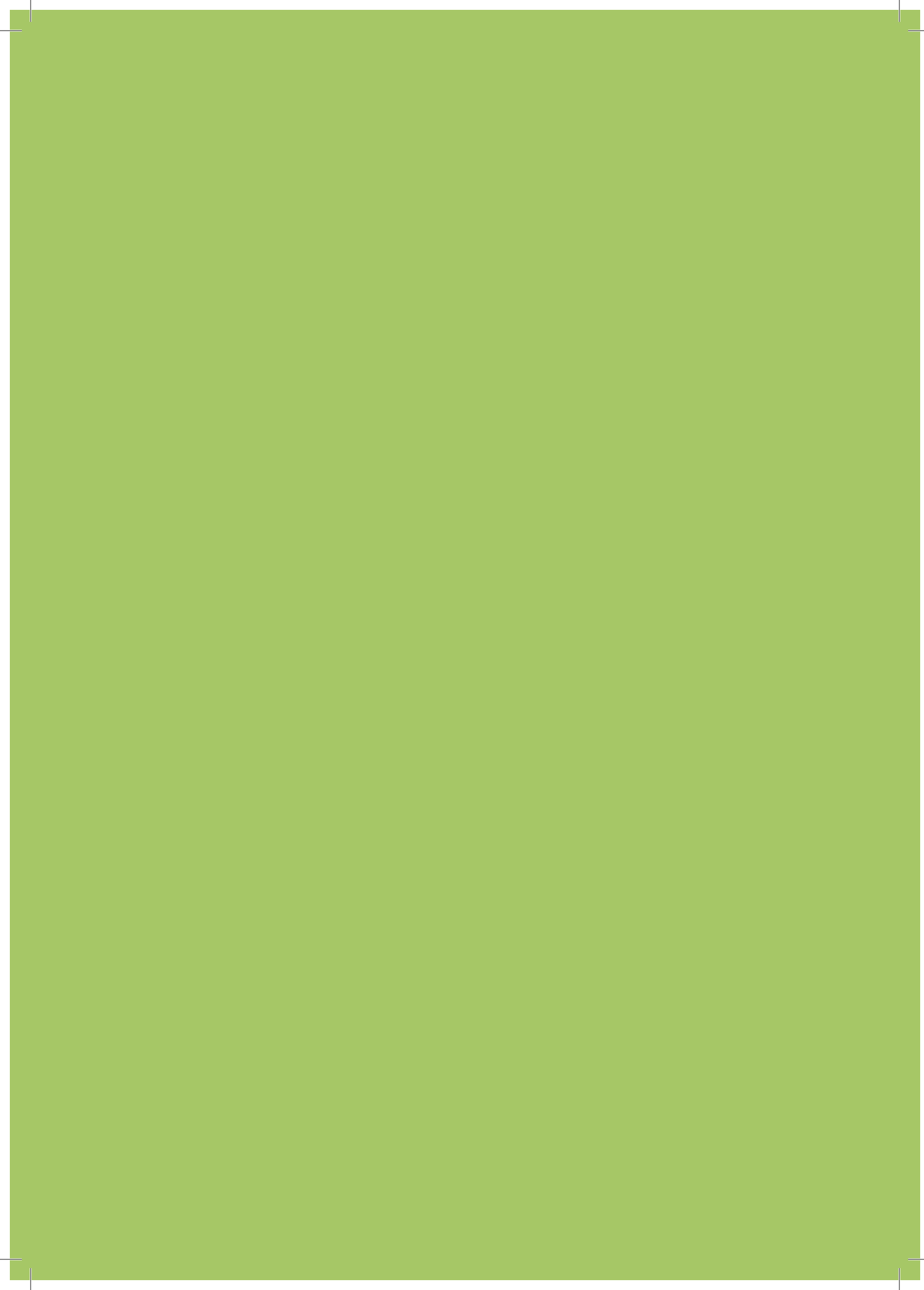
Annex 4 - Stakeholder Consultations -Identified skill gaps and issues related to skill development in Matale District

