



MINISTRY OF FOREIGN AFFAIRS, FOREIGN EMPLOYMENT & TOURISM

## Terms of Reference (TOR)

Tourism for Heritage, Resilience, Inclusion and Value-driven Employment (THRVE) Project  
World Bank – Grant Facility for Project Preparation (GFPP)  
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**Consultancy to conduct National-Level Assessment of Current and Future Human Resource Demand, Skills Requirements, and Skills Gaps in Sri Lanka's Tourism and Hospitality Sector (CONSULTANCY FIRM)**

### 1. Country and sectoral Context

After facing one of its worst economic and political crises since independence in 2022, Sri Lanka's economy started to show signs of recovery by 2024. Tourism has been a critical driver of economic growth in Sri Lanka in the last decades. Following recent shocks, the sector is rebounding. Sri Lanka's tourism sector generated approximately **US\$ 3.2 billion** in earnings in 2025, driven by a record 2.36 million tourist arrivals.

**Sri Lanka's tourism sector has demonstrated remarkable resilience but remains constrained by low-value growth and modest job creation.** Sri Lanka experienced a strong increase in international tourist arrivals after the end of the civil conflict, with numbers growing four-fold from 450,000 in 2009 to 2.3 million by 2018. The sector became a cornerstone of the country's economic recovery strategy. However, a series of shocks, including the 2019 Easter bombings, the COVID-19 pandemic, and the recent economic crisis, led to a dramatic downturn between 2019 and 2021. Despite these setbacks, the sector is rebounding as tourist arrivals reached approximately 2.05 million in 2024 and increased to 2.36 million in 2026, a 17-percentage growth. However, this recovery has yet to translate into high-value gains. Tourism receipts in 2024 were only US\$3.2 billion, compared to US\$4.4 billion in 2018, suggesting that visitors spending is lower.

Employment in the sector has also shown only modest growth, increasing from 402,607 jobs in 2019 to 429,641 in 2023. The Government of Sri Lanka has identified human resource development as a key and vital driver of tourism sector transformation, with human capital development recognized as a central pillar of the national tourism policy. In line with the Government's strategic direction, the tourism workforce is expected to expand from an estimated 429,641 direct and indirect jobs to around 800,000 jobs over the next five years to support a target of four million tourist arrivals and US\$ 8 billion revenue, underscoring the need for systematic workforce planning, skills development, and stronger alignment between industry demand and training provision.

**Against this backdrop, a national-level assessment of human resource demand, skills requirements, and skills gaps (in terms of numbers as well as roles and skills) in Sri Lanka's tourism and hospitality sector is critical.** Since 2019, multiple crises have resulted in significant workforce losses, with many tourism workers migrating or transitioning to other sectors, while reliable data on existing and future human resource needs remain limited. At the same time, the sector is undergoing structural shifts in tourism products, occupations, and skills requirements, alongside persistent challenges related to workforce shortages and

skills mismatches. A comprehensive, evidence-based assessment, supported by close engagement with industry stakeholders, is therefore essential to understand the existing workforce dynamics and identify workforce needs over the next five to ten years. The findings will enable policy makers, state and private sector educational institutes and wider industry players to identify critical skills gaps and realign curricula, training programs, and institutional priorities, thereby strengthening the quality, relevance, and inclusiveness of tourism and hospitality training and contributing to a more competitive, resilient, and job-rich tourism sector in Sri Lanka.

## **2. Objectives of the Assignment**

The objective of the assignment is to conduct a national-level assessment of current and future human resource demand, skills requirements, and skills gaps in Sri Lanka's tourism and hospitality sector over the next 5-10 years,

- to inform policy makers and industry stakeholders of better strategic planning and support the alignment of training provision with evolving industry needs
- to generate evidence to guide curriculum development, institutional planning, and training system reforms at multiple current and new training institutes
- Produce forward-looking projections of workforce needs, identify key skills mismatches and emerging occupational requirements, and assess barriers to workforce participation, especially for women and young workers
- Identify reasons why tourism is not considered a career choice and create a value proposition for tourism sector employment

The findings will support the industry in developing targeted strategies to strengthen labour supply, improve workforce quality, and enhance the relevance and responsiveness of tourism and hospitality training programs.

