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Project Name: Lebanon-Cultural Heritage and Tourism Development

Region: Middle East and North Africa

Sector: Urban, and Tourism

Project ID: LBPE50529

Borrower: Government of Lebanon

Implementing Agency: Council for Development and Reconstruction (CDR)

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Country and Sector Background

Lebanon’s 5,000-year civilization has left important and highly visible traces throughout its territory. The overlay of urban patterns and cultural influences -from Phoenician to modern times- offer a unique combination of visual elements. Its complementary living heritage --and diverse traditional lifestyles, performing and visual arts, literature, and handicrafts-- is rich, vibrant, and complex. The Government of Lebanon (GOL) recognizes the importance of preserving and enhancing this heritage, which plays an irreplaceable role in national identity and pride in the common ownership of its diversity, especially in this period of post-war reconstruction and rapid social change. Cultural heritage represents a set of unique assets that Lebanon can leverage to promote national and international cultural tourism. Its cultural heritage assets, as well as good climate and hospitality, are the hallmarks of a land of history and culture. Since the early 1990s, many Lebanese institutions, often in partnership with international organizations, have undertaken significant initiatives to protect, rehabilitate, restore, and revitalize the cultural heritage that survived neglect and damage during 16 years of war.

Lebanon benefits from three main types of tourism: (a) summer tourism from the Arab countries, focusing on family residence in mountain resorts and characterized by long stays; (b) city-based business tourism, profiting from its location and high level of services; and (c) cultural tourism, drawn by archaeological and historical sites of international renown and to significant cultural events. Tourism has seen an approximately three-fold growth since 1992. Although available statistics do not differentiate among the three
types, they seem to apply in equal proportion to all. The overall number of tourist has increased from approximately 90,000 in 1992 to about 320,000 in 1997. The first two types of tourism are expected to grow through private sector investment, subject to global demand. However, expansion of cultural tourism depends on public sector support and on improvements to the variety and quality of offerings that attract more tourists (particularly those from Europe, North America, and Japan), encourage them to stay longer, and increase and diversify their spending.

The Government recognizes the need for a strategic approach to protect, preserve, enhance and present the country cultural heritage, both as a focus of national identify and pride, and as a unique magnet for the tourism industry. The Ministry of Tourism (MOT), which is responsible for promoting tourism, sees cultural heritage tourism, especially from the upscale European, Japanese, and North American markets, as a significant growth opportunity. MOT has a medium-term annual target of 200,000 cultural heritage tourists, and aims to enhance the diversity and quality of offerings and services in order to increase spending and capture more revenue within the country.

Project Objectives

The strategic rationale for this project lies in its focus on the area of overlap between the three major essential stakeholder interests: Tourism, Antiquities, and the key "cultural heritage" municipalities and their local communities. The project will assist the Department of Antiquities in the preservation, rehabilitation and presentation of sites of key attraction. It will support the Ministry of Tourism insofar as cultural heritage tourism promotion is concerned. It will also support targeted municipalities and local communities in developing and implementing plans based on the centrality of unique major cultural heritage sites and resources, and ensuring that the local populations benefit from these developments.

Effective management of cultural assets, urban regeneration and enhanced cultural tourism are at the core of the project. Well functioning cities with an enabling environment for private sector investment, enhanced cultural assets and tourism as a basis of their sustainable economic development are the overarching objectives of a longer term development program for the selected cities. The proposed project will primarily address the most pressing needs in terms of cultural heritage preservation, urban regeneration and tourism site operation, and support necessary institutional development activities. As a first operation, the project offers the opportunity to provide technical assistance to help prepare urban development plans for the targeted cities to form the basis for their longer-term development. The project’s development objectives are to assist GOL to (a) improve cultural heritage preservation; and (b) create the conditions for increased economic benefits from sustainable cultural tourism.

Project Description

The proposed project would help finance: (a) priority site conservation and enhancement investments and associated urban infrastructure improvements in the selected sites of Baalbeck, Beirut, Byblos, Saida, Tripoli, and Tyre; and (b) technical assistance services to strengthen the capacity of the Directorate General of Antiquities (DGA), Ministry of Tourism (MOT), and target municipalities in cultural heritage preservation and tourism development. The five main components of the proposed project are:

Component 1: Cultural heritage preservation. This component would
support (a) conservation and development works at priority world-class archaeological sites; and (b) renovation and rehabilitation of historic buildings considered crucial to the character of the selected sites.

Component 2: Site operation and visitor management. The objective of this component is to enhance visitor experience at selected archaeological sites by addressing the needs of tourists through the improvement of visitor flow patterns, visitor infrastructure and facilities, landscaping, and in the presentation of the sites through proper signage, explanatory panels identifying monuments, and training for site management and guides.

