Cultural endowments such as traditional architecture, unique streetscapes, and historic sites are increasingly recognized as important economic resources in both developed and developing countries. Cities are often an important focal point for development based on these resources because they provide concentrations of heritage assets, infrastructure services, private sector activity, and human resources. Improving the conservation and management of urban heritage is not only important for preserving its historic significance, but also for its potential to increase income-earning opportunities, city livability, and competitiveness.

World Bank-financed projects have found that heritage conservation has increased city livability by preserving streets and neighborhoods built at a human scale, public areas that support positive community interaction, and green spaces that offer recreational activities. By preserving their heritage, cities can create a unique sense of place and singular urban landscapes, developing strong branding and conditions to attract investors. This is especially true for investors in tourism, which is one of the largest industries in the world today and has a track record of creating significant levels of employment for unskilled and semi-skilled workers. In addition, improving a city’s self-image and identity through recognition of heritage assets has been shown to increase civic pride and energize communities to actively address a wide range of development and livelihood issues.

Today’s rapidly-urbanizing cities, with uncontrolled growth and informal expansion, pose a significant risk for irreparable cultural and natural resources. For example, developers exert pressure to demolish low-rise traditional buildings and eliminate parks in favor of high-density developments, and municipalities install needed infrastructure in a manner that has unnecessarily negative impacts on traditional cityscapes. As urban populations rapidly expand, local resources tend to be scarce and most municipalities struggle to provide basic infrastructure services, making investment in heritage conservation a low priority. Therefore, it is increasingly important for World Bank-financed projects to include well-thought-out interventions that include heritage conservation elements because of their potential contributions to economic development and urban revitalization.

**What is Cultural Heritage?**

UNESCO defines cultural heritage under several main categories:

- **Tangible Heritage**
  - **Immovable** (e.g., traditional buildings, historic city centers, and archaeological sites);
  - **Movable** (e.g., paintings, sculpture, coins, and manuscripts);
  - **Underwater** (e.g., shipwrecks, and ancient cities);

- **Intangible Heritage** (e.g., oral traditions, performing arts, rituals, knowledge, and skills); and

- **Natural Heritage** (e.g., natural sites with cultural aspects such as cultural landscapes and physical, biological, or geological formations).

The conservation of cultural heritage supports urban revitalization by preserving city livability, increasing competitiveness, and creating a wide range of income-earning opportunities.

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projects. The thematic group reflects the multi-disciplinary characteristics of the CHST family, highlighting the wealth of information and experience available among more than one hundred Bank professionals. In the urban sector, it is clear that infrastructure projects can provide an entry point for effective interventions in heritage conservation and development. Conversely, many task team leaders find that discussions of lending that recognize the value of local heritage provide a positive starting point for dialogue on downstream lending operations addressing broader-based infrastructure investment needs. This note focuses on the rationale for World Bank-financed infrastructure projects that include or focus on conservation of cultural heritage assets either for their own value or as a component of infrastructure and economic development strategies.¹

**Urban Revitalization, Heritage, and Tourism**

World Bank experience with the connections between urban revitalization, heritage, and tourism includes the urban upgrading and rehabilitation of historic buildings undertaken by the **Georgia Cultural Heritage Project**, which is credited with playing a critical role in stimulating the revitalization of Tbilisi’s Old Town. It led private investors to renovate their own buildings in the area; to the opening of hotels, restaurants, shops and galleries; to an influx of residents, offices, and tourists; and to a significant increase in property values.

In the **Bosnia-Herzegovina Pilot Cultural Heritage Project**, the reconstruction of the iconic Mostar Bridge and other municipal infrastructure investments made a significant contribution to revitalization of the city center, reconciliation among residents, and the reestablishment of the local tourism industry (officials found that tourism arrivals in 2004 stood at 220,000, up from only 50,000 the preceding year).²

**One of the most highly-visible and dynamic links between heritage conservation and local economic development lies in the potential for cultural and natural assets to attract tourism investment and spending.**

While global tourism has grown steadily at 7% per year over the last 5 years, recent growth has been limited by the financial crisis. The UN World Tourism Organization (UNWTO) reports that it "expects 2009 international tourism [growth] to be in the range of 0 percent to a 2 percent decline."³ However, the UNWTO also reports that the niche markets of adventure and cultural tourism are two of the strongest segments of the tourism industry and that culture has become a component in almost 40% of all international trips.⁴

The economic slowdown is an opportunity for developing nations to improve their strategies, infrastructure, and tourism products in order to establish a strong base for future sustainable tourism. The investments in infrastructure and heritage conservation that are advantageous for tourism development are also key elements of creating livable cities in other words, improvements that support tourism also enhance residents’ economic opportunities and standard of living. Moreover, if short-term crisis actions can be aligned with the longer-term poverty and climate needs, the overall industry structure may actually be strengthened.