## **3. Scope of Work**

The Consultancy Firm will undertake a national-level assessment through surveys, sector-wide data collection, and qualitative consultations across the tourism and hospitality ecosystem. The assignment will combine quantitative data gathering with focus group discussions (FGDs) and key informant interviews (KIIs) with selected accommodation establishments (in line with SLTDA categories), tour operators and experience providers, restaurants and bars and tourism MSMEs to generate evidence on current workforce characteristics and future human resource needs, including workforce size and composition, projected staffing requirements, skills gaps and emerging skill needs, alignment with training provision, and constraints to workforce participation. All activities under this assignment will incorporate a gender lens, including the systematic use of sex-disaggregated data and a focus on identifying barriers to, and opportunities for, increasing female participation in the tourism and hospitality workforce.

**The scope of actions to be undertaken by the Consultancy Firm is outlined below.**

### ***Phase 1: Preparatory Actions***

The consultancy Firm is expected to collect primary and second hand on the demand from the industry and the current supply of tourism skills to the industry.

The Firm shall undertake preparatory activities to establish a robust foundation for the national-level assessment. This will include a review of relevant labour market data, tourism statistics, policy documents, and prior studies related to employment, skills, and training in the tourism and hospitality sector. Based on this review, the Consultancy Firm will develop and submit for Client's prior approval a detailed survey strategy and methodology (sampling, data collection and data analysis tools), including the industry structure, targeted stakeholder groups, geographic coverage, sampling size and approach, survey questionnaires and analytical framework (this constitute the survey package).

The Consultancy Firm will define key industry segments and firm categories, covering accommodation establishments in line with SLTDA categories, tour operators and experience providers (e.g., wellness, heritage, nature-based, marine, adventure, sport and cultural tourism), and restaurants and bars by size, subsector, and location, and identify associated occupational roles and skill requirements. Survey questionnaires and qualitative consultation tools, including FGD and KII guides, will be designed and tailored to different industry segments and firm sizes.

The Consultancy Firm shall define a clear methodology for identifying and measuring skills gaps in the tourism and hospitality sector. Skills gaps shall be assessed by comparing current workforce supply (in terms of workforce size, occupational structure, skill levels and institutional capacity to produce skills) with current and projected workforce demand over the next 5–10 years. The methodology shall distinguish between quantitative gaps (staffing shortfalls), qualitative gaps (skill or proficiency mismatches), and emerging skills gaps associated with new tourism products, technologies, and business models.

The Consultancy Firm shall adopt and apply a clear and consistent occupational and skills classification framework for the assessment. This framework shall define tourism and hospitality occupations, skill categories (including technical, managerial, digital, green/sustainability, and soft/transversal skills), and proficiency levels. The framework shall be explicitly documented and used consistently across survey instruments, qualitative consultations, analysis, and reporting, including mapping skills to existing training pathways and qualification levels where applicable. Data analysis shall generate all necessary cross tabulations, including provincial findings wherever feasible.

Gender considerations will be integrated into the assessment framework at this stage, including the identification of female participation gaps across subsectors and occupations and the incorporation of sex-disaggregated variables in survey instruments, sampling strategies, and analytical approaches.

The Consultancy Firm will identify government, semi-government and private institutions providing tourism related education and the capacity, nature of the qualifications, costs associated and their ability and challenges to meet growing tourism skill demand from industry. It will make these assessments based on the gaps identified in the survey in terms of availability of relevant courses and course material as well as the required quality of the curricula in relation to the skills and demand gaps identified in the overall survey.

### ***Phase 2: Data Collection and Field Work***

The Firm is expected to conduct desk research on previous skill gap analysis that has been done and consult stakeholders to conduct a survey which will be administered to a sample of tourism establishments representing the industry. The Firm will also compile a list of government, semi-government and private tourism establishments that are providing tourism-related qualifications and their capacities.

Following approval of the methodology (the survey package), the Consultancy Firm will implement the national survey and sector-wide data collection exercise using a combination of on-the-ground, phone-

based, and online surveys, as appropriate, to ensure broad coverage and representativeness. The Consultancy Firm will deploy and supervise qualified survey staff and enumerators in accordance with the approved methodology, ensuring consistent data collection standards across locations and subsectors.

