



09 - Tourism Sector

Organization Responsible

Level of Responsibility	Name of Ministry/Agency/Institution
Ministry	Ministry of Tourism and Christian Religious Affairs Sri Lanka Tourism (National Tourism Organization: NTO) Sri Lanka Tourism Development Authority (SLTDA) Sri Lanka Tourism Promotions Bureau SLTPB Sri Lanka Institute of Tourism and Hotel Management (SLITHM or Hotel School +) Sri Lanka Conventions Bureau
Department	SLTDA Resort Offices (i.e. Passikuda, Bentota, Kalpitiya, etc.)/ All provincial Ministries and Tourism boards
District	
DS Division	
GN Division	

Concepts and Definitions

Tourism Sector

The tourism sector is characterized by: a) the **commercial tourism sector** composed of hotels, guest houses, etc. whose services cater to the tourists; and b) the **cultural and natural sites** which are tourist destinations. Such sites are maybe owned by private individuals or public property in nature.

Damages

In the tourism sector, damages are cost of: a) repair of partially destroyed assets and/or b) replacement of totally destroyed assets and infrastructure valued at pre-disaster prices, such as:

- Total or partial destruction of physical structures related to all types of hotels, resorts, lodging houses including the facilities in the premises like restaurants, swimming pools, spas and other amenities.
- Total or partial destruction of the contents of the structures such as elevators, power generators, computers, furniture, and other supplies.
- Cultural sites and structures like temples visited by tourists.
- Natural formations which are tourist attractions like underwater caves, river under a cave, mountains for rock climbing, etc.

Damage occurs at the time of the disaster or shortly after the disaster and is to be measured in physical terms for which monetary replacement value is subsequently estimated. The unit costs to be adopted for repair or replacement should be the costs prevailing just before the disaster.

Losses

Losses are the values of foregone revenues or income due to the change in economic flows (income and expenditures) during the period of recovery and reconstruction following the disaster. They are the current value of goods and services that were not and/or will not be produced over a time span due to the disaster until full recovery is attained.

Losses in the tourism sector includes the following:

- Foregone income from tourists and other related sources of income which will last until the tourism facilities are repaired.
- Possible higher cost of operation that may arise after the disaster, such as payment of higher rates of electricity from alternative sources, or acquiring raw materials from alternative sources or renting temporary premises while repairing or rebuilding the original premises.
- Costs involved for the demolition or removal of debris, etc.
- Additional cost of tourism promotion after the disaster.

Losses can continue during the entire period of recovery and reconstruction. It is expressed in monetary values at current prices.

In conducting a post-disaster damage and loss assessment in the tourism sector, the following steps are normally followed for every disaster-affected district.

Steps in Undertaking Post-Disaster Damage and Loss Assessment for Tourism Sector

Step 1. Collect and/or validate the baseline data for each of the disaster-affected district

Baseline information must be compiled and validated at the national, provincial or district levels before the field assessment or, if possible, prior to the occurrence of disaster. The table below must be completed to be used for the baseline information in the online system.

Table 1. Baseline information of tourism facilities in a district

District				
Tourism Business	Number by Ownership		Number of Employees	
	Public	Private	Male	Female
Hotels				
Guest Houses				
Travel Agents				
Tour Guides				
Adventure Tourism Operators				
Ayurveda Resorts				
Others (Enumerate)				
Tourism Infrastructure				
Cultural sites				
Temples				
Others (Enumerate)				
Natural Formations				
Waterfalls				
Others (Enumerate)				

Notes in filling out Table 1:

- 'Cultural sites' refers to structures with cultural, historical or religious significance which are tourist destinations.
- 'Natural formations' refers to the natural environment which are tourist destinations.

Step 2. Estimate damages and losses

With the baseline information, field assessment should be undertaken in the affected districts after a disaster.

- ✓ Step 2.1. Estimate the damages and losses to tourism businesses and facilities in the district

During the field visit, direct interviews with the affected firms should be

conducted where repair and replacement costs should be estimated for the affected assets of the firm/s. The officials and experts in the firm/s can estimate their respective damages more accurately.

Alternatively, the firms affected by the disaster can be given the data entry sheets of the online reporting system to enable them to provide the information required for the assessment. The assessment team will input the information provided by the firms in the data entry sheet of the online system. However, for public assets in the tourism sector, the assessment team must estimate the damage and losses for the public sector separately.

The value of damages and losses for tourism businesses can be summarized in the following tables.

Tourism Businesses

The damages and losses by a firm engaged in tourism will be assessed using the table the below.

