IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-36320 IDA-3632A)

ON A

CREDIT

IN THE AMOUNT OF SDR 4.0 MILLION
(US$5.00 MILLION EQUIVALENT)

TO THE

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

FOR A

CULTURAL HERITAGE PROJECT

April 20, 2009

Fragile States, Conflict and Social Development Unit (AFTCS)
Eastern Africa 3 Department
Africa Region
CURRENCY EQUIVALENTS

(Exchange Rate Effective February 1, 2009)

Currency Unit = Ethiopian Birr
1.00 Ethiopian Birr = US$ 0.0911
US$ 1.00 = 11.0940 Ethiopian Birr

FISCAL YEAR
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

ARCCH Authority for Research and Conservation of Cultural Heritage
CAS Country Assistance Strategy
CBOs Community Based Organizations
DCA Development Credit Agreement
ECHO European Commission Humanitarian Office
FMR Financial Management Report
EU European Union
IDA International Development Association
ISS Interim Support Strategy
KPI Key Project Indicators
LIL Learning and Innovation Loan
M&E Monitoring and Evaluation
MOF Ministry of Finance
MOU Memorandum of Understanding
MTR Mid-term Review
NGO Non-Governmental Organization
PCU Project Coordination Unit
PDO Project Development Objective
QAE Quality at Entry
PMT Project Management Team
SC Steering Committee
SOE Statement of Expenses
TA Technical Assistance
TTL Task Team Leader

Vice President: Obiageli Ezekwesili
Country Director: Kenichi Ohashi
Sector Manager: Ian Bannon
Project Team Leader: Jean Delion
ICR Team Leaders: Roxanne Hakim & June Taboroff
ETHIOPIA
CULTURAL HERITAGE PROJECT

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MAP
## A. Basic Information

<table>
<thead>
<tr>
<th>Country:</th>
<th>Ethiopia</th>
<th>Project Name:</th>
<th>Cultural Heritage Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project ID:</td>
<td>P057770</td>
<td>L/C/TF Number(s):</td>
<td>IDA-36320, IDA-3632A</td>
</tr>
<tr>
<td>ICR Date:</td>
<td>04/20/2009</td>
<td>ICR Type:</td>
<td>Core ICR</td>
</tr>
<tr>
<td>Lending Instrument:</td>
<td>LIL</td>
<td>Borrower:</td>
<td>GOVERNMENT OF ETHIOPIA</td>
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<tr>
<td>Original Total Commitment:</td>
<td>XDR 4.1M</td>
<td>Disbursed Amount:</td>
<td>XDR 3.3M</td>
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</tbody>
</table>

**Environmental Category: B**

**Implementing Agencies:**
- Ethiopian Tourism Commission

**Cofinancers and Other External Partners:**

## B. Key Dates

<table>
<thead>
<tr>
<th>Process</th>
<th>Original Date</th>
<th>Revised / Actual Date(s)</th>
<th>Date</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Review:</td>
<td></td>
<td></td>
<td>10/21/1998</td>
<td>Effectiveness:</td>
</tr>
<tr>
<td>Appraisal:</td>
<td></td>
<td></td>
<td>01/11/2002</td>
<td>Restructuring(s):</td>
</tr>
<tr>
<td>Approval:</td>
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<td>04/17/2002</td>
<td>Mid-term Review:</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>06/15/2005</td>
<td>07/22/2005</td>
</tr>
<tr>
<td>Closing:</td>
<td></td>
<td></td>
<td>01/15/2007</td>
<td>10/15/2008</td>
</tr>
</tbody>
</table>

## C. Ratings Summary

### C.1 Performance Rating by ICR

#### Outcomes:
- Moderately Satisfactory

#### Risk to Development Outcome:
- Moderate

#### Bank Performance:
- Moderately Unsatisfactory

#### Borrower Performance:
- Moderately Satisfactory

### C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Ratings</th>
<th>Borrower</th>
<th>Overall Borrower Performance:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality at Entry:</td>
<td>Satisfactory</td>
<td>Government:</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Quality of Supervision:</td>
<td>Moderately Unsatisfactory</td>
<td>Implementing Agency/Agencies:</td>
<td>Modestly Unsatisfactory</td>
</tr>
<tr>
<td>Overall Bank Performance:</td>
<td>Moderately Unsatisfactory</td>
<td>Overall Borrower Performance:</td>
<td>Modestly Satisfactory</td>
</tr>
</tbody>
</table>
C.3 Quality at Entry and Implementation Performance Indicators

<table>
<thead>
<tr>
<th>Implementation Performance</th>
<th>Indicators</th>
<th>QAG Assessments (if any)</th>
<th>Rating</th>
</tr>
</thead>
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<tr>
<td>Potential Problem Project at any time (Yes/No):</td>
<td>Yes</td>
<td>Quality at Entry (QEA):</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Problem Project at any time (Yes/No):</td>
<td>Yes</td>
<td>Quality of Supervision (QSA):</td>
<td>None</td>
</tr>
<tr>
<td>DO rating before Closing/Inactive status:</td>
<td>Modestly Un satisfactory</td>
<td></td>
<td></td>
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</table>

D. Sector and Theme Codes

<table>
<thead>
<tr>
<th>Sector Code (as % of total Bank financing)</th>
<th>Original</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government administration</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>General industry and trade sector</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Other social services</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

| Theme Code (Primary/Secondary) | | |
|--------------------------------|--------------------------|
| Other financial and private sector development | Primary | Primary |
| Participation and civic engagement | Secondary | Secondary |

E. Bank Staff

<table>
<thead>
<tr>
<th>Positions</th>
<th>At ICR</th>
<th>At Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President:</td>
<td>Obiageli Katryn Ezekwesili</td>
<td>Callisto E. Madavo</td>
</tr>
<tr>
<td>Country Director:</td>
<td>Kenichi Ohashi</td>
<td>Ishac Diwan</td>
</tr>
<tr>
<td>Sector Manager:</td>
<td>Ian Bannon</td>
<td>Agnes I. Kiss</td>
</tr>
<tr>
<td>Project Team Leader:</td>
<td>Jean Delion</td>
<td>Peter A. Dewees</td>
</tr>
<tr>
<td>ICR Team Leader:</td>
<td>Roxanne Hakim</td>
<td></td>
</tr>
<tr>
<td>ICR Authors:</td>
<td>Roxanne Hakim / June Taboroff</td>
<td></td>
</tr>
</tbody>
</table>

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)
The Cultural Heritage Project is a Learning and Innovation Loan with the objective of testing out and developing, on a pilot basis, the means for more fully integrating the conservation and management of cultural heritage into local and national economic development. The general goal of the project is to contribute to poverty reduction through increased income generated by cultural assets and handicrafts development. The specific project objective is to test and develop models for improved cultural site conservation, preservation of cultural assets and development of artisanal crafts.
Revised Project Development Objectives (as approved by original approving authority)

No change in PDO

(a) PDO Indicator(s)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline Value</th>
<th>Original Target Values (from approval documents)</th>
<th>Formally Revised Target Values</th>
<th>Actual Value Achieved at Completion or Target Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1:</td>
<td>Good practice for cultural heritage conservation activities are identified and lay the groundwork for future investment and support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value (quantitative or Qualitative)</td>
<td>No plans in any world heritage sites</td>
<td>Site Plans completed in Gondar and Axum</td>
<td>Gondar site plan developed and fully implemented; Axum plan developed and partially implemented.</td>
<td></td>
</tr>
<tr>
<td>Date achieved</td>
<td>04/30/2002</td>
<td>12/31/2002</td>
<td>12/15/2008</td>
<td></td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td></td>
<td></td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>Indicator 2:</td>
<td>Regional and local governments gain perspectives on how cultural heritage conservation can generate benefits.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value (quantitative or Qualitative)</td>
<td>Regional and local governments do not have skills to develop cultural sites into economic asset base.</td>
<td>Gondar, Axum, Harar and Addis gain confidence and pilot approaches that demonstrates how cultural sites can generate economic value</td>
<td>Regional governments in Gondar and Axum gain immense skill from working with TA on site plans. Harar and Addis benefits limited to activities related to crafts people.</td>
<td></td>
</tr>
<tr>
<td>Date achieved</td>
<td>04/30/2002</td>
<td>12/31/2002</td>
<td>12/15/2008</td>
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<td>Comments (incl. % achievement)</td>
<td></td>
<td></td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>Indicator 3:</td>
<td>Partners (i.e., the private sector, NGOs, regional governments) take a more active role in cultural heritage conservation.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Value (quantitative or Qualitative)</td>
<td>Cultural heritage conservation limited to federal agency ARCCH.</td>
<td>NGOs, regional governments identify niche roles.</td>
<td>NGO involvement weak, regional governments gained great perspective on their roles and responsibilities in cultural sites.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Indicator 4:

**Value (quantitative or Qualitative)**

- Dergue regime had eroded encouragement for crafts. No new design and people limited to local markets
- Craftspeople trained in new designs and techniques, improved products for new international and national markets, resulting in increased income.
- 4 international trade shows attended, training on new skills and design, income increase for trainees as products more attractive both to local market and new national markets they now have access to. Trade fair not sustainable.

<table>
<thead>
<tr>
<th>Date achieved</th>
<th>04/30/2002</th>
<th>12/31/2002</th>
<th>12/15/2008</th>
</tr>
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<tbody>
<tr>
<td>Comments (incl. % achievement)</td>
<td>60%</td>
<td>90%</td>
<td></td>
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<tr>
<td>Indicator</td>
<td>Description</td>
<td>Value (quantitative or Qualitative)</td>
<td>Date achieved</td>
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<tr>
<td>-----------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------------------------</td>
<td>---------------</td>
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<tr>
<td><strong>4</strong></td>
<td>Community based activities implemented</td>
<td>0</td>
<td>12/11/2002</td>
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<tr>
<td><strong>5</strong></td>
<td>Craft/cultural centers integrated in to site planning and implementation in Axum</td>
<td>0</td>
<td>12/11/2002</td>
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<tr>
<td><strong>6</strong></td>
<td>Axum museum designed</td>
<td>0</td>
<td>12/11/2002</td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>Regional and national staff trained in museum curation</td>
<td>0</td>
<td>12/11/2002</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>Data base of cultural assets developed in pilot regions</td>
<td>0</td>
<td>12/11/2002</td>
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</table>
### Indicator 9:
Guideline including mitigation plan prepared

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
<th>0</th>
<th>1</th>
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<tbody>
<tr>
<td>Date achieved</td>
<td>12/11/2002</td>
<td>01/15/2007</td>
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<tr>
<td>Comments (incl. % achievement)</td>
<td></td>
<td></td>
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</tbody>
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### Indicator 10:
Functioning craft and cultural centers established in Axum, Addis and Harar

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
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<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>12/11/2002</td>
<td>07/15/2008</td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Indicator 11:
Guideline of quality standards developed and implemented through local and export marketing

