

Call for Expression of Interest

Assessment of obstacles to private sector investments in the North

1. Background

With funding from DFAT and the Government of Norway, the ILO and its constituents (Government, Employers and Workers Organizations) have been implementing the LEED+ project since September 2018 in the Northern Province of Sri Lanka. The focus of the project continues to be on contributing to a more inclusive and equitable post conflict recovery and development. The ILO is supporting the Government of Sri Lanka's efforts to reduce fragility, promote economic regeneration and facilitate reconciliation in post-conflict communities in the North. The project resonates strongly with the Government's focus on "Unity in Diversity" and its commitments under the Sustainable Development Goals "to leave no-one behind."

The project is anchored within an inclusive growth framework to reduce economic vulnerabilities and support decent work opportunities for marginalized regions where deep pockets of poverty remain. It works with a wide range of public and private sector partners, producer organizations, National Chamber of Exporters, Chambers of Commerce, National Sea Food Exporters Association, Employers' Federation of Ceylon, national and local organizations, national and provincial governments and intends to continue such collaboration.

The development of private sector, local SMEs and Cooperatives is the key strategy of the project, aimed to support economic re-generation and poverty reduction. To achieve this priority, LEED+ adopts a market systems development approach to help the local economy become more conducive and investment-friendly for private sector. The rationale behind this thought is such that the private sector investment is likely to create new jobs and at the same time, strengthen existing and new SMEs and Cooperatives along the supply chains making them more competitive.

The project has taken a sectoral approach as an entry point to develop the local economy – food processing is the broad sector which includes both agricultural and fisheries value chains. Six value chains namely ground nut, coconut, passion fruits under agriculture and prawns, mud crab and sea cucumber under fisheries have been primarily selected to render project supports. Private sector partnership is the key strategy to develop these value chains.

During the value chain studies as well as project's ongoing market exploration, it became evident that private sector lacks the interest to come and invest in the North. While prolonged war partly answers this situation, government's efforts on post-war infrastructural improvement, socio-economic development and incentive schemes for investments do not seem to have generated enough traction to change the perception of large investors from other parts of the country. Therefore, an assessment to unfold the

underlying reasons for such reluctance is critical. Ideally, the study should capture the perspectives of both side – demand and supply. On demand side – the private sector investors (including potential) while the supply side includes the entities/organizations who are supposed to facilitate a conducive investment climate.

2. Objective of the study

The overall objective of the study is to identify the key bottlenecks for private sector investment in the Northern Province in agriculture and fishery sectors, through the lens of six value chains the project is supporting. This may include (but not limited to) assessment of infrastructure (including energy and logistics), demography, socio-economic and political context, bureaucracy (red tape), business development services (BDSs), policy environment among others.

3. Specific tasks

A. Inception phase

This will include the following combined under an inception report

- a. Desk research – available secondary literature review (give reference)
- b. Finalize assessment methodology in consultation with project team
- c. Develop study tools (questionnaire/question guides)
- d. Provide list of potential respondents/organizations

B. Assessment phase

- a. Conduct interviews with identified respondents
- b. Triangulate data and information
- c. Analyse, interpret and prepare report

C. Reporting phase

- a. Share draft report and appear for a presentation
- b. Submit final report based on feedback

4. Deliverables

- A. Inception report (no more than 10 pages excluding annexes)
- B. Final assessment report (no more than 30 pages excluding annexes)

5. Timeline

The overall assessment must be completed within 1.5 calendar months.

Interested consultants / companies are requested to submit the proposal with financial budget Address to National Project Coordinator, LEED+ Project, ILO, Kilinochchi. E-Mail: nihal@ilo.org on or before 26th August 2019.
