

SRI LANKA EXPORT DEVELOPMENT BOARD

TERMS OF REFERENCE TO SELECT A CONSULTANT/CONSULTANCY FIRM TO DEVELOP A REGULATORY FRAME WORK FOR THE BOAT MANUFACTURING & LEISURE CRAFT OPERATIONS IN SRI LANKA AND FOR VISITING CRAFTS TO THE COUNTRY

1. PROJECT TITLE

To develop a regulatory framework to cover following areas:

- (i) Registration, regulation and technical guidelines for all boat categories manufactured in Sri Lanka (other than fishing boat category)
- (ii) Registration, regulation and technical guidelines for Leisure craft operations in the country and for Visiting yachts/crafts to Sri Lanka
- (iii) Registration, regulation and technical guidelines for Imports of boats to Sri Lanka

2. POST TITLE

A consultant / Consultancy firm who has a knowledge, experience and competency in undertaking the project

3. BACKGROUND

Sri Lanka Export Development Board

Sri Lanka Export Development Board (commonly known as the EDB) is the premier state organization dealing with promotion and development of exports. It was established in 1979 under the Sri Lanka Export Development Act No. 40.

Boat Building industry in Sri Lanka

Boat building is a leading industry and an emerging export sector that continues to boom in Sri Lanka offering a wide variety of products and services to international markets.

The wide range of products offered by this sector includes pleasure/ leisure boats, fishing boats, house boats, floating restaurants, fast attack crafts, passenger, sports, rescue, coast guard and patrol boats, paddle boats, pontoons and boat building accessories. There are around 20- 25 active boat yards around the country out of which 10 boat yards have medium to large scale manufacturing facilities. There is also a ship building and repair industry in Sri Lanka capable of producing passenger and cargo vessels and combat crafts.

Specialized services offered by the industry includes pre production services such as boat design, lofting, plug making, mould making, supplying of engine, navigation and communication equipments, refrigeration systems, sail makers, fire and safety equipments and post production services such as boat storage and transport devices, diving and fishing equipment, boat and engine maintenance and repairs etc.

There is an internationally accredited specialized training and technology improvement institute, Boat Building Technology Improvement Institute (BTI), set up with German assistance, providing much needed competent workforce to the industry.

There is a growing interest in the boating activities in the country which will create additional domestic market opportunities for the industry.

Sri Lanka has a coastal shore-line of 1340 Kilometers and a large inland water mass consisting of lagoons, lakes, reservoirs etc. There are 13 major fishery harbours, 15 anchorages and 1053 landing sites on the coastal belt. However the full potential of the ocean has not been utilized.

Sri Lanka has the capacity to build boats for yacht chartering or even foreign yachts can come to Sri Lankan water and anchor and spend few days in the country. Also, we have number of sea activities to be promoted such as Whale/Dolphin watching, scuba diving, leisure fishing, snorkeling, windsurfing etc.

Many yachts pass along the navigational routes of the territorial sea of Sri Lanka each day. These vessels need services such as berthing, re-fueling, maintenance and repair facilities among others which are normally provided at a fee. Food and provisional items, shopping and recreational facilities could also be provided to visiting yachtsmen. Attracting these yachts and providing services could generate a substantial income and create direct and indirect employment opportunities.

Therefore, Sri Lanka has a huge potential to develop boat building and marine tourism if necessary infrastructure and regulations are in place.

Specific Problem to be addressed

Lack of standardization and quality assurance system is one of the main problems faced by the industry. Although, there is a registration procedure for fishing boats at the Ministry of Fisheries, there is no proper registration system for other boat categories. Therefore, a standardization mechanism needs to be prepared for other boat categories manufactured in Sri Lanka as well and a proper regulatory body to be appointed to monitor the mechanism.

Also, in order to prevent importing of substandard inferior quality second hand boats to the country, a proper registration & standardization mechanism need to be in place.

Much of the country's tourism is beach-based yet there is currently almost no yachting or other nautical activities and the few operators do so from facilities that generally do not meet international standards of safety and quality. This is placing the country at a disadvantage compared to competing destinations (e.g. Singapore, Thailand, Malaysia, and Indonesia). Therefore, in order to stimulate more visiting yachts, more charter operations, more yacht tourism and therefore more yacht-based spending; the country needs a regulatory framework in place.

4. OBJECTIVE

Development of “Regulatory Frame work” for the boat building industry and for visiting pleasure crafts/yachts to Sri Lankan waters is expected to take the country to the next level in boat building and marine tourism by making the boat building a regulated, quality conscious industry and by paving the way for visiting yachts to the country.