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
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<tr>
<td>Date achieved</td>
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<td>07/15/2008</td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td></td>
<td></td>
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### Indicator 12:
Evaluation study conducted on site visitors satisfaction

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
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</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>12/11/2002</td>
<td>07/15/2008</td>
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<tr>
<td>Comments (incl. % achievement)</td>
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<td></td>
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### G. Ratings of Project Performance in ISRs

<table>
<thead>
<tr>
<th>No.</th>
<th>Date ISR Archived</th>
<th>DO</th>
<th>IP</th>
<th>Actual Disbursements (USD millions)</th>
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<tr>
<td>1</td>
<td>05/13/2002</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
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<tr>
<td>2</td>
<td>06/07/2002</td>
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<td>Satisfactory</td>
<td>0.00</td>
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<tr>
<td>3</td>
<td>10/04/2002</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
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<tr>
<td>4</td>
<td>04/17/2003</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>0.00</td>
</tr>
<tr>
<td>5</td>
<td>10/27/2003</td>
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<td>Satisfactory</td>
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<tr>
<td>6</td>
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<td>7</td>
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<td>8</td>
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<td>Value</td>
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<td>------------</td>
<td>----------------------</td>
<td>-------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>9</td>
<td>03/21/2005</td>
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<td>11</td>
<td>03/27/2006</td>
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<td>12</td>
<td>09/18/2006</td>
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<td>13</td>
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<td>Moderately Satisfactory</td>
<td>3.80</td>
</tr>
<tr>
<td>15</td>
<td>06/02/2008</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>4.48</td>
</tr>
</tbody>
</table>

**H. Restructuring (if any)**
Not Applicable

**I. Disbursement Profile**

![Graph](image.png)

**Legend:**
- **Original**
- **Formally Revised**
- **Actual**
1. Project Context, Development Objectives and Design

**Context**

The Ethiopia Cultural Heritage Project was approved in early 2002 after the cessation of hostilities with Eritrea, when future Bank support was directed towards emergency humanitarian needs, reconstruction, and the country’s wider economic recovery and development efforts. The Ethiopia Interim Support Strategy anticipated that, in addition to supporting reconstruction and recovery, future lending would focus on institutions, capacity building, and service delivery, complemented by activities to revive the private sector in order to generate growth and employment. It was within this framework that the Cultural Heritage Project was proposed. The Bank agreed to consider providing support for this area at the specific request of the Prime Minister, Meles Zenawi, during discussions with President Wolfensohn in 1998. The approach proposed was consistent with the previous Country Assistance Strategy’s (CAS's) objectives related to capacity building, increasing sources of growth, and poverty alleviation.

**Development Objectives**

The objective of this Learning and Innovation Loan (LIL) was to test out and develop, on a pilot basis, the means for more fully integrating the conservation and management of Ethiopia’s cultural heritage into local and national economic development. The project aimed to develop approaches to the conservation of cultural heritage assets through site planning and conservation of archaeological and historic buildings and sites, and to establish a computerized cultural heritage inventory. Project activities were to contribute to the revitalization of economic activity by improving the skill base and providing marketing opportunities for small crafts-based enterprises, and by capitalizing on tourism potential of cultural sites and industries.

**Design**

The decision to process the project as a LIL was based on the strong learning objectives, the pilot nature of individual components for which technical, financial, and social solutions were tested, and the experimentation with different partnership arrangements with NGOs, local, regional, and central administrations, communities, and groups of artisans and craftsmen. The opportunity for learning different methods of institutional cooperation was cited as the core objective of this LIL. The Quality Assurance at Entry (QAE) viewed the LIL as the appropriate instrument for experimentation.

1.1 Context at Appraisal (brief summary of country and sector backgrounds, rationale for Bank assistance):

**Country**

The project was prepared in a post-Communist context during which much of Ethiopia’s archaeological and built heritage and craft skills had been neglected and eroded. Opportunities for private entrepreneurship were few, craft production had not adapted to new market demands, and the Communist legacy had weakened the tourism service industry. Government’s overriding development objectives were to attain fast economic growth with macroeconomic stability. From the early 1990s, Ethiopia benefited from a growing global market for cultural tourism which until
the conflict saw an annual increase of economic growth in Ethiopia of around 7 percent per annum. Therefore investing in heritage was seen to meet the dual needs of heritage conservation and tourism development.

Sector

The cultural heritage sector faced the challenges of mobilizing adequate capacity and working cooperatively with other sectors such as tourism and infrastructure. The institutional mandate for management and protection of cultural heritage rests with the Authority for Research and Conservation of Cultural Heritage (ARCCH) and the regional cultural bureaus. ARCCH has oversight of the country’s World Heritage Sites (including Axum, Gondar, and Harar) and finances some site conservation activities. Tourism was under a separate Tourism Commission. The regional cultural and tourism bureaus operate under the mandate of regional administrations. Other important stakeholders are the Ethiopian Orthodox Church and the Supreme Islamic Council, both of which maintain much of the living heritage of the country as well as the built heritage of churches, mosques, shrines and other religious structures and collections of manuscripts and other ecclesiastical objects.

Rationale

As this project was a LIL, it was exempted from providing a separate rationale in the PAD. The PAD assumes that the rationale is implicit in the learning objectives of this LIL.

1.2 Original Project Development Objectives (PDO) and Key Indicators (as approved)

The Project Development Objective was to test the effectiveness of approaches for managing Ethiopia’s cultural assets through partnerships in pilot sites.

The outcome/impact indicators were defined to be:

1) Good practice for cultural heritage conservation activities are identified and lay the groundwork for future investment and support;
2) Regional and local governments gain perspectives on how cultural heritage conservation can generate benefits;
3) Partners (i.e., the private sector, NGOs, regional governments) take a more active role in cultural heritage conservation; and
4) Improved basis for innovation and development of crafts and artisanal design.

Eleven specific output indicators, each linked to component activities were defined in the annex of the PAD (see ICR Annex 10). These indicators appear to be well thought out and could have served as an excellent monitoring tool if incorporated systematically in supervision reports from the beginning. They also represent the best indication of the project activities and outputs as envisaged at project design.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

The PDO was not revised, and no formal changes were made to the Key Project Indicators (KPIs).
1.4 Main Beneficiaries
(original and revised, briefly describe the "primary target group" identified in the PAD and as captured in the PDO, as well as any other individuals and organizations expected to benefit from the project)

The main beneficiaries identified in the PAD are communities living close to cultural sites of Axum and Gondar; school children; craftspeople, artisans, traditional builders, and urban and regional planners. Other key stakeholders are: the Ethiopian Orthodox Church and its members; Islamic Council and its members; national heritage NGOs and cultural organizations; tourism private sector; and visitors to cultural sites.

The LIL delivered on its objective of developing new partnerships: GOE organizations such as regional bureaus of tourism and culture and universities became involved. Artisan associations and tourist guides were also beneficiaries. There was no formal revision of beneficiaries during the project cycle.

1.5 Original Components (as approved)

The project comprised four components: 1) Site planning and conservation; 2) Inventory and documentation development; 3) Support for the development of artisanal crafts; and 4) Support for project management. Central to the design of the project is the idea that these components are closely related, and should be carried out in a way which brings together the conservation of historic sites, support for handicrafts and living culture, and economic development through assistance to the tourism and small enterprise sectors. The site planning and handicraft components were the largest at US$2 million each, followed by the inventory and documentation component at US$1.3 million. Project management was estimated at US$0.4 million.

1.6 Revised Components

There were no changes in project components.

1.7 Other significant changes
(in design, scope and scale, implementation arrangements and schedule, and funding allocations)

Midway through project implementation, the Ministries of Culture and Tourism were merged into one Ministry. This is a significant and positive institutional development. While this merger cannot be attributed solely to this LIL, the experience of implementing this project was certainly a catalyst that cemented this decision. Its influence commenced during project preparation when the decision was made to pilot project implementation under the joint institutional leadership of culture (via ARCCH) and tourism (via the Tourism Commission). The experience of working together through the PCU, despite tensions between the two groups, served to establish some rules of engagement and cooperation. The proposed Bank financed Tourism project now under preparation is under the new combined Ministry and will benefit from the experience of this LIL. There were no official changes in funding allocations although some activities were dropped and others added during the project including some activities linked to the preparation of the proposed Tourism Project. These small changes were approved through the work plans.
2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry
(including whether lessons of earlier operations were taken into account, risks and their mitigations identified, and adequacy of participatory processes, as applicable)

Project preparation was thorough and was informed by a series of studies undertaken at project preparation showing that the team drew adequately on international expertise in each of the sub-areas of cultural management and used that to inform project design. The articulation of project objectives was both thoughtful and strategic. Project design however, did not seem to draw on Bank experience in similar projects.

Although using TA as the primary implementing partner is commonplace in Bank projects in the Africa region, the design did not adequately consider the sustainability impacts of doing so. Limited capacity in country made the use of TA almost a necessity. The project design, however, could have incorporated some specific procedures to better plan and systematize the functional relationships between local agencies (such as the PCU, Regional Bureaus, Municipalities, University) and the TA teams. This would have contributed to more systematic and sustained skills transfer to the appropriate bodies.

QAE remarked that the preparation procedures of the project were very participatory and “the project team sought to listen and respond to a wide range of voices” (from head of government through central and regional level government agencies, donors, religious groups and NGOs, to affected community groups).

Project design identified ways to integrate poverty concerns into cultural heritage work and acknowledged the importance of local communities and their livelihood and socio-cultural concerns. QAE highlighted that the mooted Social Assessment was an important and well planned activity. Nevertheless, achieving community involvement proved ambitious in the context of Ethiopia where government-civil society relations are often strained.

An important aim of the LIL was to test institutional mechanisms to manage aspects of culture that were under different jurisdictions. A decision was made to place the PCU under the Ministry of Tourism rather than Culture although two of the three main components were the responsibility of Culture. The rationale for this was that tourism had relatively more experience with project management and agreed to provide a dedicated staffed office. Coordination and cooperation between Culture and Tourism which were both represented within the PCU, and between the regions and Federal agencies was recognized as a challenge. Hence a Steering Committee (SC) was put in place to mediate but proved ineffective to address this bottleneck as described below and in section 2.2.

Two risks were rated as high: 1) Tourism potential is developed and provides a market for craft products; and 2) Mechanisms for collaboration and cooperation between implementing agencies are clear. In the first instance the mitigation measure was to diversify markets for craft production, and in the second the SC was to give priority to establishing these collaborative mechanisms. Project implementation shows that while craft markets have widened, the SC was not successful in mitigating risk, which contributed to delays in project decision making. The PAD also underlines the continuing challenges of development in the post-conflict period, especially the tourism industry which continues to be sensitive to regional conflict.
The PAD rated procurement risks as average which the QAE flagged as inappropriate given the PCU has no prior experience with Bank funded projects and that the unit would coordinate several executing agencies. They suggested a risk level of high, which in hindsight, would have been appropriate.