Component 3: Conservation of Saida and Tripoli historic old towns. Under this component rehabilitation works of public spaces in the historic old towns of Saida and Tripoli would be supported to complement and expand ongoing public and private conservation initiatives.

Component 4: Urban regeneration and infrastructure improvements. Priority urban infrastructure improvement works in cities surrounding the selected archaeological sites would be supported to: (a) increase their attractiveness to international and domestic tourists while benefiting the local community; (b) support the development of tourism-related activities, facilities, and services in these cities; and (c) encourage private-sector investment and participation in the tourism sector.

Component 5: Capacity building in cultural heritage preservation and cultural tourism development. The formulation of a cultural heritage management and tourism development strategy would be supported by this component. In addition to funding design studies and project management services, it would also provide technical assistance services, including training, to: (a) DGA in cultural heritage management, legal instruments related to cultural heritage protection, and in archaeological conservation and development; (b) MOT in promotion and marketing Lebanon’s cultural tourism offerings, development of its economic research and statistical survey capacity, and in site management; and (c) targeted municipalities in urban management to promote the cultural tourism potential of their cities and to derive economic benefits for their residents.

Project Financing

The total project cost is estimated at US$50 million. The proposed IBRD loan would finance about US$30 million; co-financing of about US$10 million is being sought and the Government would contribute the remaining US$10 million.

Project Implementation

To address the need for coordination among the numerous agencies and institutions involved in cultural heritage and tourism development activities, a Cultural Heritage and Tourism Development Committee supported by CDR has been established to be at the core of the project implementation arrangements. The membership of the committee includes representatives of: Council for Development and Reconstruction (CDR), Directorate General of Antiquities (DGA), Ministry of Tourism (MOT), Directorate General of Urban Planning (DGU); and the municipalities of Baalbeck, Beirut, Byblos, Saida, Tripoli and Tyre. Appropriate mechanisms will be defined to ensure effective consultation with the private sector.

The Council for Development and Reconstruction (CDR) will have overall project implementation responsibilities. It would also be responsible for all procurement activities. A Project Management Team (PMT) would be established at CDR for overall project management/monitoring and to serve as focal point for all communication with the Bank. The project would support the PMU staffing with professionals to be recruited on performance-based contracts.
During the project implementation the PMT would supervise and support: (a) Municipal Implementation Units (MIU) to be attached to the municipal administrations to implement the urban infrastructure improvement components; and (b) project teams to be established within DGA and MOT.

Project Sustainability
The project would build institutional capacity for sustainability through its support to: (a) a strengthened DGA’s capacity to manage the country cultural heritage; (b) improved MOT’s efficiency to develop Lebanon cultural tourism potential; and (c) increased awareness on the part of the selected municipalities about the importance of sensible urban development and environmentally-friendly integrated urban renewal plans to generate tourism related benefits to the local communities. During project preparation, early attention will be given to the issue of adequate funding for operations and maintenance.

Lessons Learned from Past Operations in the Sector
The lessons learned are primarily from ongoing projects and relate to the lack of institutional capacity in sectoral ministries as a consequence of the long civil war and the regulatory constraints built into administrative oversight exerted by public accounting and procurement control agencies. To override these constraints CDR is proposed as implementing agency and as provider of technical support for effective coordination among the various agencies involved in the project (MOT, DGA, and municipalities). To ensure ownership and effective support for the project’s objectives of cultural heritage preservation, urban regeneration and infrastructure improvement works would be designed to benefit both cultural tourism development and the local communities. Other lessons that will be incorporated into the project include: instituting mechanisms for effective coordination among the various agencies involved; and ensuring that the project has realistic objectives, the achievement of which can be measured against clear, realistic and measurable criteria.

Environmental Aspects
The project has been screened by the Bank and assigned to Category B. The project, through its different components aims at restoring and preserving historic buildings and archeological sites in several cities, as well as restructuring and rehabilitating historic city cores in Saida and Tripoli Centers. The environmental issues will be best dealt with directly as part of the design studies. They will be made part of the technical studies for each component and, therefore, will be reflected in the overall design of the project.

While, the end results of the works foreseen are expected to greatly benefit the overall environment of the sites and the cities targeted, related infrastructure problems are also to be expected. Increased tourism influx achieved through project intervention would generate additional pressure on the use of the existing infrastructure and services, issue that would be detrimental to both the cities inhabitants and the tourist population. It was therefore agreed that infrastructure and services capacities need to be assessed and the appropriate corrective measures are made part of project design wherever needed.