When the industry revives, cities in developing countries with a strong base for tourism development will be better poised to attract private sector and foreign investors who see opportunities in developing hotels and other tourist-related activities. Employment opportunities for local workers will increase through the development of the service industry and increased demand for local food production, handicraft manufacturing, and other cultural industries. The number of small and medium enterprises will grow as economic opportunities become apparent.

**Cultural Heritage in Transportation Projects**

Many World Bank transport projects have included pro-active components to support conservation and management of cultural heritage assets. For example, the **Xian Sustainable Urban Transport Project** in China will develop 44 kilometers of bicycle paths in the urban core to link the city’s key urban heritage sites and reduce traffic congestion. The project will also build an access road to a newly-excavated archaeological park. The **Cambodia Road Rehabilitation Project** restored 10 ancient bridges on...
National Road 6 connecting Phnom Penh to Siem Reap and the World Heritage site of Angkor. The bridges were part of the Angkor Dynasty's "royal route" and some of the most highly significant examples of civil architecture in the country.

Typical transport sector goals such as reducing traffic emissions, noise, and vibration to improve residents' quality of life also have positive impacts on heritage areas. Pollution damages traditional surfaces and traffic vibration undermines ancient structural elements, while traffic noise detracts from the sense of history and quiet contemplation that many heritage sites offer. Projects that support transport focal points such as container ports and railroad terminals have long recognized that these facilities depend on their surrounding regions and cities for access to skilled labor, efficient services and integrated transportation links. As demonstrated in the City-Port of Limon project profile, support for cultural heritage assets has been used as part of strategies to revitalize lagging cities and regions that are hampering trade growth and competitiveness.

Infrastructure Upgrading in an Historic Context

With attention to appropriate design and materials, infrastructure projects can achieve their goals while conserving traditional streetscapes and the urban fabric. General guidelines for installing services include:
- fixtures and connections compatible with historic designs and materials;
- minimal destruction of historic structures and streetscapes;
- access for service maintenance and renewal that does not require disruption of historic materials or structures; and
- reversible processes that allow for further restoration of sites when future technology or research findings become available.

To create effective policies for conservation in an urban setting, it is vital that active consultation be established between all local agencies that have responsibility for the built environment and local communities. Protecting cultural property must be supported with coordinated policies and action at the local level.9

Cultural Heritage in Water and Environmental Management Projects

In China, several water and sanitation projects have supported the conservation of valuable heritage assets. In the Yunnan Earthquake Reconstruction Program, a portion of the credit was set aside, based on local government requests, to repair and rehabilitate heritage assets that had sustained severe earthquake damage. Among the assets repaired were water and drainage systems compatible with the traditional network of streams and channels that provide fresh water to every part of the World Heritage City of Lijiang. In the Zhejiang Urban Environment Project, a component for the municipality of Shaoxing included renovation of traditional housing and conservation in five historic neighborhoods that are laid out along an extensive canal system and represent a fast-disappearing traditional waterside lifestyle. In addition to sewer connections, the project rehabilitated the canal system through dredging, embankment repair, and reinstatement of a closed canal section to improve water circulation and create tour boat circuits.

Incorporating heritage conservation into urban projects has supported the overall goal of revitalization, significantly increased client satisfaction, and led to a robust new business line for the World Bank in China.
The main focus of the Chongqing Urban Environment Project in China is to assist the municipality: (i) recover from the degradation of its water and land resources; (ii) protect the quality of its rivers and water supply; and (iii) maintain water quality for the wider Yangtze River Basin. During project identification, city leaders requested that a component for heritage conservation be included in the project to help maintain their historic built environment; strengthen the local community’s identification with their history; increase the value of the built heritage and surrounding real estate; and improve tourism potential.

The local Cultural Heritage Bureau, in collaboration with international specialists, developed a cultural heritage master plan and identified the Huguang Huiguan as a high priority site for immediate conservation. The Huguang Huiguan is an ancient merchants’ guild complex that was constructed and modified during the Qing dynasty (1644-1911). It is one of the last historic sites in the heart of modern Chongqing. The project and the Italian Trust Fund for Culture supported detailed planning for conservation of the guild complex and an international specialist, who worked with local conservationists on historical research and documentation; surveys of physical deterioration; working drawings; and restoration of all exterior and interior elements.

Conservation of the Huguang Huiguan complex has contributed to Chongqing’s efforts to improve the quality of life for its citizens and enhance economic development by providing a focal point for the municipality’s civic events, creating a new tourism development site, and stimulating small businesses and employment in the site’s surrounding neighborhoods. The project has become a model for restoration in China, based on international best practice and the sustainable reuse of the historic buildings (e.g., a theater, exhibit hall, museum, cultural center, and shops). This conservation work responded to client demand, increasing client satisfaction, and led to requests for additional similar projects in China.

The rehabilitation of one of the last historic sites in the ancient core of Chongqing has made it a focal point for civic events, tourism, and small business development. The views expressed in DIRECTIONS in Urban Development are those of the authors and do not necessarily reflect those of the World Bank.


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