2.2 Implementation

(including any project changes/restructuring, mid-term review, Project at Risk status, and actions taken, as applicable)

**Borrower Issues**

The implementation schedule experienced severe delays. Because the project unit took 1 year from effectiveness to set up (for the PCU to become functional) and a further one year 8 months to contract the TAs (time taken to draft and approve Terms of Reference, shortlist firms, analyze bids, contract negotiations, mobilize consultants) who were the main implementing partners there was little impact on the ground until almost three years from project effectiveness. Nevertheless the PCU implemented most of the planned activities and initiated additional activities.

The delay **shortened implementation time**, thereby reducing what project implementation could have achieved, as the TAs had less time to deliver their outputs and a number of crucial final activities were left unfinished or were completed without the technical support of the TA (e.g., museum displays, signage at sites, setting up of inventory and documentation centres). These activities are a small sub-set of the total activities, but they are critical to the overall impact (e.g., the Gondar site was refurbished very well but there are is no signage and the quality of the signs that were to be displayed following project closure were not to standard), thereby compromising the central objective which is to improve visitor experience. Similarly the impact of the new Archaeology Museum could have been significantly strengthened if it had benefitted from international expertise on the visual and written displays.

The **Steering Committee (SC)** that had been put in place to address the continued tensions between the two main implementing agencies of Tourism and Culture was not effective, in part because the other agencies in the SC, aside from Culture and Tourism, did not take an active role, and the pull of decentralization reduced the influence of national level organizations. The SC did not meet regularly, and the PCU did not provide the SC with regular updates nor encourage it to serve as a conflict resolution ground. There was clear scope for stronger intervention and action in this area, by the PCU, the Bank team and Bank Management. Instead, supervision reports until and including the MTR state that the SC is functioning well. The MTR urged a stronger role for the SC to look at details of project management and budgeting that would normally be done by PCU. Later during implementation, an Executive SC was established; the aim was to have a few members who could meet more often and take quick decisions. While this did improve the processing time for decision making, it was not able to fully address the tensions as the Executive SC comprised only representatives of Culture and Tourism.

A few activities were changed during implementation. The original project orientation involved **planning and development of approaches for sites, with minimal physical outputs**; this was a cautious approach appropriate to the political environment. As project activities evolved, more emphasis was placed on implementing new visions of heritage management and working through new partnerships. The new works included a new museum in Axum, civil works and site conservation at the Gondar site, establishment of inventory center in Harar and visitor handbooks for Axum and Gondar. A few activities were dropped (e.g., new combined museum for archaeology and religious artifacts in Axum) and replaced by others (e.g., the Axum archaeological museum). These are positive developments as they demonstrate the PCU and
Bank team’s willingness to recognize roadblocks and make the most of opportunity. This was a positive outcome which should have been reflected in revised KPIs (see 2.3). It also reflected shifts in Government orientation, responses to expert advice from the TA consultancies, and demonstrates the flexibility of the LIL as a learning instrument to test different management approaches.

Bank Issues

Due to the timing of the MTR very soon after the TAs commenced, it was not effective as a restructuring tool. No formal restructuring took place during the MTR but it did raise the issue of giving more project ownership to regional level and establishing regional stakeholder committees. These committees are playing an important coordinating role for the various stakeholders in the fields of cultural heritage and tourism and are expected to continue post-project.

Project life was justifiably extended for a total of one year and three months as it was in the middle of delivering concrete outputs (a final extension request was not approved). By actual project closure, it had achieved most of its activities and delivered more than was originally anticipated in some areas (see section 3.2).

The Bank team did not always follow appropriate procedures with regard to changes in activities (mentioned above) and new development (e.g., identification of involuntary resettlement). Further, these changes were not systematically reflected in project reports and monitoring tools such as tables.

Procurement, disbursement, implementation progress, and safeguard issues merited unsatisfactory ratings at various periods, for example during the three first years when the project activities experienced low levels of disbursement and activities lagged. Yet the ISRs continued to be marked Satisfactory both for Development Objective and Implementation Progress until 2007, aside from one risk flag for disbursement in June 2005. Beginning in 2007, ratings and Aide Memoirs appear to have been more candid and analytical. While delays were recorded in supervision reports, and some issues mentioned in the Management letters, no other formal actions appear to have been taken by Bank Management. This is partly because the Task Team did not adequately highlight the gaps in the overall achievements of the project, to warrant extra Management attention or supervision budget.

Procurement delays affected big contracts like the TAs as well as purchase of small equipment. Procurement support in the Bank team was not consistent (frequent changes in team members) and there were cases where contradictory advice resulted in the PCU having to make unnecessary compromises. The PCU also lacked procurement capacity but did make an effort to look for alternative arrangements by opting to use the Government procurement agency when they could not recruit a specialist. This arrangement unfortunately proved inappropriate for procuring specialized goods needed in this project, which often had narrow technical specifications, and were needed in small quantities.

Directly linked to procurement delays was the delay in disbursements. Again, no part of the loan was cancelled but the project did channel some funds into financing new unplanned activities, including the recruitment of the procurement staff to assist the preparation of the new Tourism project.
The Resettlement Safeguard should have had a flag to highlight the issue of the relocation of the printing press as detailed in section 2.4. This may have pushed to resolve the situation sooner.

Implementation would have also benefitted from more attention by the Bank to **technical aspects of the project**. Cultural heritage expertise was not represented in the Bank supervision task team with the exception of one mission and an end-of-project review. There appears to have been an overreliance on the TAs who understandably focused on their sub-set of activities. This reduced the extent to which the project impacts were able to influence sector wide changes and build channels across the three components and across the three focus regions. For example, the PAD recognizes school children as the second most important target group and highlights a comprehensive vision for community involvement in cultural management. Project objectives fell short here, and outreach was sporadic and limited to isolated events (such as staging of historic scenes at the site and a visit of schools to the stellae in Axum). **Neither the PCU nor the Bank team did enough to promote these larger outcomes** which required activities such as publication of materials for schools and establishment of long-term outreach programs to be designed and coordinated outside the scope of the individual consultancies and sub-component activities.

### 2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

The implementation and utilization of M&E was weak despite quite strong foundations laid at project preparation. The CPPR review of 2006 for Ethiopia identified “weak monitoring and evaluation and results framework” as a portfolio wide issue but this did not boost project performance in this regard. Appointment of the first M&E officer took place late in project implementation and the position was left empty for lengthy periods. Borrower monitoring reports were not consistent as per the agreement.

As mentioned in section 1.3, during project supervision, the Task Team made changes in indicators that point to confusion about the difference between outcome/impact indicators, output indicators, and intermediate outcomes. At the fifth ISR, the original four **outcome/impact indicators** (listed in section 1.2) were changed to numerical ones, at the behest of sector management, as below.

1. Number of plans developed and implemented on a pilot basis for site conservation, management and visitor interpretation in Axum and Gondar;
2. Number of conservation action plans formulated by regional governments in Amhara and Tigray regions;
3. Number of partners (i.e., the private sector, NGOs) involved in cultural heritage conservation; and
4. Model artisanal craft centers for innovation and development of crafts and artisanal design established in Axum, Harar and Addis Ababa.

These new numerical indicators (Annex 10) are not suitable for the project and flawed for several reasons. Indicator 1 is meaningless as it focuses on the “number of plans”: project design envisaged two plans, one for Axum and one for Gondar. The important issues, inter alia, are whether appropriate partners were involved in the plan, and the innovative consideration given to local community use of the space (e.g., at Gondar circulation and access to the site changed, the site now houses a public documentation center for researchers, a restored building is ready to be used as a restaurant). The indicator for inventory and documentation was eliminated, thereby ignoring an entire project component. Thus the revised indicators neither meaningfully capture...
the outputs of the project, nor do they adequately reflect the strong learning aspect of this LIL. Further, considering the strong qualitative nature of outputs and outcomes in this project, the indicators even if framed in quantitative terms, should have been weighted and benchmarked against relevant qualitative outputs.

Further, all end of project output indicators (listed in section 1.2 above) were transformed into intermediate project outcomes (at the ninth ISR).

Project implementation and impact would have benefited by improving on the M&E tools it used to track implementation progress. A start was made in 2005 in preparing a table to trace all activities (completed, ongoing, and planned) and their progress in supervision reports. The tables were reviewed during video or audio conferences with the whole task team in the later years of the project supervision. However, the activities in the tables were not linked to the outcome or output indicators, and each table is not consistent with the previous one. For instance, for some activities a percentage assessment of work completed is given, in others not. The failing of these tables is that they do not adequately portray some of the creative achievements of this LIL such as the partnering of the Regional Bureaus with the University which underlie its future sustainability. Too much adherence to numerical outputs and a tendency to see activities independently at the cost of cross-cutting outputs and outcomes (e.g., impact on children as target beneficiary group) has resulted in missing out opportunities as well as some significant unexpected outcomes and learning.

While poor M&E may not have had significant impacts on overall project outputs and outcomes, it is significant in two ways. First, better M&E would have identified the gap in cross-cutting outcomes across project components that were missed. Had this been recognized cross-cutting activities (e.g., inclusion of school visits during site restorations) could have been organized. Second, it would have contributed to better informed data on which to build the new projects (such as the proposed Tourism Project), and helped identify new groups of beneficiaries.

2.4 Safeguard and Fiduciary Compliance
(focusing on issues and their resolution, as applicable)
Rating: Marginally Unsatisfactory

Safeguards:
The procedures used for addressing safeguards were not always consistent with the Bank’s requirement, resulting in poor reporting and some misinformation.

Project preparation rated the project as a C and did not trigger any safeguards, which was incorrect. The project team was proactive in triggering involuntary resettlement during the first supervision mission when it was discovered that a printing press had to be relocated out of the palace complex in Gondar, and some houses needed to be relocated from the proposed craft center in Axum. At that point the project rating should have been revised to B. Despite this early identification, these resettlement issues were not satisfactorily addressed (see below).

The PCU and Bank team are to be credited with the efforts made to raise the awareness of local authorities that incompatible activities, such as the printing press, should not be permitted to operate within a cultural site. The relocation of the press appears to have been viewed by the Bank and PCU as a responsibility of the Gondar Municipality and the project team’s role appears to have been limited to discussion with the authorities to get their agreement. This has had a positive impact in that the Municipality of Gondar has taken on the responsibility and entire
financing of the relocation of the press. At the time of project closure the press still remained in the palace complex, although an MOU had been signed, a relocation site agreed and identified, and preparations for relocation had been finalized. Thus strictly speaking, the World Bank OP 4.12 on Involuntary Resettlement has not been adequately implemented, as the press should have been relocated prior to commencement of civil works. Currently, civil works are completed and the press still remains to be physically moved. This is a clear breach of OP 4.12.

However, this is a LIIL and the outcome of the Municipality understanding the rationale behind the suggested relocation and financing it entirely, has a greater long term impact that contributes more to the development objectives than a scenario where the PCU had financed such relocation on time, and the Municipality’s involvement had been negligible.