The survey will collect granular quantitative and qualitative data on current employment levels, workforce composition, skill profiles, training background, remuneration ranges, and projected staffing needs, including in new and emerging tourism segments. All survey data will be systematically recorded and documented with clear traceability to source data. Where survey implementation reveals the need for minor methodological adjustments (e.g., inclusion of new subsectors or roles), the Consultancy Firm will make such adjustments on an iterative basis and receive prior approval from the Client of any material deviations, with appropriate justification.

As part of the assessment the Firm shall explicitly analyses demand for digital skills, green and sustainability-related skills, and soft/transversal skills across subsectors and occupations. This shall include, but not be limited to, skills related to digital systems and platforms, environmental management and climate resilience, service quality, communication, languages, leadership, and supervision.

In parallel, the Consultancy Firm will conduct focus group discussions (FGDs) and key informant interviews (KIIs) with selected stakeholders, including managers, HR leads, and senior practitioners from accommodation establishments, tourism MSME owners, tour operators and experience providers, and restaurants and bars, as well as SLITHM (Sri Lanka Institute of Tourism and Hotel Management) management, instructors, selected alumni and tourism industry associations. These consultations will be used to validate survey findings and capture deeper qualitative insights on skills needs, workforce transformation, training relevance, and the effectiveness of existing training pathways.

All quantitative data will be collected in a sex-disaggregated manner, and qualitative data collection, including FGDs and KIIs, will explicitly capture gender-specific constraints related to working conditions, training access, and workforce participation. Provincial level cross tabulation shall be an important analysis for this study.

The Consultancy Firm shall implement appropriate data quality assurance, validation, and ethical safeguards for all survey and qualitative data collection activities. This shall include procedures to ensure respondent confidentiality, data protection, informed participation, bias mitigation, and transparent documentation of data sources, assumptions, and analytical methods.

The Firm shall document the analytical methods, assumptions, and extrapolation approaches used for workforce projections and skills gap analysis in sufficient detail to allow future replication or updating of the assessment by the Client or relevant institutions.

### ***Phase 3: Analysis and Projections***

The Consultancy Firm will analyze collected data and complementary secondary sources to quantify the current size and composition of the tourism and hospitality workforce across subsectors, job roles, and regions.

Using accepted analytical tools and extrapolation methods, the Consultancy Firm will project future human resource requirements over the next 5–10 years, including annual growth rates by category, occupation, and province, under alternative tourism growth scenarios.

The analysis will assess current and required skill levels, identify skills gaps and staffing shortfalls, and examine emerging skill requirements associated with new and growing tourism products and services.

The Consultancy Firm will also analyze training pathways, sources of skills acquisition, and alignment between industry needs and existing training provision by SLITHM, other government and semi government and private training providers. Where relevant, skill and wage levels will be benchmarked against selected comparator countries and destinations to contextualize findings. Where required institutions of suitable quality or capacity are not available, the Consultancy Firm will also identify such gaps and provide recommendations for their advent and establishment.

The assessment shall include an analysis of regional and spatial dimensions of workforce demand and skills gaps, identifying variations in labour requirements, skill shortages, and emerging needs across provinces, key destinations, and tourism typologies (e.g., coastal, cultural, nature-based, urban, and rural tourism areas). Seasonal dynamics and labour mobility between regions shall be considered where relevant.

The Consultancy Firm shall analyze workforce attrition, migration, and retention dynamics in the tourism and hospitality sector, including staff turnover, movement to other sectors or overseas employment, and barriers to retention and re-entry. This analysis shall inform projections of future workforce needs and recommendations to strengthen labour supply and workforce stability.

The assessment shall examine employer recruitment experiences and constraints, including hard-to-fill occupations, recruitment lead times, vacancy persistence, and perceived wage-skill mismatches, disaggregated by subsector, firm size, and location where feasible.

The assessment should examine CPD status and opportunities for knowledge and skills development in Sri Lanka to enhance workforce competitiveness.