Table 2. Damages and Losses in Tourism Business

District			
Name of Firm			
Type of Business			
<i>Hotel</i>			
<i>Guest House</i>			
<i>Travel Agent</i>			
<i>Tour Guide</i>			
<i>Adventure Tourism Operator</i>			
<i>Ayurveda Resort</i>			
<i>Other (Enumerate)</i>			
Ownership	Public	Private	
Number of Employees	Male	Female	
Damages			
Assets	Replacement Value of Totally Destroyed Asset (LKR)	Repair Cost of Partially Damaged Asset (LKR)	Total Damages (LKR)
Structures			
<i>Buildings</i>			
<i>Others (Enumerate)</i>			
Total			
Equipment			
<i>Computers</i>			
<i>Others (Enumerate)</i>			
Total			
Machinery			
<i>Generators</i>			
<i>Others (Enumerate)</i>			
Total			
Vehicles			
<i>Cars</i>			
<i>Others</i>			

Total						
Inventories						
Beds						
Furniture						
Others						
Total						
GRAND TOTAL						
Losses						
Types of Losses	Average Value of Income per Year LKR/Year	Reduction in Value Of Income (%)		Losses (LKR)		Total Losses (LKR)
		Year 1	Year 2	Year 1	Year 2	
Income Losses						
Cleaning up of debris						
Higher operating costs						
Other unexpected expenses						
GRAND TOTAL						

Notes in filling out Table 2:

- The **'Replacement Value of Totally Destroyed Assets'** refers to the amount needed to replace totally destroyed assets.
- The **'Cost of Repair for Partially Damaged Assets'** refers to the amount needed to repair partially damaged assets.
- The **'Total Damages'** will be the sum of the total replacement value and the total cost of repair.
- The **'Reduction in Value in Output (%)'** is the estimated percentage reduction of income of the firm due to the disaster within the year the disaster occurred and on the next year.
- The **'Total Losses'** will be the sum of the losses for Year 1 and Year 2.

Tourism Infrastructure (Cultural Sites and Natural Formations)

The damages and losses for cultural sites and natural formations which are tourism assets will be assessed using the table the below. Assessment of cultural sites and natural formations should be done separately using the same table below.

Table 3. Damages and losses to tourism infrastructure (cultural sites and natural formations)

District			
Name of Tourism Infrastructure			
Type of Tourism Infrastructure	Cultural Site	Natural Formation	
Ownership	Private	Public	
Damages			
Assets	Replacement Value of Totally Destroyed Assets	Repair Cost for Partially Damaged	Total Damages (LKR)

	(LKR)		Assets (LKR)			
Structure						
Equipment						
Others (Enumerate)						
TOTAL						
Losses						
Types of Losses	Average Value of Income per Year	Reduction in Value of Income (%)		Losses (LKR)		Total Losses (LKR)
	LKR/Year	Year 1	Year 2	Year 1	Year 2	
Income Losses						
Cleaning up of debris						
Higher operating costs						
Other unexpected expenses						
TOTAL						

✓ Step 2.2. Summarize the damages and losses in the sector in a district

Based on the assessment of the firms or companies, or the reports of the companies submitted online, the damages and losses will be summarized online in the following table.

Table 4. Summary of Damages and Losses in Tourism in a District

Name of District:								
Type of Tourism Business	Year 1				Year 2		Total (LKR)	
	Damages (LKR)		Losses (LKR)		Losses (LKR)			
	Public	Private	Public	Private	Public	Private	Public	Private
Tourism Firms								
Hotels								
Guest Houses								
Travel Agents								
Tour Guides								
Adventure Tourism Operators								
Ayurveda Resorts								
Other (Enumerate)								

Total								
Tourism Infrastructure								
<i>Cultural Sites</i>								
<i>Natural Formations</i>								
Total								
GRAND TOTAL								

✓ Step 2.3. Summarize damages and losses in the Province

The total estimated effects of the disaster in the province can be summarized by combining the values of damages and losses in the Districts. The following table is used in the online system.

Table 5. Summary of damages and losses in the Province

Name of Province:								
District	Year 1				Year 2		Total (LKR)	
	Damages (LKR)		Losses (LKR)		Losses (LKR)			
	Public	Private	Public	Private	Public	Private	Public	Private
District 1								
Tourism Firms								
Tourism Infrastructure								
Total								
District N								
Tourism Firms								
Tourism Infrastructure								
Total								
GRAND TOTAL								

✓ Step 2.4. Summarize damages and losses in the sector nationwide

A nationwide summary of the assessment will be created enumerating the damages and losses of the sector at each province. The data in the national summary should include all the information gathered by the various teams that

assessed the different disaster-affected districts. The following table will be used for the national summary.