The ten households situated at the craft center in Axum were moved by local authorities without consultation with the Bank or PCU, and without a resettlement plan. Upon advice of the World Bank Africa Safeguards Unit, a resettlement audit was done, and the package was improved to meet World Bank standards. Further monitoring assured that the families had benefitted and that no one was worse off. In view of these circumstances, the Bank team was mistaken to mark the safeguards as consistently satisfactory and not to raise any flags.

The PAD did not trigger the Cultural Property safeguard (OPN 11.03) due to the misguided rationale that project activities aimed to improve cultural sites, and hence would not have negative impacts. Also, initial project design did not envisage much civil works or implementation of the site plans. This rationale was inappropriate as project activities clearly had the potential for significant impact on cultural properties, both archaeological and historic. Nevertheless, project outcomes delivered well on the spirit of OPN 11.03, building technical capacities and raising awareness of potential impact on cultural assets. The project trained staff from all regions to conduct impact assessments, with practical field experience: three sessions of one month each examining environmental impacts on archaeological sites were delivered and a manual was prepared. The Inventory and Documentation also trained national staff on aspects of safeguarding cultural assets.

**OP 4.01 on Environment Assessment should have been triggered during supervision, with the introduction of civil works into the implementation activities.** The construction of the Axum Museum did not have a formal Environment Management Plan. However, supervision of all the civil works in the project did ensure that basic issues of noise, dust, and damage to nearby cultural monuments were adequately addressed. When the site for the new Archaeology Museum in Axum was found to contain an archaeological site, practical training on rescue archaeology was piloted at the site and financed by the PCU. The area was excavated and is exhibited creatively within the Museum as a display of rescue excavation.

While Bank procedures on handling safeguards were consistently ignored, the rating of MU rather than U is in recognition of the ultimate outcomes that did meet the spirit of the Bank safeguards and delivered on their ultimate objectives.

Fiduciary Compliance:
The PCU was equipped with a good financial management manual that described the necessary control measures for project implementation. All regions involved used this manual except for the Gondar site which used the government’s own control procedures and manuals. While overall fiduciary compliance was satisfactory, the financial management systems were weak. The PCU lacked a dedicated accountant and cashier, it did not have systematic and well functioning petty cash systems, monthly bank reconciliations, and a primary register for the fund. No
budgetary control system was used by the PCU: the actual expenditures were not compared with the budget and variances were not analyzed.

At the regional level, the project team faced a high turnover of finance staff. It also had to work with staff that lacked technical knowledge and experience in the sector, which is a problem throughout the country. In most of the regions, the account recording was not complete and delays in getting the financial reports and SOEs from the regions were a challenge.

The PCU did not submit Financial Monitoring Reports (FMRs) within 45 days of each quarter, nor did it formally submit them the Bank from July 2006 onwards. The informally submitted FMRs during the various supervision missions lacked ending cash balance, variance analysis, accompanying procurement reports, and progress reports of project activities. These deficiencies were repeatedly pointed out in the Aide Memoires of the supervision missions as they represent non-compliance with the Development Credit Agreement (DCA).

The audit reports of the PCU were submitted in a timely manner throughout project implementation. The management letters issued by the auditors indicated some internal control weaknesses, especially on the verification of fixed assets. While external audits were done, links with the project’s internal audit department were not made, and hence the team did not benefit from this support.

2.5 Post-completion Operation/Next Phase
(including transition arrangement to post-completion operation of investments financed by present operation, Operation & Maintenance arrangements, sustaining reforms and institutional capacity, and next phase/follow-up operation, if applicable)

The institutional focus of the LIL has delivered significant learning and increased partnering on management of cultural heritage. Project activities successfully demonstrated the advantages of managing cultural sites as both archaeological/historical and economic assets, and in the case of Gondar and Harar, as arenas for local communities (craftspeople, students, general public) to enjoy and economically benefit from them (e.g., use research center, sell their crafts etc.). It provided a structure that pushed culture and tourism to work together. During project implementation, GOE implemented a decision to merge Culture and Tourism under one Ministry. While tensions between these units existed until project end, and continue, the experience of implementing this LIL has ensured that the GOE and key stakeholders recognize the advantages of a more holistic approach to cultural management, and future planned activities in this sector involve both sub-sectors (e.g., the Tourism project in preparation). Promotion of crafts is typically seen as the domain of Tourism. Activities in components 1 and 3 demonstrated the mutual benefit of using cultural sites (Rimbaud House in Harar, Fasil Gibbe in Gondar, restored craft center in Addis) as economic spaces to promote entrepreneurs who were trained by Tourism).

The experience of implementing the project has contributed to increased coordination and clarity of roles between Federal technical units like ARCCH and the regional administration in the management of cultural sites, inventory recording, and craft promotion. By using the TA consultants to serve as a bridge between these two groups, the PCU provided the regional bureaus with much needed technical guidance, but from a source that they saw as non-threatening and allowed them to retain some management and decision making authority. As a result, the regional bureaus are more open about their need for technical assistance (in all three sub-sectors of site management, inventory and craft skills training), be it from the Federal agencies or private sector. Federal agencies in turn are more willing to accept that their comparative advantage is at a
technical level, and administrative decisions should be left to the regions. This clarity in institutional roles signals a significant advance as it allows the economic and social potential within the sector to be better exploited.

The cultural heritage project has served to demonstrate capacity and build confidence in the area of cultural heritage management as valuable economic assets. The new Tourism and Culture Ministry is building on the success of the project outcomes through its investment in a new Tourism Project, financed through the World Bank. The new Tourism Project is building on lessons and outputs of the CHP, directly in Axum (e.g., signage in stellae field) and indirectly in Lalibela (application of Gondar approach). Other donors like the USAID Sustainable Tourism Alliance have also come forward to invest in this sector and are building on tested aspects of this LIL. The ongoing interest of ICCROM, WMF, and UNESCO in cultural management in Ethiopia is a further positive sign. Significant developments are the decision in Axum to finance a large study and plan for tourism in the area and the assignment of 30 million birr for tourism in Lalibela. These decisions have been made at regional level, thereby ensuring that they will be followed through to implementation.

Project capacity building activities have contributed significantly to increased capacity in various aspects of cultural management through development of tools and training of personnel in inventory and documentation, rescue archaeology, cultural site management, craft entrepreneurship, and improved marketing of Ethiopian crafts. It demonstrated the value of investing in technical training, and groups such as ARCCH are increasingly sending younger staff for formal training in heritage management (two were sent to Ireland). The approach also showed craft entrepreneurs the value of being creative and responding to markets and has left a clear mark in terms of improved designs and new products in the Ethiopian marketplace. Being a LIL it was limited in the numbers it could train, and high turnover of staff in Government organizations compromised some of the long term impact.

Further, project implementation has left behind structures that will use this newly created capacity to better manage the resources. For example, there is now a permanent site manager in the Gondar palace complex, who was an active participant in the site plan development and implementation of Gondar. He demonstrated ownership of the project activities and had clearly benefitted from working with the TA to better understand the various aspects of site management (from visitor circulation to craft sales around the site to aspects of signage and conservation of civil works). Guides trained in Axum and Gondar contribute strongly to the enhanced visitor experience as do the restored heritage structure, the walking trails, signage and improved circulation in the sites. The Axum Museum however, needs a qualified museum director to ensure that this investment is properly maintained and its concept implemented.

The inventory activities have achieved their objectives at the Federal level, with ARCCH being the primary beneficiary. Ethiopia now has a tested computerized inventory and documentation system, which has been piloted in three regions and is linked to a central data system in Addis. However, the Inventory and Documentation Centers that have been equipped and set up in the regions have some way to go before they can function as intended (equipment lying in boxes or being used by other departments). Although the technical ability of trained personnel exists, management of the centers is sorely lacking. Problems of delegation of authority and control of equipment are hampering their functioning. This risks this capacity migrating into other jobs and the momentum being lost. However, unless ARCCH pushes the regions to fully set up and man the centers, and take a pro-active role in using them to their potential, there will be no new inventory collection, and the training and equipment will fall to disuse.
Besides receiving training in new designs and market trends, many of the craftspeople have been connected by the project implementing agencies beyond their local market through private sector entrepreneurs and trade fairs. Project design was far sighted to ensure they were also linked to regional tourism bureaus (through creation of new craft display and selling areas in the local towns) which will continue with some training and promotion of skills. Connecting the regional tourism bureaus to each other has opened up opportunities whereby craftspeople from one region (e.g., Harar) are informed of and encouraged to participate in exhibitions held in another region (e.g., Axum). Exposure to international trade fairs was useful to introduce them to international markets but response and follow up orders were lower than expected and hence for many artisans it is unlikely that they will have continued links into the international market (attendance at four trade fairs was sponsored by project funds). The Ministry should consider continuing this. However, almost all the trained craftspeople have access to wider markets now either through continued demand for goods from the private sector entrepreneurs/middle men they were linked to during project implementation, new venues to sell goods (four new craft centers financed under the project), or increased sales due to new designs they learnt that respond to modern tastes.

Maintenance of renovated structures is now the responsibility of regions, which is consistent with decentralization aims. Project experience demonstrates the need for the regions to increase their budgets to keep newly renovated structures in good condition, and to recognize and request technical support when needed (from Federal institutions like ARCC, from regional University departments they are now linked to, or to purchase it from the private sector). While there is no concrete information on budgets, Axum (funding of a regional tourism business plan) and Lalibela (30 million birr) have both received substantial money and support from their region to promote tourism. The positive experience and deliverables of CHP have been a definite catalyst (e.g., Lalibela is using the same consultant to draft a new plan for management of core church sites in Gondar).

Important partnerships have been established between the regional bureaus and the university departments of Archaeology and Tourism in Axum and Gondar, respectively. This gives access to much needed technical expertise for the regional bureaus. At the same time, students from the universities contribute ideas, time, and expertise towards the better management of the assets in their town. These MOUs between the university departments and regional bureaus of culture and tourism are enriching both sides by developing a cadre of younger professionals.

The city of Harar, Ethiopian’s newest World Heritage Site, demonstrated weak capacity to fully participate and benefit from this LIL. However, CHP activities in Harar helped the region recognize these weaknesses and realize its potential. In 2006, during project implementation, Harar was named a World Heritage Site. This has resulted in more national and international attention to the site (French university planning activity in 2009).
3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation
(to current country and global priorities, and Bank assistance strategy)

At Appraisal the project’s objectives and design were broadly in line with the previous CAS objectives related to capacity building, increasing sources of growth, and poverty alleviation. Project design envisaged integrating cultural site and asset management with local development priorities and showcasing them as economic assets. This was to be achieved by providing resources to build national, regional, and local capacity for site planning and conservation, and to pilot such initiatives.

In regard to relevance at the country level, Government's more general strategy of developing mechanisms for identifying and mitigating the potential negative impacts of development activities on cultural sites and assets was to be strengthened by defining core standards for inventory and documentation, and guidelines for managing sites (primarily urban sites under considerable development pressure). Project activities included the development of capacity for rescue archaeology which was strongly needed as investments in civil works (roads, urban expansion etc.) became a priority in GOE’s development agenda.