The Consultancy Firm will prepare recommendations and strategies for addressing skills gaps and staffing shortfalls based on the survey findings. This will include suggestions for required curricula development, on-the-job training methods, online training methods etc. The recommendations will also suggest required cadre growth and timelines under varying categories.

Findings from FGDs and KIs will be systematically analyzed and triangulated with survey and secondary data to refine projections of future skills requirements, identify critical skills gaps, and inform recommendations on curriculum development and training approaches.

#### ***Phase 4: Client and Stakeholder Consultation and Validation***

Throughout the assignment, and particularly following the completion of preliminary analysis, the Consultancy Firm will conduct structured consultations with the Client and key stakeholders to validate findings and refine recommendations. The consultations will focus on validating projected human resource demand, future skills requirements, identified skills gaps, and proposed responses related to training provision, curriculum development, and workforce development strategies. Particular attention will be given to assessing the feasibility, relevance, and sequencing of proposed actions from both industry and institutional perspectives.

The Consultancy Firm will systematically document stakeholder feedback and use it to triangulate findings, strengthen the robustness of the analysis, and ensure that recommendations are firmly grounded in industry realities. Where appropriate, validation workshops may be organized to present consolidated findings and

proposed recommendations to the Client and relevant stakeholders, with the objective of building consensus around priority actions and next steps.

**Phase 5: Reporting and Knowledge Sharing**

The Consultancy Firm will prepare a comprehensive first draft and then final report presenting survey results, analytical findings, projections, and actionable recommendations. This will include a clear roadmap for addressing skills gaps and staffing shortages, recommendations for curriculum development, on-the-job and online training approaches, and strategies to strengthen workforce participation and retention, particularly for women and young workers. An executive summary and presentation materials will also be prepared to support dissemination and validation workshops. The Firm should also prepare a document for public dissemination.

All datasets, tables, and analytical outputs will be submitted to the Client in an agreed format to support future use and reference. The Consultancy Firm will present the final findings to Ministry of Foreign Affairs, Foreign Employment and Tourism, SLITHM and relevant stakeholders and support knowledge sharing as required. Specialists from the PMU of the Ministry of Foreign Affairs, Foreign Employment, and Tourism offer comprehensive guidance while ensuring the quality and standards of assessments through consistent monitoring and scheduled progress review meetings with the consulting firm.

The Consultancy Firm shall define and apply clear validation criteria for stakeholder consultations and workshops, ensuring adequate representation of private sector stakeholders across key subsectors and firm sizes. Divergent views and unresolved issues raised during consultations shall be documented, and their implications for analysis and recommendations clearly noted in the reporting.

**4. The Key Deliverables and Timelines**

The total duration of the assignment will be **24 weeks (6 months)** from contract effectiveness. The Consultancy Firm shall deliver the following outputs according to the indicative timeline below.

| Phase   | Key Activities  | Key Deliverables  | Timeline    |
|---------|---|---|-------------|
| Phase 1 | Preparatory Actions   | Inception Report including survey strategy and methodology (Provide an implementation plan detailing key milestones and action steps for the delivery of all outputs)   | Weeks 1–4   |
|         |   | <b>Approved Survey tool, sampling and the analysis methods</b>  | Week 4-5    |
| Phase 2 | Data Collection and Field Work  | Data collection and other field work  | Weeks 5–10  |
| Phase 3 | Analysis and Projections and Client and Stakeholder Consultation and Validation | First Draft Analytical Report (Findings and Projections)<br>Second Draft Analytical Report (Findings, Projections and recommendations) – Original survey data and qualitative interview transcripts to be submitted | Weeks 11–18 |
|         |   | <b>Validation Workshop(s) and Consultation Summary Note<br/>Production of comments incorporated final draft report</b>  |             |
| Phase 4 | Reporting and Knowledge Sharing   | Final Report, Executive Summary, and Presentation Materials<br><b>Final survey data and all other supporting documents including qualitative data transcripts to be submitted</b>                                   | Weeks 19–24 |

### **Additional Analytical Annexes**

The Final Report shall include annexes documenting the skills and occupational framework applied, survey instruments, analytical assumptions, and detailed technical tables supporting the main findings and projections.