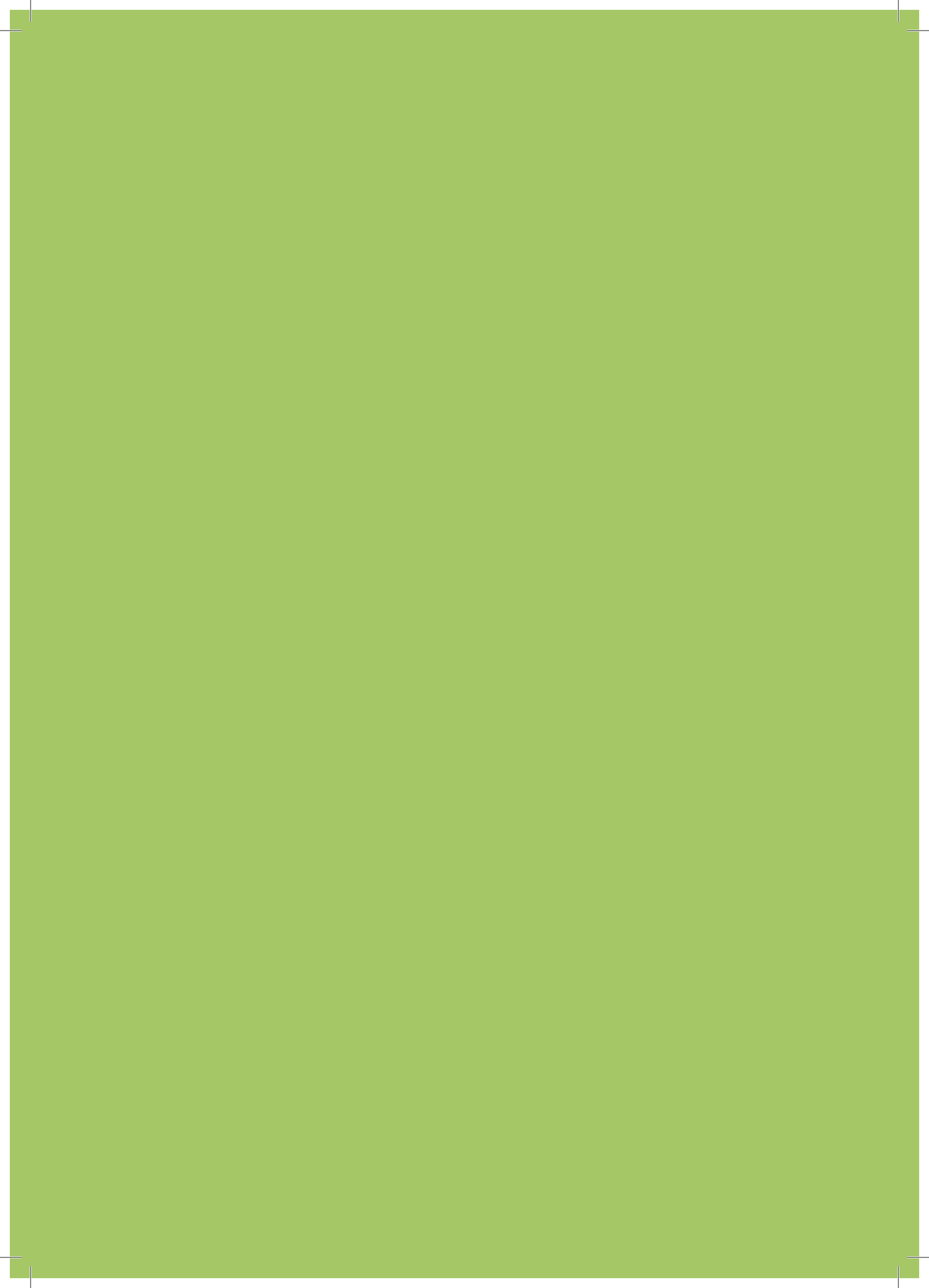
	Issues identified	Name of the stakeholder who raised the issue	Type of stakeholder
Issues related to personal skills development			
01	Inadequate basic hospitality skills	Thanuja Bopearachchi – National Tour Guide Lecture / Mr. Nihlas Mohideen (Senior Lecture – REDA Hotel School) / Mr. Lionel Gunasekara- Sigiriya Tourist Guest House Owners & Businessmen Association	Tour Guide/ Public Private Partnership Agency of Central Provincial Council / Tourism Association
02	Poor manners in specially in tour guides	Mr. H.M. Presanna Dhanushka - Sigiriya Tour Guide Association / Mr. Thanuja Bopearachchi – National Tour Guide Lecture	Private Tourist Association / Freelancer Guiding Service Provider
03	Lack of skills on village tourism	Mr. Sunil Atapattu – Central Province Tour Guide association / Gamini Jayatissa - Director – GAFEC /	Tourism Association / NGO
04	Inadequate skills on ICT	Mr. Rohitha Sumanaweera, District In- charge, IDB	Public officer
05	Inadequate skills on marketing promotion	Mrs. Malkanthi – Asst. Director SEDD /Mr.M.M.Suwandarathna- Deputy Director SEDD	Public officers
06	Lack of skills on content development and storytelling (Exiting staff + product developers)	Mrs. D.S Jayasundara - In charge, Business Service Center	Public Officer
07	Lack of multitask skills especially in home stay (MSMEs).	Mr. Nihlas Mohideen (Senior Lecture – REDA Hotel School) / Mr. Lionel Gunasekara- Sigiriya Tourist Guest House Owners & Businessmen Association	Training provider Private Association
08	Lack of skills on preparation and promotion of traditional foods	Gamini Jayatissa - Director - GAFEC	NGO
09	Lack of skills to promote wellness tourism	Mr. D.M.W. Dissanayake- Director, Super international School of Hotel & Tourism	Training Provider