The three central cultural heritage issues in Ethiopia defined at Appraisal were addressed through the design of the project. The large Technical Assistance input was instrumental in achieving results:

- To more fully integrate a cultural dimension into Ethiopia's economic and social development program and to incorporate this approach into local development efforts;
- To build the capacity to prevent the loss of cultural heritage assets through conservation planning, protection and mitigation, and the development of better information about the extent, location and condition of these assets; and
- To coordinate institutional efforts for cultural heritage management amongst multiple stakeholders: between central, regional and zonal authorities; within communities; between tourism and cultural interests; and with other institutions, namely the Supreme Islamic Council and the Orthodox Church.

At a time when handicrafts were in decline, project design aimed to promote the preservation and revival of artisanal traditions, thereby reestablishing craft making as a vital part of community and national economic life. The crafts component was directly linked to improving opportunities and livelihoods of some of the most disadvantaged groups of craftsmen and re-kindling respect and pride in Ethiopian craft by demonstrating its economic potential. The project was designed to provide learning for artisans and craftsmen, through design guidance, business training, improved technical skills, and market links to local, tourist, regional, and export markets.

The project’s design and implementation reflect current international standards and practice of heritage conservation and benefitted from international expertise in the form of TA.
3.2 Achievement of Project Development Objectives

(including brief discussion of causal linkages between outputs and outcomes, with details on outputs in Annex 2)

This LIL, in a sector new to the Bank in Ethiopia, has marginally satisfactorily delivered its PDO which was to test the effectiveness of approaches for managing Ethiopia’s cultural assets through partnerships in pilot sites.

The MS rating is justified on the following grounds. When measured against the original indicators, the project activities have delivered results which have contributed towards the intended objectives. However, project implementation was fraught with procurement and other delays, particularly in the first three years. This meant that the TA was contracted only for two years to complete the planned four year activities. Several end activities were left incomplete or were poorly done, thereby compromising the overall impact. Nevertheless, there has been significant learning and the institutional and management systems piloted for all three components have proven successful and sustainable.

Component 1 on site management delivered on this objective, as for the first time in Ethiopia site management plans have been prepared and implemented at the World Heritage Sites of Axum and Gondar, providing experience and models for the country’s other heritage sites. The plans are noteworthy as they are well integrated into the larger urban planning framework (e.g., traffic circulation was taken into account, the entrance for Gondar site was changed, and a full-time trained site manager was appointed). The approach developed at Axum and Gondar demonstrates how cultural assets contribute to local and national economic and social development. The Gondar site has become a civic amenity and public space for local residents and tourists alike (information center, heritage restaurant); both Axum and Gondar have visitor facilities that will bring income (museum café) and employment. Site plan implementation and sustainability is assured through the development and formalization (through MOU) of technical support from the University Departments of Archaeology and Tourism in these towns.

Component 2 on inventory and documentation has delivered a new computerized inventory system which lays the foundation for the systematic management of cultural heritage and has been piloted and capacity built in four sites. The attempt to partner the regional bureaus with the central data management in ARCCH, while still encountering start up problems, is a significant step in setting up a much needed national system.

Component 3 on artisanal development piloted two new approaches. The first gave responsibility for craft development to local cultural and tourism bureaus and linked them to each other. This resulted in the opening up of national markets within the country as craftspeople from one pilot site participated in exhibitions and fairs held in the other pilot sites. The new craft designs were boosted with sales in Addis Ababa and internationally by linking craftspeople to private sector middlemen, links that in several cases have continued beyond project completion. Mutual benefit from cooperation between components is seen in the new craft display centers in managed cultural sites which stimulate sales for artisans. Artisans gained confidence and exposure to innovation, and introduced new products, tried color schemes and forms attractive to tourist taste, and attempted to reach new markets. There is evidence of increased income and artisans selling beyond their original (local) market.

Component 4 on project management: The central institutional focus of this LIL has delivered long-term results. Culture and tourism agencies have begun to work more cooperatively and
these agencies are now under one ministry. The regional bureaus (especially in Gondar) have adopted a holistic approach to site management, realizing that it is the total visitor experience (from signage to condition of the artifacts to the refreshment facilities) that must be the provided. The links formed with the local universities (Gondar and Axum) will ensure that there is access to technical expertise and support after the project funded TA has ended. The LIL has clarified links between Federal and regional offices and provided a space for leading institutions such as ARCCCH, Tourism, and the Orthodox Church to realize the mutual benefits of cooperation around cultural assets. New partnerships were developed with UNESCO, World Monuments Fund, University Departments, and private businesses. It is critical that the Federal authorities and regions ensure adequate maintenance funds.

With reference to the original PDO outcome indicators (which remain relevant), the following specific achievements can be cited:\(^1\)

- Good practice for cultural heritage conservation activities were identified and the groundwork for future investment and support was laid.

Gondar, a World Heritage site, became the first in Ethiopia to appoint a full time site manager and to institute a pro-active site management regime which responds to a long-term site plan.

First archaeological site museum in Ethiopia designed and established, with first steps toward museum displays (Axum).

Computerized inventory of cultural places to manage and understand heritage designed and initiated.

Information brochures prepared for visitors to Gondar and Axum.

- Regional and local governments gained perspectives on how cultural heritage conservation can generate benefits.

Physical works within the cultural site (pathways, landscaping, benches) have created a much needed urban amenity and green space for residents of Gondar and visitors.

Training of guides, site personnel, inventory staff, handicraft producers, and PCU staff increased skill levels and awareness of value of cultural assets.

Recognition of development potential of cultural sites and industries by national and local governments, including the State Ministries of Culture and Tourism (seen in willingness of Municipality to finance relocation of printing press out of cultural site).

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\(^1\) The original KPIs are used here as they remain relevant and more reflective of actual outputs. The KPI changes introduced were not substantive; however, using those would miss out much of the achievements.
• Partners (i.e., the private sector, NGOs, regional governments) are taking a more active role in cultural heritage conservation.

Multi-stakeholder committees (MSC) established at the project sites after the Mid-Term Review and gradually became more active.

New partnerships between tourism and archaeology departments of universities of Axum and Gondar and regional cultural bureaus focused on training of tourist industry and heritage workers.

Participation of international organizations at the three sites, including UNESCO and ICCROM and bilaterals such as NORAD in project activities.

• Improved basis for innovation and development of crafts and artisanal design.

Training provided new impetus in handicraft design and more efficient production.

Increased understanding of markets and marketing resulted from training.

New working relationships between artisans and private sector entrepreneurs are leading to expansion of market opportunities.

Linking bureaus of culture in different regions, and giving them responsibility for craft promotion provides opportunities for artisans to be informed of and benefit from fairs and other venues across the country.

Among the most important project outcomes are:

• Improved information and access to sites through publications and signage highlight the importance of cultural assets to local residents and visitors;

• Site management plans help define boundaries and buffer zones, promote conservation of the sites, and enhance visitor experience;

• The benefits of Culture and Tourism working together both at national and regional level are demonstrated; and

• New designs and markets demonstrate the economic viability of Ethiopian crafts.

The anticipated outcome, that the Ethiopian Tourism Commission and ARCCH establish a good working relationship which recognizes and builds on their common objectives of managing cultural heritage and capitalizes on the strengths of each, was partially achieved. The second anticipated outcome that the artisan communities (crafts people) are organized to build on their skills and social capital, and so reduce economic and social vulnerability, also did deliver some results.

A significant number of project activities were incomplete or deficient at the time of the ICR mission following project closure. These include visitor signage, distribution of brochures, operation of the inventory centers, and craft centers. Most were lacking only final actions, and it
was expected that they would be completed within a month. Community outreach was weaker than anticipated, despite considerable Bank team effort due mainly to the difficult country setting and the lack of specific detail in the design of these activities which made it easier for them to slip out of the tangible deliverables. In hindsight the limited success of community based activities was a missed opportunity, but required a broader CAS level awareness and emphasis to make this possible.

3.3 Efficiency
(Net Present Value/Economic Rate of Return, cost effectiveness, e.g., unit rate norms, least cost, and comparisons; and Financial Rate of Return)

As a social development project, the Cultural Heritage Project was not required to calculate NPV or ERR. Physical works (most of which were not planned in the original design) that improve access and circulation at Gondar have substantial positive impact as do the stone walls at Axum. The PAD argued that because of the pilot nature of the project, only notional and qualitative economic analyses were to be undertaken a priori. It also asserted that cost effectiveness was carefully considered during project design but evidence is lacking.

Project outcomes were expected to generate a range of benefits associated with: experience gained with various institutional partnership arrangements for cultural heritage conservation; improved planning and site interpretation to accommodate conservation needs and tourism interests; growth and poverty reduction through better access to markets for craft producers; conservation of heritage at risk; community involvement in site conservation and management; and improved institutional capacity for cultural asset management. As discussed in the preceding sections these benefits were largely achieved.

As stated in the preceding section, not all project funds were used, due mainly to delays in decision making at PCU level and difficulties in procurement. Overall, however, the project shows good value for money in view of its strong institutional, sectoral, and training impacts. There has been significant learning that has contributed to establishing better cultural heritage management systems. These systems, along with the new institutional partnerships and improved human capacity will ensure that new initiatives in this sector are founded on a stronger base.

3.4 Justification of Overall Outcome Rating
(combining relevance, achievement of PDOs, and efficiency)

On balance, and taking into account that it is a Learning and Innovation Loan, the overall outcome rating is moderately satisfactory.

Project outputs and outcomes were highly relevant to heritage protection and management as well as to developing new sources of economic growth. The previous section concluded that the PDO was largely achieved and can be rated as Moderately Satisfactory. To summarize earlier analysis, for the first time the site planning and management was introduced for cultural sites in Ethiopia that heretofore had been neglected. It also invigorated the handicraft sector and initiated a comprehensive inventory of historic places.

Efficiency however, was moderately unsatisfactory. As noted in previous sections, delays (on the side of the Bank and PCU) in procurement, staffing, and decision making had negative impacts
on project disbursement and delivery of outputs. During the later years of the project, however, the pace of implementation quickened. The Social Assessment was carried out too late in the project cycle to guide adjustments in project activities or to monitor social or economic impact.

3.5 Overarching Themes, Other Outcomes and Impacts
(if any, where not previously covered or to amplify discussion above)

(a) Poverty Impacts, Gender Aspects, and Social Development

Overall, project design and implementation proved to be weak on the delivery of community involvement. Operating in a country environment that was not encouraging to civil society involvement, a factor beyond the control of the PCU, it would have been helpful to have stronger expertise in community outreach within the PCU and to have identified clear deliverables in this area for the TA.

