

6. RECOMMENDATIONS FOR UNDP-ASSISTANCE.

Out of the outlined 10-years' period of tourism development, the first two years would constitute the short-range component, and the next eight years the long-range component. The first two years should be used for research, physical planning, procurement of capital for investment and -- from the part of the government -- for preparing and carrying into life certain changes in the existing rules and restrictions interfering with tourism. Then, in the following years, construction and operation should materialize, and promotion be intensified.

I would recommend UNDP to put a group of highly specialized experts or consultants at the disposal of the government of Iceland, in the fields of spas based on hot springs, ski-resorts, fishing and convention business. I am deliberately using the term "group" and not "team", because they will have to work separately in each of their spheres, in different parts of the country, and they need not be in the country simultaneously. Thus, for instance, planning and developing a ski-resort in the North will at least partly have to be performed in the winter, while the corresponding work with a spa-center in the South-west will have to take place in the summer. Supervising and co-ordinating the work of the specialists and not least placing the various projects and phases of same into the optimal order of priority would be the function of a senior general tourist adviser, who would also be concerned with the extension of the hotels and other overnighting capacity, and perform or direct the possible UNDP assistance in the second stage -- assisting with investments, procuring capital from International Finance Corporation and other sources. He would also have to advise on changing the status and activities of the governmental tourist organizations.

As to planning spas, ski-resorts and fishing development there may exist experts who combine experience in researching the markets with architectural ability to outline and calculate the physical projects, but most probably two different, but closely together working persons would have to take up each of the mentioned tasks. I would calculate one man-year for planning and projecting the spas (probably 50 per

cent of the time used by the researcher, 50 per cent by the architectural planner), and also one man-year for planning and projecting the ski-resorts (probably 25 per cent research, 75 per cent architectural planning), while the fishing development problems might be covered in 3/4 man-year (hereof 1/2 year research and 1/4 year architectural planning of fishing cabins etc.). When it comes to research and advice regarding convention business, I am convinced this can be covered by one convention specialist in half a year. To this I would, however, recommend an additional seminar sponsored by UNDP to be held in Reykjavik aiming at orientating all relevant people in the tourist trade concerning the problems of conventions and convention promotion. This would necessitate bringing two foreign specialists to Reykjavik to conduct the seminar in connection with the already described advisor.

The government would have to supply counterparts to the specialists in the mentioned areas and to the senior coordinator. I feel that the latter's counterpart could be identical with the counterpart to the convention specialist, so that the number of counterparts thus could be reduced to four.

I would suggest that the government as soon as possible made such four suitable persons available for 2-3 months, so that each of them could receive UNDP-fellowships to perform certain studies in selected key places abroad. Thus they would be able to assist the UNDP-experts more efficiently. This means that one would have to visit spas in Germany, France, Czechoslovakia and other continental European countries. Another one should study Scottish, Norwegian, Swiss, Austrian and other modern ski-resorts. A third one should study how fishing is organized for tourists in countries like Ireland and Sweden. The fourth one might study convention organization and promotion in Netherlands, Belgium, Britain and Denmark.

During the foreign specialists' stays in Iceland the counterparts are supposed to assist them to the usual extent (on a limited part-time basis), and after the specialist have left the country, they should continue to act as a sort of working committee of the Tourist Board with a view to the further development of the projects.

For the short-range part of the plan, UNDP-costs may then be estimated as follows:

Senior coordinating expert, 1 1/2 man-year -----	37.800 \$
Consultant(s) related to spas, 1 man-year -----	25.200 \$
Consultant(s) related to ski-resorts, 1 man-year ---	25.200 \$
Consultant related to fishing development, 3/4 man-year -----	18.900 \$
Consultant related to convention business, 1/2 man-year -----	12.600 \$
4 fellowships, each 1/4 year -----	4.800 \$
Travel costs in connection with fellowships -----	4.000 \$
Convention seminar, including travel, lump sum -----	3.400 \$
Analyses in specialized laboratories of water etc. in connection with spa-research -----	1.000 \$
Miscellaneous (6 per cent of total gross expert cost of 119.700 \$) -----	<u>7.100 \$</u>
Total	<u>140.000 \$</u>

On top of the mentioned counterparts, the government would have to supply offices, office personnel etc. according to usual UNDP practice. The government might also be expected to demonstrate its positive interest in developing tourism by agreeing to modifying certain rules and restrictions now hampering tourism (production of strong beer, serving of liquor round the week, more liberal closing hours in restaurants etc. as formerly described) and streamline the organization of the Tourist Board and ITB.

Thus a time-schedule of the working plan for the initial short-range period may be outlined as follows:

	<u>1970</u>			<u>1971</u>
Senior expert	1-2-3	6-7-8	10-11-12	4-5-6-7-8-9-10-11-12
Ski-resort counterpart	1-2-3			
Ski-resort researcher			10-11-12	
Ski-resort architect			12	1-2-3-4-5-6-7-8
Spa counterpart	1-2-3			
Spa researcher		5-6-7		
Spa architect		7-8-9-10-11-12	1-2-3	
Fishing counterpart	3-4-5			
Fishing researcher		7-8-9-10-11-12		
Fishing architect		9-10-11		
Convention counterpart	3-4-5			
Convention researcher		7-8-9-10-11-12		
Convention seminar			11	

(The numbers indicate the months, 1: January, 2: February etc.)