### ***Procedure for review of deliverables***

All deliveries submitted by the Consultancy Firm shall be reviewed by the Client in coordination with the relevant members of the Steering Committee. Deliverables will be reviewed for technical quality, completeness, and consistency with the scope and objectives of the assignment. The client may, from time to time, seek updates from the Consultancy firm on the status of the deliverable, including a review of any work completed, for integrity and accuracy.

The Client shall provide consolidated written comments on each delivery within ten (10) working days of submission. The Consultant shall revise and resubmit the deliverables, addressing the Client's comments, within ten (10) working days, unless otherwise agreed between the Client and the Consultancy Firm.

Approval of deliverables shall be provided in writing by the Client. Progression to subsequent phases and related payments, where applicable, shall be contingent upon the acceptance of the relevant deliverables. Any substantial revisions or changes to agreed deliverables shall be discussed and agreed in advance between the Client and the Consultancy Firm.

## **5. Qualification Requirements and Team Composition**

### ***Qualification Requirements of the Consultant (Firm-Level)***

The Consultancy Firm shall demonstrate extensive international and regional experience in tourism sector analysis, with a proven record of accomplishment of designing and implementing survey-based analytical work and delivering high-quality, evidence-based reports. The Consultancy Firm should have recognized expertise in areas including tourism policy and planning, tourism strategy development, global and regional tourism governance, and tourism workforce and skills analysis, development, and education.

The Consultancy Firm must demonstrate a sound understanding of the Sri Lankan tourism context, including institutional arrangements, labour market dynamics, and the role of tourism in economic and employment development. Experience working in multi-stakeholder and multicultural environments is required, along with strong facilitation skills, analytical capacity, and the ability to develop practical and innovative solutions.

The proposed team shall demonstrate strong proficiency in English and in relevant local languages to effectively conduct fieldwork, stakeholder consultations, and reporting under this assignment.

### ***Staffing and Team Composition***

The Consultancy Firm shall propose a multidisciplinary team with the qualifications and experience necessary to deliver all tasks outlined in this ToR and shall be responsible for ensuring that appropriately qualified experts are mobilized for each phase of the assignment, including survey design, field implementation, data analysis, stakeholder consultation, and reporting.

The profiles below are indicative and are intended to illustrate the minimum areas of expertise required for the assignment. The Consultancy Firm may propose alternative team compositions, provided that the proposed team collectively demonstrates the qualifications, experience, and competencies required to deliver the scope of work described in this ToR.

| Position  | Minimum Qualification and Experience   |
|---|--|
| <b>Team Leader / Lead Tourism and Skills Expert</b>                         | <ul style="list-style-type: none"> <li>○ Advanced degree in tourism, economics, labour economics, public policy, education/human resources, or a related field.</li> <li>○ Minimum 10–15 years of professional experience in tourism sector analysis, workforce and skills development, human resources or education or related areas. Demonstrated experience leading complex analytical assignments, including large-scale surveys and multi-stakeholder consultations.</li> <li>○ Strong understanding of tourism skills needs, workforce development systems, and training–industry linkages.</li> <li>○ Proven leadership, coordination, and client engagement skills, with responsibility for overall technical quality and delivery of the assignment.</li> </ul> |
| <b>Local Tourism Sector Expert(s)</b>                                       | <ul style="list-style-type: none"> <li>○ Minimum 10 years of experience in the Sri Lankan tourism sector, with strong knowledge of local industry structure, labour market dynamics, and institutional context.</li> <li>○ Experience supporting survey design, field implementation, and stakeholder engagement in Sri Lanka.</li> <li>○ Ability to provide contextual guidance and quality assurance during survey execution and consultations.</li> </ul>   |
| <b>Survey and Data Analytics Expert (Both quantitative and qualitative)</b> | <ul style="list-style-type: none"> <li>○ Minimum 10 years of experience in the design and implementation of social, labour market, or industry surveys.</li> <li>○ Strong expertise in quantitative and qualitative data analysis, including survey sampling, data validation, and extrapolation methodologies.</li> <li>○ Proven experience producing analytical outputs suitable for policy and institutional decision-making.</li> </ul>  |
| <b>Data Analytics Support Staff</b>   | <ul style="list-style-type: none"> <li>○ Minimum 5 years of experience in survey-related data management and analytics.</li> <li>○ Proficiency in relevant statistical and data analysis tools. Experience supporting large datasets and ensuring data quality and documentation.</li> </ul>   |
| <b>Survey Enumerators and Field Staff</b>                                   | <ul style="list-style-type: none"> <li>○ Access to an adequate number of trained and qualified survey enumerators to conduct fieldwork across locations and subsectors.</li> <li>○ Prior experience in survey administration and data collection.</li> <li>○ Ability to communicate effectively with respondents; strong verbal communication skills in relevant local languages.</li> </ul>   |