The building and rehabilitation/renovation process is expected to cause, throughout the implementation period disruptions to: (a) the living patterns of the population affected, (b) the businesses in the areas of the project,
and (c) the existing urban patterns in the urban cores of the targeted cities and around the archeological and historic building sites. Because of their nature, the physical works involved with in this project will be lengthy and possibly complex given the urban settings in Lebanon. As a result, the disruptions that they would generate would be better dealt with as part of the technical design of the project for each physical and urban planning component.

Consistent with World Bank procedures, the preparation of the Environmental Assessment would include the use of a consultation process comprised of meetings with a variety of parties in Lebanon. This process would include: (i) scoping sessions; and (ii) an interactive review process.

Program Objective Categories

The operation would contribute to the following Bank Program Objective Category: (EN) environmentally sustainable development.

Project Benefits and Target Population

The project would prevent further degradation of world heritage archaeological sites and historic urban cores, thus ensuring their sustainability for future generations. Urban regeneration, including improved infrastructure, coupled with enhanced tourist facilities, would improve not only the experience of tourists but also the quality of life for the local population at major secondary cities Baalbeck (about 30,000), Byblos (about 150,000), Saida (about 150,000), Tripoli (about 500,000) and Tyre (about 50,000). The Lebanese economy in general would benefit from increased tourism earnings as well as increased employment.

The project would help lay the foundation for coherent cultural heritage management and cultural tourism development through the formulation of: (a) an improved legislative and regulatory framework to preserve and manage cultural heritage; (b) a more efficient antiquities administration; (c) a formulated cultural tourism development strategy; and (d) a strengthened capacity at the municipalities level to plan and implement urban regeneration plans to attract private sector tourism-related investments.

Residents of the cities concerned (Baalbeck, Byblos, Saida, Tripoli, and Tyre) will benefit through increased economic benefits from cultural tourism. Wide consultations and site visits have taken place during project identification and will continue through preparation and implementation. These five municipalities will be an integral part of project implementation, which will finance a selection of their ongoing and planned activities.

Two sites, Saida and Tripoli, involve the rehabilitation of historic urban cores currently inhabited by predominantly low-income families. The restoration of these sites, which is already taking place on a small scale, involves a rehabilitation of the socio-economic life of these cores both as a benefit to the residents and a magnet to tourism. The participatory approach already being used successfully but on a small scale with local neighborhood communities should be greatly enhanced—for example, by the use of education to reduce the incidence of inappropriate renovations, which at present is quite high owing to the shortage of trained specialists in urban renovation; by the enhancement of service provision, and the reviving of local artisanal and commercial activities. A much more systematic understanding of the socio-economic and organizational fabric is essential for the successful implementation of this component, and to secure the intended benefits.

Stakeholder analysis at national and local levels will be included in project
preparation and implementation. Stakeholder interests cover a wider range of project issues, including the conservation of cultural heritage, its restoration and presentation, cultural heritage tourism development; the enhancement of secondary economic benefits, and the integration into the municipal development planning process. The many stakeholders in cultural heritage and tourism development include government ministries and institutions; municipalities; non-governmental and voluntary organizations and prominent individual citizens; teaching and research institutions; private sector and commercial institutions; local populations; external agencies, both multilateral and bilateral, and other affected special interest groups. A stakeholder analysis as part of project preparation would help clarify the nature, importance and intersection of these many interests, show opportunities to enhance collaboration and identify how to reduce or manage the risks of competing or conflicting interests.

Project Risks

In addition to potential geopolitical instability in the region, the project faces the following main risks: (a) lack of coordination between DGA, MOT, DGU and municipalities; (b) nascent involvement of cultural heritage non profit organizations, NGOs and local communities; (c) limited municipal management and municipal budgets for infrastructure operation and maintenance; (d) availability of counterpart funds.

There are also few possible controversial aspects which are summarized below: (a) in Saida, a major urban highway (Maritime Boulevard/Corniche) under implementation along the old town waterfront will have adverse impacts on the attractiveness of the old town surroundings and could wrongly be associated to the proposed project; (b) in Beirut the two selected archeological sites are highly visible due to the involvement of numerous international archeology teams in their excavation, and to their attached development rights granted to Solidere (the real estate developer in charge of the rebuilding of the central district area); and (c) in Baalbeck and Tyre, there are a few key challenges and issues to be addressed prior to the final approval of their master plan. During project preparation the Bank and the Borrower will discuss these potentially controversial areas and agree on specific measures that would minimize these risks.

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Note: This is information on an evolving project. Certain activities and/or components may not be included in the final project.