5. CONSULTANCY

On the recommendation of the advisory committee on boat and ship building established and functioning under the Sri Lanka Export Development Board (EDB), the EDB has decided to procure the services of a suitable consultant/consulting firm to develop a Regulatory Framework to cover the following areas:

- (i) Registration, regulation and technical guidelines for all boat categories manufactured in Sri Lanka (other than fishing boat category)
- (ii) Registration, regulation and technical guidelines for Leisure craft operations in the country and for Visiting yachts/crafts to Sri Lanka
- (iii) Registration, regulation and technical guidelines for Imports of boats to Sri Lanka

DUTIES TO BE PERFORMED BY THE CONSULTANT/ CONSULTANCY FIRM

- I. Collection of materials, documents, enactments and draft regulations/standards pertaining for the boat building industry and for visiting/chartering yachts in Sri Lanka and also the registration procedures/standards stipulated by other countries.

Existing regulatory documents in Sri Lanka include Merchant Shipping Act 52 of 1971 and amended act of 36 of 1988, Boat ordinance 1900 to consolidate the law regulating the carriages of passengers and goods by boats, A simple ordinance to register boats at the local authority – No 4 of 1900, No 14 of 1907- Amended, No 32 of 1916- Amended, No 51 of 1939- Amended, No 03 of 1946- Amended, Fishing boats safety (design, construction and equipment) regulation 2009 extra ordinary gazette no. 1600/13 of 5th May 2009 among others.

Existing regulatory documents available globally include ICOMIA Standards Committee Documents, ISO, ABYC among others.

- II. Study the collected materials, documents, enactments and draft regulations and prepare a Gap Analysis and an outline of the regulatory framework to be submitted to the Technical Evaluation Committee of the proposed consultancy for endorsement to proceed with the assignment.
- iii. The proposed regulatory framework
 - should supersede all previous regulations
 - should be harmonized with the international regulations
 - Should cover all boat categories other than the fishing boat sector
 - Should be sufficient to meet minimum international level standards.
 - Once gazetted, the regulatory framework will have a provision for amendments when required.
 - Should suggest a regulatory body to implement and monitor the regulatory framework

iv Areas to be incorporated in the regulatory framework among others:

(A) Registration, regulation and technical guidelines for all boat categories manufactured in Sri Lanka (other than fishing boat category)

Procedures for Registrations of boatyards

- *Procedures for registrations and licensing of boats manufactured in Sri Lanka for domestic use*
- *Liability and penalty clauses*
- *Instruction manuals, inspection of boats, surveys and equivalent and definitions*
- *Construction , Watertight integrity and Equipment standards and requirements
(construction material and structure, inlets and discharges, hull integrity, bulkheads, weather tight doors, hatch ways, machinery space openings, other deck openings, ventilators, air pipes, sounding devices, sidescuttles, windows, freeing ports, anchor and mooring equipment, working spaces with in an enclosed superstructure, tanks for water, drainage and securing heavy items)*
- **Stability and related Sea worthiness requirements**
(stability criteria for decked boats, operating conditions for boats, inclining test for decked boats, built in buoyancy for undecked boats, stability information, bow height, maximum permissible operating draught etc)
- **Machinery installation requirements**
(propulsion machinery and stern gear, shaft and propeller, controls and instruments, steering gear, piping system, fuel oil installation, cooling water system, bilge pumping system, pumps and installation system in boats of different lengths ,exhaust system, material, valves and associated piping for sea water system, hydraulic system, refrigeration system, ventilation of engine room)
- **Electrical Installation requirements**
(main and emergency sources of electrical supply, electrical system, direct and alternating current system, lighting system, precautions against shock, fire and other hazards of electrical origin, earthing and bonding, electric motors, lighting conductors, anodes etc.)
- **Fire protection, detection, extinction and fire fighting requirements**
(structure, storage of gas cylinders and items of high flammability fire fighting appliances, means of escape, fire alarm and detection system, fire hydrants, fire hoses and nozzles)
- **Protection of crew**
(general protective measures, bulwarks and guardrails, deck machinery, tackle and lifting gear, lighting in working areas and ventilation, medical services requirements, dangerous areas)

- **Life saving appliances**
(number and types of survival crafts, availability and stowage of survival crafts, life jackets, buoy and personal flotation devices, distress signals, retro-reflective materials)
- **Emergency procedures and safety training**
(emergency instructions, training in emergency procedures and abandon ship)
- **Radio communication**
(radio installations and equipments, sources of energy, performance standards, radio personnel, maintenance requirements, alternative arrangements, radio records etc)
- **Navigational equipment**
(navigational equipments, instruments and publications, signaling equipments, navigational bridge visibility and lights)
- **Crew accommodation**
(Sleeping, water, eating and cooking facilities, sanitary facilities)