Poverty impacts are traceable for some groups. Artisans and guides reported greater earnings after receiving project financed training. Workers gained skills and were employed in restoration works, landscaping, and site maintenance. Training for artisans was offered on practical topics such as the use of equipment, design, business management, and assessing buyer markets to different buyer groups. Indirect economic impacts for the surrounding communities are beginning to be noticeable, as more visitors come to the rehabilitated sites and stay longer. Unfortunately plans to carry out work in Axum in the historic residential areas adjacent to the World Heritage Site were not achieved.

Project design ensured that both men and women artisans would be targeted, keeping in mind the barriers for women. Approximately 40% of participants in handicraft and inventory training were women. This is less evident in the training of guides which is a largely a male occupation. The PCU did not record further details on any specific impacts on women beneficiaries. An important outcome was the handicap access created at some of the cultural sites and Axum museum.

The PAD laid a strong framework and TOR for a social analysis which was to be carried out within the first six months of implementation. The TOR for this study was evaluated as Highly Satisfactory and the study was seen as crucial in the QAE report, both for M&E and improved impacts on local communities (other than tourists). However, it was undertaken only well into implementation in February 2006. It is unfortunate that the findings were not used in project monitoring nor did they inform project implementation and targeting.

(b) Institutional Change/Strengthening
(particularly with reference to impacts on longer-term capacity and institutional development)

Project design concentrated on testing and piloting for the whole length of the project. It prioritized testing institutional arrangements for the management of the range of cultural assets. This focus assured that the project activities have contributed sustainable outcomes in the areas of institutional partnerships and the division of responsibilities between Federal agencies, technical institutes, communities and local government. Improved clarity in this area is a crucial pillar to setting up a sound base for the growth of this sector. Among the achievements are:

- Greater clarity of roles between Federal (technical) and Regional (administrative) agencies in sub-sectors of cultural asset management;
o Recognition of the need for technical assistance by Regional cultural bureaus and links established with universities, private consultants and Federal bodies (ARCCH) to provide this assistance;

o Increased cooperation and mutual respect at Federal level between Culture and Tourism were merged into one Ministry during project implementation;

o Role defined for private sector in area of technical expertise (site management, museum display, inventory system development) and craft marketing (middle men and entrepreneurs) which is seen as supportive to GOE objectives; and

o Significant skills enhancement in all three sub-sectors of cultural heritage.

(c) Other Unintended Outcomes and Impacts (positive or negative)

There were a number of positive unintended outcomes, both physical works and learning. These include carrying out of civil works such as reorientation of the principal entrance to the Gondar site to reduce traffic congestion and increase pedestrian safety, building and landscape conservation and refurbishment at Gondar, design and building of a new Axum museum, landscaping and pathways in sites, building of stonewalls to protect sites), inventory and documentation center in Harar, and change in the venue of the new Addis craft center. This new location in the convention center, though not in as aesthetically significant a structure, gives it more access to potential buyers as it is on the road to the museums in Addis Ababa, and also benefits from the large convention groups that visit the campus.

Project implementation exposed government staff first hand to the experience of applying safeguard procedures at Gondar to re-site the printing press and of carrying out an archaeological survey in advance of the Axum museum building. The building of the museum in Axum resulted in an unexpected discovery of new archaeological finds.

The diffusion of experience with trade shows to cooperatives and the private sector as a result of international exposure organized by the PCU was a further unexpected outcome.

Training activities covered a wide range of professions, pointing to the variety of skills needed for successful heritage conservation and tourism. This included training of surveyors, site maintenance staff, guides, and restaurant and hotel owners. The training included consideration of the value of cultural assets and site management principles.

Importantly, the experience of implementing the project contributed to “creating more openness in the broad business system” of Ethiopia (see ISR of 11/28/2007, Country Director’s comments). He notes that tourism is an area that can play an important role as it has to meet high international standards and is constantly exposed to innovations from the outside. Greater openness to external innovations and influences can make a major contribution to the development of a country such as Ethiopia.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops
(optional for Core ICR, required for ILI, details in annexes)

Since this is a Core ICR, no workshop was held. However, the PCU did hold a final stakeholder workshop where it discussed the Borrower ICR. The main points are summarized in Annex 6.
4. Assessment of Risk to Development Outcome
Rating: Moderate

Project design aimed at piloting arrangements for the management of culture in Ethiopia. It created new working relationships between national and regional agencies and educational institutions, brought in the private sector, and demonstrated the potential of community involvement. The institutional experience gained from project implementation, namely bringing Culture and Tourism together in one ministry, is the basis for the proposed Tourism project. However, there is a risk that emphasis on growth of the tourism sector could overwhelm prudent use and conservation of heritage assets.

The capacity building objectives of the project were largely achieved, although movement of staff in the public sector can reduce the long-term impact on capacity.

Financial flows to the sector are not predictable, and where they exist they are small with occasional injections of larger sums. Donor agencies and organizations such as UNESCO and World Monument Fund continue to carry out activities, but at a small scale. Although tourism is among the priorities for GOE, investment in cultural heritage is not viewed as a direct poverty alleviation investment.

The social development outcomes are dependant on the future economic and political stability in the region. As a result of project impacts in the sites of Gondar, Axum and to a lesser degree Harar and Addis Ababa, these sites are in a better position to compete for visitors.

Risks and their mitigation measures were adequately defined at preparation. The PAD gave an overall risk rating of modest, singling out two significant risks: working in a post-conflict period and its influence on tourism returns; and the challenge of coordinating between the multiple institutions involved. Only the second of these risks had a significant impact on project results, particularly the national/regional interface, and in the end, it was largely mitigated by demonstrating the benefits of collaboration. The PAD also cited the possible difficulty of recruiting international experts in face of perceived country risk and the financial implications of high bids, but this was not a major issue. As noted above, the procurement risk was underplayed in the PAD, becoming one of the principle stumbling blocks for disbursement of project funds.

5. Assessment of Bank and Borrower Performance
(relating to design, implementation and outcome issues)

5.1 Bank Performance
(a) Bank Performance in Ensuring Quality at Entry
(i.e., performance through lending phase)
Rating: Satisfactory

The project preparation team was subject to a QAG at entry at which time the Quality at Entry Assessment Panel (QAE) Report judged project preparation to be satisfactory overall, with some highly satisfactory elements: “the project appears to be appropriate to a country with a rich cultural heritage; it is responsive to the client’s needs and requests; partnerships with credible technical institutions are a strong feature; efforts to link cultural preservation with job creation and income generation for poor people are commendable.” The Task Team mobilized high
quality technical inputs and resources and produced insightful background documents. During the QAE panel discussions, task team members showed a good understanding of institutional and political minefields – in country and in the Bank. Quality at entry was highly satisfactory with a set of indicators tailored to the project activities (see 2.1). The overall rating is S rather than HS to reflect the late start-up of activities following project effectiveness. This is largely attributed to delays in decision due to non-cooperation of Tourism and Culture and lack of pressure from the Bank team, rather than being directly related to any flaw in project design.

(b) Quality of Supervision
(including of fiduciary and safeguards policies)
Rating: Moderately unsatisfactory

A number of implementation issues arose during implementation, and actions to resolve them were not always successful or timely (see 2.2). The staffing of the Bank Task Team was problematic. The Task Team leadership was moved to the field at a critical time in the life of the project (2004-2006, and after the first supervision mission), and a TTL who was neither a sector specialist nor experienced in operations was appointed (and not adequately mentored). Moreover, the team lacked technical expertise on cultural heritage during implementation, although the QAE at entry signaled the need for this. The project paid a price for these staffing decisions.

During the time the project was managed from the field when little project activity took place the Bank team can be faulted for not being adequately proactive. Moreover it relied almost entirely on the project financed TA for technical matters and quality control. Supervision, as reflected in the Aide Memoires, focused on procurement and issues related to the PCU, and less on technical supervision. The light supervision in the first two years and a high turnover of TTLs (five during the life of the project), was not conducive to ensuring progress in project implementation. The ISRs were marked as S three years into implementation although the disbursement was very low and few activities had started. Coming from government service, the TTL seems to have been reluctant to give less than satisfactory ratings to the project. With the Portfolio System Flags marked satisfactory throughout (with one exception of disbursement in 2007), management was not sufficiently alert to delays in the project start-up. Even in the later stages of implementation, issues raised in the AMs were not always followed up or resolved in the next AM. Later supervision (from 2006) was more intensive with monthly VCs and evidence of pro-active actions and flexibility in activities to get results (new activities undertaken, location of craft center changed, inclusion of Harar in inventory component etc.). The Tables on completed and pending activities presented in the supervision reports did not produce a clear view of the status of agreed outcomes and lacked consistency.

The Bank safeguard policies on resettlement, cultural heritage, and environmental assessment were implemented in spirit although there were procedural issues (see 2.4). While overall fiduciary compliance was satisfactory, the financial management systems were weak.

Bank procurement features as a systemic problem and was identified as a portfolio wide systemic issue that adversely affected implementation progress and results (the Country Portfolio Performance Review of 2006 identified procurement delays as a key issue). Weak procurement support both in the Bank and PCU, and lack of flexibility for bidding and payment under National Competitive Procedures had a negative impact on disbursements. The conservation of the Banquet Hall at Gondar could not be financed by project funds due to contradictory advice given by Bank procurement staff.
(c) Justification of Rating for Overall Bank Performance
Rating: Moderately Unsatisfactory

Project preparation was thorough and took advantage of heritage expertise. Implementation was not well done. Initial implementation support was weakened by an inexperienced Bank Task Team without strong technical knowledge and Bank management that did not provide needed oversight. In the later stage of the project implementation, weak procurement support and inadequate focus on the outcomes and cross-cutting objectives compromised achievements to some extent. The Bank mistakenly handled this LIL as a small investment project although the intent of a LIL is different due to its learning emphasis. Hence a rating of MU is appropriate.

5.2 Borrower Performance

Check here if the Government and the Implementation Agency is the same or indistinguishable

(a) Government Performance
Rating: Moderately Satisfactory

The Government performance was colored by the tension between cultural heritage and tourism interests and between national and regional agencies. During identification and preparation the Government showed high commitment to project preparation and was fully involved in project design. Government is to be commended for their investment in TA, which performed well. Limited management capacity in the participating ministries, exacerbated by difficult coordination issues between national and regional government, ongoing decentralization program, and high turnover of staff, compromised efficiency and some achievements.

(b) Implementing Agency or Agencies Performance
Rating: Moderately Unsatisfactory

The PCU was headed by an experienced and respected former government staff member. The efficiency and effectiveness of the project, however, were reduced as a result of: delays in filling key posts, insufficient qualifications of staff, weak procurement capacity in the PCU, inconsistent follow up by Assistant Project Coordinators, delays in appointing TA, and uneven reporting (M&E). The quality, continuity, and discipline of regional counterpart staff were a particular challenge for the TA experts, who at times did not have the support that they required. Lack of regular site supervision by the PCU, especially close oversight of the Inventory component after the departure of the TA, did not encourage the completion of activities, for example the setting up and functioning of the inventory centers, and distribution of the publications. ICR site visits revealed the current care of equipment and vehicles especially on inventory is poor and that the regional Inventory Centers were not yet operational. Other activities were left incomplete, due in part to lack of follow up by the PCU and shortened TA input.