In the second stage of the plan comes carrying all or some of the projects out into life, such as establishing a spa, constructing a ski-resort and turning areas into fishing-centers. The dimensions of the financial assistance needed from the part of UNDP and from government can only be calculated when the recommended experts have finalized their work, but in an early stage the government should realize whether it can comply with such demands, which anyhow will be quite large for a 200,000-population-country like Iceland, on whose financial and human resources will be heavy pressure from other sides in the future also, notably fisheries, industry and transportation. Therefore the mentioned order of priority of the various projects, which may only

be finally decided after the first two years' surveying and planning work, will be a very important function for the senior coordinating adviser during the short-range period.

Reykjavik, February 12, 1969
Iceland

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Tourist Specialist from the
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The Ministry requests the Permanent Mission to take up the question of a Tourist Specialist visiting Iceland as a consultant under the auspices of the UNDP, with the competent authorities of the Development Programme.

As the Ministry has previously announced there is a great need for re-organizing and strengthening the Icelandic tourist industry, especially in the present economic difficulties the country is experiencing.

It would therefore be highly appreciated if the UNDP could send to Iceland a specialist for a short period of 6-10 days in the near future. This specialist would then make a preliminary investigation, discuss the matters in question with the Icelandic Travel Council and the Icelandic Tourist Office, as well as other Icelandic specialists. After surveying the field briefly, he would make his recommendations to the UNDP, which would then decide upon further action.

The Mission is requested to give this matter a priority over other questions at hand.

Permanent Mission of Iceland
to United Nations

UNDP/SF

TERMS OF REFERENCEMISSION TO ICELAND ON TOURISM DEVELOPMENT

1. In February 1969 the Government of Iceland requested the assistance of the UNDP in sending an expert on tourism to visit Iceland, appraise the tourist industry and prospects for its development, in consultation with the authorities concerned. The results of this exploratory mission may be a recommendation for further UNDP assistance. The Administrator of the UNDP wishes to send a consultant for the above-mentioned purpose. The consultant is to advise the UNDP on what assistance it could consider providing to Iceland with a view to developing tourism.
2. The mission will consist of Professor Alkjaer. Professor Alkjaer will be briefed at UNDP Headquarters on 27 May 1969. He will visit Iceland over the period 23 - 30 June 1969. The mission will submit its report to the Administrator of the UNDP by 15 June 1969.
3. The mission is expected to consider and report on the following:
 - (a) The structure and characteristics of the present tourist trade in Iceland, number of visitors, time spent in Iceland, expenditure per tourist, factors which effect tourism such as attractions of scenery, recreation facilities, other attractions, hotel and catering facilities, etc.
 - (b) An assessment of the prospects for developing the tourist industry in Iceland.
 - (c) Recommendations on the external assistance that Iceland needs to develop tourism: technical assistance through the UNDP, capital investment for the development of sites and facilities, strengthening of the National Department of Tourism, agreements with air lines, charter groups, travel agents, etc.
4. In making its recommendations for further assistance the mission should note that the UNDP is equipped to provide a variety of assistance through a number of Participating and Executing Agencies of the UNDP as described below:

The United Nations is equipped to provide technical assistance in the form of tourism advisors to the Government authorities such as the Tourism Development Board or assistance in regional surveys for the selection of potential sites for tourism development. An example of the assistance provided through the United Nations is the project in Yugoslavia "Regional Plan for the South Adriatic Region" (YUG 3), the Governing Council document for which is attached herewith. The

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International Labour Organisation is equipped to provide assistance in the training of personnel for the tourist sector, e.g. for hotels, travel agencies, etc. An example of this is the project in Cyprus in the Institute for Hotel Training (CYP 8), the Governing Council document which is also attached herewith. The mission should note that the UNDP assistance can be either in the form of individual experts, fellowships and demonstration or training equipment, under the Technical Assistance component or under the Special Fund component.

5. In recommending UNDP assistance the mission should outline elements to be provided by the UNDP as follows:

Expert service should be costed at the pro forma rate of \$25,200 for experts and \$19,000 for intermediate level personnel.

Fellowships should be costed at the pro forma rate of \$1,200 for each 3 month period and \$1,000 for return travel cost.

An amount for miscellaneous is to be costed at the rate of 6% under Gross Expert Cost.

6. Should the mission recommend UNDP assistance, it should provide all information on the contribution to be made by the Government of Iceland and the organizational arrangements for the undertaking of a project. The Government would be expected to provide the required physical facilities, counterpart, professional and supporting personnel and meet all operational and maintenance costs.
7. The mission is not to enter into any negotiations with the Government of Iceland and is not empowered to make any commitments on behalf of the UNDP.

Vikram J. Shah
27 May 1969