(B) Registration, regulation and technical guidelines for Leisure craft operations in the country and for Visiting yachts/crafts to Sri Lanka

- **Procedures for registrations and licensing of visiting yachts and super yachts**
(ownership qualifications, age of vessel, class classification, registration fees, provisional registrations, permanent registrations, parallel registrations, cancellations etc)
- **Insurance requirements for vessel and personnel on board**
- **Boat drivers licensing requirements**
- **Entry requirements**
- **Port clearance procedure and documentary requirements**
- **Immigration clearance on board requirements**
- **Quarantine requirements and procedures**
- **Custom clearance procedures**
- **Documentation needs such as Passports , crew list and passenger list (if any), a Crew Security Bond for visiting yachts**
- **Landing passes and their duration, extension procedure etc**
- **Departure requirements including port clearance and immigration clearance**
- **Races and Regattas- permits and operational procedures**
- **Security requirements and procedures**
- **movements of vessels and vessel routes**
- **Point to point movement agreements vs roaming**
- **Communication requirements**
- **Sri Lanka flag registration system for yachts either build in Sri Lanka or build abroad**

(C) Registration, regulation and technical guidelines for Imports of boats to Sri Lanka

1. Procedures for registrations and licensing of boats imported to Sri Lanka for domestic use and resale
 2. Liability and penalty clauses
 3. Instruction manuals, inspection of boats, surveys and equivalent and definitions
 4. Valuation of boats imported to Sri Lanka for clearance by a qualified, competent and approved valuers for determination of import duties and other fiscal levies
- V. Conduct several consultative meetings with the relevant stakeholders of the industry which includes Ministry of Industry and Commerce, Ministry of Ports and Shipping, Ministry of Fisheries, Sri Lanka Ports Authority, Sri Lanka Customs, Sri Lanka Navy, Directorate of merchant shipping, Department of Coast Guard, Department of Wildlife , Marine Environment Protection Authority, Sri Lanka Export Development Board, Tourism Development Authority, Department of Immigration, Ceylon Association of Shipping Agents (CASA), Boat Building Technology Improvement Institute among others
- VI. Prepare the first draft of the regulatory frame work considering the three separate items listed in the section (iv) above and submit to the Technical Evaluation Committee of the proposed consultancy for circulation among stakeholders to obtain their views on the initial draft.
- VII. Prepare the second draft of the regulatory frame work incorporating the views submitted by the stakeholders for improvement of the contents and submit to the Technical Evaluation Committee of the proposed consultancy for circulation and organizing a stake holder workshop to finalize the contents of the frame work.
- VIII. Prepare and make a presentation on the regulatory frame work drafted for three separate items in the section 6 (iv) above at the above mentioned stake holder workshop and collect all relevant inputs, amendments to finalize the contents of the regulatory framework.
- IX. Prepare and submit the final version of the regulatory frame work separately for item (A) (B) & (C) in the section 6 (iv) above and submit to the Technical Evaluation Committee of the proposed consultancy as the final document in 3 hard copies and 1 CD.

07. DURATION

A Maximum of 6 months to submit the final version of the Regulatory Framework to the EDB as stipulated in 06 (ix) above.

08. DUTY STATION – Sri Lanka

09. QUALIFICATION & EXPERIENCE

The consultant / Consultancy firm must possess or have officers possessing following knowledge, experience and competency in undertaking the project.

- a) Must be a person/organization with sufficient knowledge and experience in boat and ship building industry for at least 3 years

- b) Excellent knowledge on international maritime regulations and procedures with particular reference to leisure boating industry and marina operation
- c) Specific knowledge and experience in enactments, regulations pertaining to the boat and yacht building, boat and yacht registration in Sri Lanka and abroad
- d) Overall expertise and experience in boat yard registration procedures, licensing and regulating of boats and yachts, commercial boating and yachting, registration and licensing of visiting yachts.
- e) Having excellent communication and public relations skills to work with multiple stake holders of the subject.
- f) Knowledge and experience in Naval architecture will be an advantage

10. PRICE SCHEDULE /METHODOLOGY

- Cost estimation covering all activities of the project.
- Methodology to undertake the activities of the project with a phasing out schedule

Note

The selected consultant /consultancy firm will have to sign an agreement with the Sri Lanka Export Development Board before commencing the programme. Payment terms will be as per the government procurement guidelines.