**6. Institutional Framework**

The assignment will be overseen by a Steering Committee comprising representatives from the Sri Lanka Institute of Tourism & Hotel Management (SLITHM), relevant government agencies—including the Ministry of Tourism, the Sri Lanka Tourism Development Authority (SLTDA), and affiliated institutions—as well as other relevant institutions and universities. The Consultancy Firm shall work in close coordination with the Steering Committee throughout the duration of the assignment and will engage with it on all technical aspects, including the methodology, interim findings, and final recommendations.

**7. Data, Services and Facilities to be Provided by the Client and Client’s Input**

The Client, through SLITHM and the Steering Committee, will provide the Consultancy Firm with access to relevant existing information and reference materials available at no cost, to the extent possible. This may include tourism strategies, policies, studies, reports, statistical data, maps, and relevant legal and regulatory documents. Through its member institutions and relevant line agencies, the Steering Committee will also

facilitate coordination with relevant institutions and stakeholders by introducing the Consultant to appropriate officials and supporting participation in key meetings and consultations related to the assignment.

SLITHM and the Steering Committee will designate focal points and relevant technical staff to liaise with the Consultancy Firm throughout the assignment. The Consultancy Firm will work closely with these counterparts with the objective of knowledge transfer and capacity building, including sharing approaches, procedures, analytical concepts, and research methodologies applied under the study.

## 8. Responsibilities of the Consultancy Firm

I shall be responsible for the full and timely implementation of all tasks defined under this assignment. Unless otherwise specified in the contract, the Consultancy Firm shall bear all costs related to the mobilization and management of its team, including international and local experts, travel, accommodation, subsistence, communications, interpretation services, and the preparation, translation, printing, production, and dissemination of reports and other required materials.

## 9. Payment Conditions

Payments shall be made on a lump-sum basis and shall be linked to the satisfactory completion and written approval of the corresponding deliverables, in line with the implementation schedule of the assignment. The proposed payment schedule is as follows:

| Payment Milestone | Percentage of Contract Amount | Payment Trigger   |
|-------------------|-------------------------------|---|
| First Payment     | 10%                           | Upon contract signature and Upon approval of the Inception Report (including detailed methodology and work plan and Preparatory Actions under Phase 1)                |
| Second Payment    | 30%                           | Upon approval of the Phase 2 Deliverable (Data Collection and Field Work)   |
| Third Payment     | 30%                           | Upon approval of the Phase 3 Deliverable (Analysis and Projections and stakeholder consultation validation with the original survey data and qualitative transcripts) |
| Fourth Payment    | 30%                           | Upon approval of the Phase 4 Deliverables final report, executive summary, and knowledge-sharing outputs  |

## 9. Consultancy Progress Monitoring and Deliverable Evaluation

The Project Management Unit (PMU) will be responsible for the continuous monitoring and evaluation of the consultancy firm's performance throughout the assignment. This includes reviewing progress against the agreed work plan, verifying the quality and completeness of each deliverable, and ensuring alignment with project objectives and technical standards. All deliverables submitted by the consultancy shall be subject to PMU review, feedback, and formal approval prior to acceptance. The PMU will provide timely guidance, clarifications, and strategic direction to support the consultancy in maintaining methodological rigor and addressing emerging issues. Regular progress meetings, documentation reviews, and milestone-based assessments will be conducted to ensure transparency, accountability, and effective collaboration between the PMU and the consultancy team.