The SC, as noted above, was ineffective in its role as a conflict mediator despite the substantial effort of the PCU. The multi-stakeholder committees that were set up midway through project implementation were considerably more active.

The PCU was not able to recruit a skilled procurement officer from the private sector, as the Ministry did not authorize salaries aligned with the private sector; a first procurement specialist resigned. As an alternative the PCU chose to use the Government procurement agency which
proved efficient for large contracts but inadequate for the procuring of specialized goods with very narrow technical specifications that were essential to the completion of project activities.

(c) Justification of Rating for Overall Borrower Performance
Rating: Moderately Satisfactory

The GOE was highly committed to project objectives during the identification and design stage and made efforts to link the culture and tourism agencies to local government. Implementation was more difficult with delays in filling posts and taking decisions and inadequate monitoring of regional inventory centers and site works. While the PCU is recognized as making efforts to be flexible, they were limited by high turnover of staff in the regions and bottlenecks in decision making. Despite these limitations innovation and capacity building happened, in large part due to the good quality of TA and the real demand from the regions. The good delivery of the TA justifies the overall Borrower MS rating

6. Lessons Learned
(both project-specific and of wide general application)

The learning expectations defined in the PAD have been generally met. The main lessons drawn from this project are:

1. Investment in physical works. To have the desired impact and serve as a sustainable model, financing of cultural site management plans should include priority physical works identified in the plan. The approach in Gondar versus Axum shows that this is essential if there is to be a visible impact on improved visitor experience and if the site is to serve as a space used by locals and contributing to local economy. Lags between development plan and financing plan result in dilution of impact, create borrower fatigue, and seriously compromise the ability of the investment to inject that feeling of ownership, pride, and economic growth that is evident in Gondar.

2. Site management plan framework. Site management plans that take into account the needs and limitations of the urban surroundings, (e.g., change of entrance to minimize traffic disruption, retaining two public spaces in site to assure continued visit by local residents to site) as in Gondar, are an important urban planning tool to safeguard heritage assets and maximize the site’s amenities for local residents and visitors, while minimizing negative disturbances to local residents.

3. Mixed use. Venues developed for cultural commercial activities (e.g., traditional restaurants, spaced for craft development and sales) should be located at key cultural sites. Experience in Harar and Gondar compared to Addis Ababa shows that tourists are unlikely to go to a venue just for craft purchase from one outlet. Bringing together commercial activities and cultural sites also increases turnover for investment and the frequenting of the cultural site by local residents.

4. Handicraft marketing. Exposure to international markets is necessary but demanding in investment and time and currently has limited potential to reach a large number of crafts people. However, exposure to national markets (i.e., beyond the local region), coupled with expansion of products suited to modern taste has had positive and sustainable impacts on incomes of
crafts people. Linking regional tourism bureaus in different regions and delegating authority to authorize fairs has helped to expand markets within the country for handicraft producers.

5. **Capacity building.** The regional bureaus of culture and tourism and city administration need significant access to technical support in cultural management. Involving local university departments of archaeology and tourism and financing of TA (which should ideally be hired by and responsible to the region and not PCU as in CHP) are successful and acceptable ways of providing such assistance that is not seen by the region as an imposition of Federal power. In Axum and Gondar students from the University directly worked on implementing some project activities (e.g., archaeology students from the local University participated in the rescue excavation when cultural artifacts were discovered while building Axum museum). This also results in a greater knowledge transfer to implementers who make the detailed decisions.

6. **Involvement of civil society.** In view of the restrictive policy environment in regard to civil society, activities involving participation of communities/civil society should be modest and realistic. These activities should be clearly identified and implementation steps planned in detail at the preparation stage. Local NGOs have limited capacity, especially in this sector, and their positions are insecure and subject to GOE changing policy. Attention at the CAS level to community engagement is necessary to create a space for civil society to operate.

7. **Marketing channels.** Improving incomes for poorer artisans is not possible without the involvement of business support. At this time, Ethiopia does not have communication systems that would allow small artisans to tap directly into markets beyond the local one. CHP used two effective channels: the first was established Addis Ababa middlemen (who opened up the Addis Ababa and international market for artisans in Harar, Axum and Gondar) and second, the cultural and tourism bureaus that focused on providing exposure to artisans in regions other than their own or Addis Ababa.

8. **Regional commitment.** When national inventory and information systems are developed, such as the computerized inventory database, there should be a formalized commitment to deliverables from the regions. Otherwise, as is the current case, there is a risk that the equipment will be used for other purposes and the staff deployed elsewhere, thereby making the whole system dysfunctional.

9. **Tourism planning.** The impact of culture on tourism goes beyond physical restoration of historical structures to include several elements: physical and intellectual access to the sites (e.g., pathways, explanatory signage, guidebooks); the presence of trained staff; and the provision of visitor services such as hygienic catering, restrooms, and rest areas. This experience demonstrates that unless sites are well presented, authentic, and provided with visitor services, their attractiveness and competitiveness as destinations is unlikely to increase.

10. **Decentralized responsibility.** Federal agencies should primarily focus on developing policy and providing technical expertise to the Regional Bureaus of culture and focusing on cross cutting issues across the sector. **Administration of cultural assets should be the responsibility of the Regional Bureaus** who need to have adequate access to technical expertise (through local Universities, Federal agencies and private consultants).

11. **Procurement.** Procurement for this sector has different demands and national procurement agencies and Bank guidance lacks the flexibility to take into account specific demands. Procurement is often very specialized, suppliers are limited and quantities may be
small. This should be incorporated by adapting procurement thresholds and methods in the preparation of such projects.

12. **Bank Staff Mix.** It is recommended that the Bank use a cultural resource specialist as a core task team member so that it can maximize the sectoral impacts and engage with any TA at a technical level.

13. **Steering Committee.** Expectations for the mediating role of the SC were high and possibly unrealistic: it was given primary responsibility for providing overall guidance to the PCU. It is recommended that a Steering Committee has a good mix of government, private and civil society and that there is the option of replacing inactive members. This will mitigate against bottlenecks resulting from non-cooperation or inactivity.

14. **Crosscutting Outcomes.** Focusing on the outputs, especially in a situation where most project implementation is by TA, risks that crosscutting outcomes get forgotten. It is necessary that monitoring systems and tables specify separately outcomes and linked activities that cut across components. This is largely the responsibility of the Bank team and PCU rather than regions.

15. **Safeguards.** Bank safeguard procedures need to be followed when introducing new activities to avoid negative impacts. In CHP, some procedures were flawed (e.g., civil works were introduced without any formal approval), resulting in works such as a new museum going ahead without a formal Environment Assessment.

16. **LIL flexibility and expectations.** The flexibility of the design of this LIL allowed the introduction of new activities that contributed significantly to project outcomes and Government commitment to the sector. However, in such cases, the Bank team needs to adhere to the required procedures to avoid situations where Bank procedures (e.g., safeguards) are not fully compliant. The Bank should be careful to assess LILs as they are intended – as a means to foster learning and innovation – and not as small investment projects. This understanding needs to be translated into appropriate supervision budgets and flexible procurement arrangements.

Some specific lessons for new projects in related sectors are presented in Annex 12.

### 7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

#### (a) Borrower/implementing agencies

Generally, the implementing agency agreed on the issues raised in this document. The project implementation would have been much better provided some unforeseen problems had not been encountered. The followings are some of the problems the PCU encountered:

- The PCU was understaffed. It had only seven core staff throughout the project period: one Project Coordinator, three APCs (one for each component), one accountant, one M&E expert, and one administrative assistant.
- The high staff turn-over within the PCU and in the project sites seriously affected the smooth implementation of the project. During its implementation period, the project office replaced the APC for site planning and conservation component, the M&E specialist, the project accountant, the procurement specialist, and the APC for artisanal craft development component. The replacement of the APC for site planning took almost
a year and the PCU was operating without the APC so that the Project Coordinator took on this role as well.

- The Bank changed five TTLs during the project period.
- The PCU worked with different implementation agencies in different geographical locations. These implementation agencies were not directly responsible to neither one ministry or to the PCU. Thus, it was difficult to manage the project activities in the absence of defined responsibility and accountability.
- Cooperation with implementing agencies and stakeholders was lacking.
- The highly bureaucratic and time consuming decision making process of the Bank, particularly in obtaining the Bank’s No Objection, has also its own negative impact in the timely implementation of the project activities.
- The total amount of fund allocated for the project was USD 5.7 million or about 45 million Birr of which 4.1 million SDR or about USD5 million (at the then currency conversion rate) was the Bank’s contribution and the remaining USD 700,000 was government's contribution. The amount of unused funds shown in the financial statement reflects gains from currency exchange rate.
- The project was designed to accomplish its tasks by employing International TAs for a period of four years. However due to various problems TAs ran for only two years. The rest of the activities were performed by the PCU staff and by recruiting local individual consultants. Thus, the PCU filled this gap and implemented the project activities.

(b) Cofinanciers
None

(c) Other partners and stakeholders
(e.g. NGOs/private sector/civil society)
None
### Annex 1. Project Costs and Financing

#### (a) Project Cost by Component (in USD Million equivalent)

<table>
<thead>
<tr>
<th>Components</th>
<th>Appraisal Estimate (USD millions)</th>
<th>Actual/Latest Estimate (USD millions)</th>
<th>Percentage of Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>SITE PLANNING AND CONSERVATION</td>
<td>1.73</td>
<td>1.48</td>
<td>85.55%</td>
</tr>
<tr>
<td>INVENTORY AND DOCUMENTATION DEVELOPMENT</td>
<td>1.07</td>
<td>0.48</td>
<td>44.86%</td>
</tr>
<tr>
<td>ARTISANAL CRAFT DEVELOPMENT</td>
<td>1.74</td>
<td>1.44</td>
<td>82.76%</td>
</tr>
<tr>
<td>PROJECT MANAGEMENT</td>
<td>0.40</td>
<td>0.54</td>
<td>135%</td>
</tr>
</tbody>
</table>

| Total Baseline Cost                       | 4.94                              |                                       |                         |
|                                          | Physical Contingencies            | 0.32                                 |                         |
|                                          | Price Contingencies               | 0.44                                 |                         |
| Total Project Costs                      | 5.70                              | 3.94                                 | 69%                     |
| Total Financing Required                 | 5.70                              | 3.94                                 | 69%                     |

Exchange rate at Appraisal was 1 Ethiopian Birr = US$0.12, US$1.00 = 8.44 Ethiopian Birr

Actual amounts do not correspond exactly to Appraisal estimates because the grant was in SDR and there has been substantial change in exchange rates between US$ and SDR