Table 6. Summary of damages and losses nationwide

Province	Year 1				Year 2		Total (LKR)	
	Damages (LKR)		Losses (LKR)		Losses (LKR)			
	Public	Private	Public	Private	Public	Private	Public	Private
Province 1								
Tourism Firms								
Tourism Infrastructure								
Total								
Province N								
Tourism Firms								
Tourism Infrastructure								
Total								
GRAND TOTAL								

Step 3. Analyze the impacts of the damages and losses to the economy and affected population

The assessment team must be able to analyze potential impacts to the people and the economy, among others, if the sector is not restored immediately. The following are some of the issues that should be assessed, among others:

- **The possible impacts on the welfare of the people.** Living conditions, housing, health, education, access to services and resources.
- **Economic impacts.** Business productivity (decline in output and income); reduction in employment; increase in prices; food supply; etc.
- **Government services.** Reduction in provision of services in education; health; security; administrative matters; etc.
- **Added risks.** The additional hazards and risks brought about by the disaster like the creation of new landslide-prone areas; epidemics; etc.
- **Environment.** The potential environmental risks like oil spills, destruction of watershed areas; etc.
- **Gender and other cross-cutting issues and concerns.** The potential impacts to vulnerable groups like women, children, elderly, indigenous peoples, etc.

Step 4. Identify the recovery strategies and estimate the recovery and reconstruction needs

The post-disaster needs must be based on a framework where policies and strategies are coherent and integrated. After analyzing the potential effects and impacts if no assistance will be provided to the sector, the aggregate needs of the sector must be estimated.

✓ Step 4.1. Identify recovery and reconstruction strategies

After the consolidation of the field assessment, the assessment team must identify or recommend the policies and strategies for the recovery and reconstruction for the sector. The following are some of the general policies and strategies that could be considered, among others.

- **Tax breaks to business firms.** Exempting firms from paying certain taxes for a certain period, like temporary reduction in the collection of value-added tax, building permits and other related fees; temporary elimination of import duties on essential items required as inputs to recovery operations; etc.
- **Credit.** A credit scheme with soft terms, like low interest rate with longer repayment periods, which can provide firms the resources to buy machinery and equipment that will normalize operations.
- **Equity.** In some special cases, the government may opt to provide equity in private firms instead of subsidy or credit or tax exemptions.

The following strategies can be adopted for the post-disaster recovery and reconstruction activities:

1. **Building Back Better (BBB).** Recovery activities based on BBB principles will promote longer-term disaster risk reduction and management. BBB principle should look at the how to make infrastructure and facilities safer from future disasters like stronger engineering design, the advantages of resettlement of facilities in disaster-safe areas instead of rebuilding in the same disaster-prone areas, etc.
2. **Focus on the most vulnerable and socially disadvantaged groups such as children, women, and the disabled.** Recovery programming should give priority to those that will benefit the most vulnerable groups, including women, female-headed households, children, the poor, and take into account those with special needs.
3. **Community Participation and Use of Local Knowledge and Skills.** The participation of the community in all process (identification, planning, design and implementation) of recovery activities will help ensure the acceptability of projects and optimize the use of local initiatives, resources and capacities.
4. **Coordinated and coherent approaches to recovery.** The effective coordination among all involved agencies should be established based on uniformity of policies, flexibility in administrative procedures, etc. In some

instances, a special new agency may be needed to oversee, coordinate and monitor complex disaster recovery programs.

5. **Efficient use of financial resources.** Fund sources from the national budget and the international donor partners that are suited for the recovery activities should be identified. Assistance to the recovery of the private sector, if any, should be clearly outlined.
 6. **Transparency and accountability.** The overall plan and implementation of projects for recovery must be transparent, especially to those affected, through open and wide dissemination of information on all aspects of the recovery process. An effective monitoring system must be established.
- ✓ Step 4.2. Identify, estimate and prioritize recovery and reconstruction needs

Recovery needs are intended to bring back normalcy to all affected areas and sectors as soon as possible while reconstruction needs are generally long-term in nature (3 years or more) and are intended to 'build back better' from the ruins of a disaster. The sector assessment team must identify and prioritize their recovery and reconstruction projects based on their impact assessment.

- ✓ Step 4.3. Summarize the estimated needs and draft the implementation schedule

Based on the prioritized recovery and reconstruction needs, a summary should be created by the assessment team enumerating the post-disaster projects for the recovery and reconstruction with a rough general schedule of implementation outlining at the very least the activities, timing and budget required. The following table can be used.

Table 7. Summary of needs

Name of Project	Estimated Budgetary Requirement (LKR)			Total (LKR)
	Year 1	Year 2	Year N	

Step 5. Draft the post-disaster damages, losses and needs (PDNA) report of the sector

With all the information gathered using the previous steps, a report can be drafted by the assessment team which will be the inputs of the sector in the overall recovery and reconstruction plan. The draft sector report should be submitted to the DMC for consolidation.