	Issues identified	Name of the stakeholder who raised the issue	Type of stakeholder
10	Poor skills on disaster resilience	Mr. M.R. Wijesundara - Asst. Director (Planning)	Public officer
11	Poor skills on disaster resilience	Thanuja Bopearachchi- National Tour Guide Lecture	Freelance Tour Guide
12	Poor interpersonal/ communication skills	Gamini Jayatissa - Director - GAFEC	NGO
13	Lack of skills on eco-tourism/ spiritual tourism	Mr. Sunil Atapattu- Central Province Tour Guide association / Gamini Jayatissa - Director - GAFEC	Tourism Association / NGO
14	Lack of skills on adventure tourism	Mr. Sunil Atapattu- Central Province Tour Guide association / Gamini Jayatissa - Director - GAFEC	Tourism Association / NGO
15	Lack of skills on dark sky tourism (night sky observation)	Gamini Jayatissa - Director - GAFEC	NGO
Issues related to product/destination development			
15	Inadequate skills on community-based product development (traditional products)	Gamini Jayatissa - Director – GAFEC	NGO
16	Lack of skill on destination development	Mr. Chamara Ruchiranga/ Mrs. Sudhara Wickramarathna -Tourism Development officers	Public officers
17	Lack of skills on new tourism events (water rafting, adventure tourism, gliding, hiking, hot air balloons riding etc.)	Gamini Jayatissa - Director – GAFEC / Mr. Indika Weebaddage - Central Province Tour Guide Lecture's Association	NGO / Tourism Association
18	Weak promotion of plantation sector related tourist activities due to inadequate skills and knowledge.	Mr. Radly Dissage, DGM-Projects, Elkaduwa Plantation / Mr. Manjula Weerasinghe, State Superintendent	Officers in Plantation

	Issues identified	Name of the stakeholder who raised the issue	Type of stakeholder
Issues related to awareness/knowledge			
19	Inadequate technical knowledge of tour guides	Mr. Indika Weebaddage - Central Province Tour Guide Lecture's Association	Tourism Association
20	Lack of awareness and poor attitudes on vocational trainings	Mrs. Udeni Illankoon-District Manager NAITA /Mrs. S.B.Samarakoon- Assistant Director VTA / Mrs. K.A. De Silva - Principal Technical College / G.S. Abeyrathna – NYSC Training Manager	Training Providers
21	No proper guidance for some of the service providers of the tourism value chain (e.g., Three-wheel drivers)	Mr. R.G.S.T. Bandara - Three-Wheeler Association / Mr.Indika – Incharge Tourist Information Center	Private / Public
22	Poor attitudes towards the tourism industry jobs	Mrs. Udeni Illankoon-District Manager NAITA /Mrs. S.B.Samarakoon- Assistant Director VTA / Mrs. K.A. De Silva - Principal Technical College	Training Institutes
23	Lack of awareness of measures to increase staying nights (by introducing new activities and by changing attitudes)	Mr. Chaminda Jayanatha - Sigiriya Tourism Association	Tourism Association
24	Inadequate knowledge on marketing	Mr. Indika Weebaddage - Central Province Tour Guide Lecture's Association / Mr. Suranjith Wewita - Central Provincial Tourism Development Cooperative Society	Tourism Association
25	Poor knowledge about flora and fauna	Mr. Suranjith Wewita - Central Provincial Tourism Development Cooperative Society	Tourism Association

	Issues identified	Name of the stakeholder who raised the issue	Type of stakeholder
Issues related to institutional matters			
26	Poor coordination between tour guides and existing associations	Mr. H.M. Prasanna Dhanushka - Sigiriya Tour Guide Association	Tourism Association
27	Lack of female tour guides	Mr. H.M. Prasanna Dhanushka - Sigiriya Tour Guide Association / Mr. Thanuja Bopearachchi - National Tour Guide Lecture / Mrs. N.P. Karunanayake- Women Development Officer	Private Tourist Association / Freelancer Guiding Service Provider / Public officer
28	No mechanism to attract youths to the industry	Mr. C.K. Abeywardana – District Scout Commissioner	Youth Association
29	Lack of opportunities for women and PWD for training	Mrs. N.P. Karunanayake-District Women Development Officer	Public officer
30	No opportunities to improve the knowledge on nature-based tourism mainly for safari staff	P. R. Nishantha Priyankara - Jeep Safari Society	Tourism Association
31	Regular updating about the present status of the industry is minimum due to poor coordination among stakeholders.	Mrs. Wijelatha-Asst. Director Planning / Mrs. Lakmini Thilakarathna-Deputy Director Planning	Public officer
32	No promotional activities in the district to bring tourists	Mrs. Chamila Atapattu- Additional District Secretary	Public Officer
33	Flexible employment opportunities for female employees and PWDs	Mrs. N.P. Karunanayake/ H.H.R.S. Priyankara / P.P.M.E.M. Pathiraja – Women Development Officers	Public Officers
34	Unavailability of a center to provide the information about skills development.	Mrs. Sashika Lekamge – District Statistician	Public officer
35	Unavailability of travel and tourist agents in the district to promote new/existing destinations in the districts.	Mr. Gayan Nithulgaspitiya – Director Traveller in you (Pvt) Ltd / Mr. Kishor Kumar – A&B Events	Private Tour Agent / Accommodation Provider







Skills for Inclusive Growth