#### (b) Financing

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Type of Cofinancing</th>
<th>Appraisal Estimate (USD millions)</th>
<th>Actual/Latest Estimate (USD millions)</th>
<th>Percentage of Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td></td>
<td>0.70</td>
<td>0.16</td>
<td>22.85%</td>
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<tr>
<td>International Development Association (IDA)</td>
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<td>5.00</td>
<td>4.41</td>
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</table>
### Cumulative Expenditures by Component

<table>
<thead>
<tr>
<th>Category</th>
<th>Component</th>
<th>Works</th>
<th>Goods</th>
<th>Consultancy</th>
<th>Training</th>
<th>Operational</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Site Planning</td>
<td>IDA</td>
<td>1,587,420</td>
<td>1,029,192</td>
<td>10,533,334</td>
<td>568,356</td>
<td>298,877</td>
<td>14,017,180</td>
</tr>
<tr>
<td></td>
<td>GOV</td>
<td>229,201</td>
<td>217,024</td>
<td>0</td>
<td>439</td>
<td>33,524</td>
<td>480,188</td>
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<tr>
<td></td>
<td>Total IN ETB</td>
<td>1,816,621</td>
<td>1,246,215</td>
<td>10,533,334</td>
<td>568,795</td>
<td>332,401</td>
<td>14,497,367</td>
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<tr>
<td></td>
<td>In SDR</td>
<td>114,785</td>
<td>78,743</td>
<td>665,559</td>
<td>35,940</td>
<td>21,003</td>
<td>916,030</td>
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<tr>
<td>2 Inventory &amp; Documentation</td>
<td>IDA</td>
<td>0</td>
<td>1,553,410</td>
<td>2,172,736</td>
<td>733,301</td>
<td>58,050</td>
<td>4,517,496</td>
</tr>
<tr>
<td></td>
<td>GOV</td>
<td>0</td>
<td>192,946</td>
<td>0</td>
<td>3,908</td>
<td>6,450</td>
<td>203,305</td>
</tr>
<tr>
<td></td>
<td>Total IN ETB</td>
<td>0</td>
<td>1,746,356</td>
<td>2,172,736</td>
<td>737,209</td>
<td>64,500</td>
<td>4,720,801</td>
</tr>
<tr>
<td></td>
<td>In SDR</td>
<td>0</td>
<td>110,345</td>
<td>137,286</td>
<td>46,581</td>
<td>4,075</td>
<td>298,285</td>
</tr>
<tr>
<td>3 Artisanal Crafts</td>
<td>IDA</td>
<td>570,260</td>
<td>1,221,309</td>
<td>9,545,433</td>
<td>2,179,041</td>
<td>284,790</td>
<td>13,800,833</td>
</tr>
<tr>
<td></td>
<td>GOV</td>
<td>108,529</td>
<td>116,256</td>
<td>15,642</td>
<td>550</td>
<td>31,883</td>
<td>272,860</td>
</tr>
<tr>
<td></td>
<td>Total IN ETB</td>
<td>678,788</td>
<td>1,337,565</td>
<td>9,561,075</td>
<td>2,179,591</td>
<td>316,673</td>
<td>14,073,692</td>
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<tr>
<td></td>
<td>In SDR</td>
<td>42,390</td>
<td>84,515</td>
<td>604,126</td>
<td>137,720</td>
<td>20,009</td>
<td>889,260</td>
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<td>4 Project Management</td>
<td>IDA</td>
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<td>473,702</td>
<td>2,564,771</td>
<td>40,920</td>
<td>1,824,351</td>
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<td></td>
<td>Total IN ETB</td>
<td>0</td>
<td>545,369</td>
<td>2,568,946</td>
<td>40,920</td>
<td>2,164,319</td>
<td>5,319,554</td>
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<tr>
<td></td>
<td>In SDR</td>
<td>0</td>
<td>34,460</td>
<td>162,321</td>
<td>2,586</td>
<td>136,755</td>
<td>336,121</td>
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### Components total

<table>
<thead>
<tr>
<th>Category</th>
<th>IDA</th>
<th>Goods</th>
<th>Consultancy</th>
<th>Training</th>
<th>Operational</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,157,681</td>
<td>4,277,613</td>
<td>24,816,274</td>
<td>3,521,618</td>
<td>2,466,067</td>
<td>37,239,254</td>
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<tr>
<td></td>
<td>337,729</td>
<td>597,893</td>
<td>19,817</td>
<td>4,897</td>
<td>411,825</td>
<td>1,372,162</td>
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<tr>
<td></td>
<td>2,495,409</td>
<td>4,875,506</td>
<td>24,836,092</td>
<td>3,526,515</td>
<td>2,877,893</td>
<td>38,611,414</td>
</tr>
<tr>
<td></td>
<td>157,675</td>
<td>308,064</td>
<td>1,569,292</td>
<td>222,326</td>
<td>181,842</td>
<td>2,439,699</td>
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</tbody>
</table>

**Note:**

Applied exchange rate
1 SDR = ETB 15.8263
Annex 2. Outputs by Component

NB This table was created by the authors of the ICR, taking the first two columns from Annex 1 of the PAD and inserting information in column 3 from existing documents and observations during ICR field visits in December 2008.

<table>
<thead>
<tr>
<th>Output from each component</th>
<th>Output key performance indicators</th>
<th>Actual outputs achieved</th>
</tr>
</thead>
</table>
| Component 1 - Appropriate system has been tested and is in place for cost-effective development of site plan for Gondar and Axum. | a) Model conservation plan developed and site conservation activities launched in Gondar, and in Axum. First phase of site conservation activities is launched.  
   b) Visitor interpretation work completed.  
   c) Additional partners are involved in implementation of site conservation plans;  
   d) Community-based activities are incorporated into implementation plans.  
   e) Craft/cultural center integrated into site planning and implementation, where appropriate.  
   f) Axum museum planned and designed  
   g) 12 regional and national staff trained in museum curation | a) Model conservation plans developed for Axum and Gondar. In Gondar activities launched much beyond just the first phase. Axum first phase activities completed.  
   b) Excellent pamphlets and maps of both sites, local guides trained, landscaping done to high standard, signage poor quality due to premature termination of TA.  
   c) UNESCO nominates Harar as World Heritage site. Church interested to invest in a museum in Axum. Limited success on this indicator.  
   d) Gondar site identifies public use areas – restaurant, craft sales and display area, center for documentation and research all within site. Axum has some public plays and museum with center for documentation and research on stelae site. Local guides trained.  
   e) Gondar site has craft center within Fasil Ghebbe complex. In Axum traditional Ras Mangesha house restored as a craft center.  
   f) New archaeological museum designed and built in Axum (Church did not participate as planned).  
   g) Staff trained in museum curation |
<p>| Component 2 - Databases of cultural assets are developed in pilot regions and are functional and accessible to key stakeholders; | h) Methodology and pilot database of cultural heritage assets developed through integrated effort of national and regional institutions and communities. Includes priority setting process, critical assets and threats. | h) Standardised and computerized methodology for inventory of cultural heritage developed. |</p>
<table>
<thead>
<tr>
<th>Component 3 - Functioning craft advisory services are provided through two regional craft centers which are established in renovated architecturally significant structures, and integrated into local cultural heritage conservation efforts.</th>
<th>k) Functioning craft and cultural centers established in which artisans and producers design, develop, display, and sell local products, and test marketing approaches. Increased income of craftspeople.</th>
<th>k) New craft display and sale centers restored and set up in Addis, Axum, Gondar and Harar. At ICR all centers physically ready but artisans displaying only in Harar and Gondar. Artisans trained in new designs which were tested on market and recorded increase in income of the artisans.</th>
</tr>
</thead>
<tbody>
<tr>
<td>j) Plans in preparation for steps to conserve cultural heritages in specific areas.</td>
<td>l) mechanisms are in place to ensure sustainability and quality standards are developed and implemented through local and export marketing efforts</td>
<td>l) Cultural and tourism bureaus given responsibility to promote crafts. This has opened up markets in different regions through cooperation of the bureaus. However, no evidence of mechanisms for ensuring quality standards.</td>
</tr>
<tr>
<td>j) Guidelines are prepared outlining how threatened site mitigation plans should be prepared</td>
<td>m) evaluation system is in place which provides framework for decision-making at craft center level</td>
<td>m) Harar and Gondar craft center well organized and managed but no evidence of evaluation system.</td>
</tr>
<tr>
<td></td>
<td>n) increased site visitor satisfaction</td>
<td>n) evidence of this in all 4 sites as just having a pleasant structure to view crafts is an attraction. Plus new modern designs resulted in more purchases.</td>
</tr>
</tbody>
</table>
Annex 3. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

<table>
<thead>
<tr>
<th>Names</th>
<th>Title</th>
<th>Unit</th>
<th>Responsibility/ Specialty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lending</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supervision/ICR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tafesse Freminatos Abraham</td>
<td>Financial Management Specialist</td>
<td>AFTFM</td>
<td></td>
</tr>
<tr>
<td>Herbert Acquay</td>
<td>Program Coordinator</td>
<td>AFTEN</td>
<td></td>
</tr>
<tr>
<td>Ian Leslie Campbell</td>
<td>Consultant</td>
<td>AFTH3</td>
<td></td>
</tr>
<tr>
<td>Karen Moon</td>
<td>Consultant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jean J. Delion</td>
<td>Sr. Operations Officer</td>
<td>AFTCS</td>
<td></td>
</tr>
<tr>
<td>Roxanne Hakim</td>
<td>Sr. Anthropologist</td>
<td>AFTCS</td>
<td></td>
</tr>
<tr>
<td>June Taboroff</td>
<td>Sr. Cultural Resources Specialist (Consultant)</td>
<td>AFTCS</td>
<td></td>
</tr>
<tr>
<td>Joseph Ellong</td>
<td>Language Program Assistant</td>
<td>AFTCS</td>
<td></td>
</tr>
<tr>
<td>Selvi Isaac</td>
<td>Team Assistant</td>
<td>AFTCS</td>
<td></td>
</tr>
<tr>
<td>Azeb Fissha</td>
<td>Consultant</td>
<td>ARD</td>
<td></td>
</tr>
<tr>
<td>Samuel Haile Selassie</td>
<td>Senior Procurement Specialist</td>
<td>EAPCO</td>
<td></td>
</tr>
<tr>
<td>Richard Olowo</td>
<td>Senior Procurement Specialist</td>
<td>AFTPC</td>
<td></td>
</tr>
<tr>
<td>Mulat Negash Tegegn</td>
<td>Consultant</td>
<td>AFTFM</td>
<td></td>
</tr>
<tr>
<td>Biftu Wordofa</td>
<td>Program Assistant</td>
<td>AFCE3</td>
<td></td>
</tr>
<tr>
<td>Eshetu Yimer</td>
<td>Sr. Financial Management Specialist</td>
<td>AFTFM</td>
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</table>

(b) Staff Time and Cost

<table>
<thead>
<tr>
<th>Stage of Project Cycle</th>
<th>Staff Time and Cost (Bank Budget Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of staff weeks</td>
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<tr>
<td><strong>Lending</strong></td>
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</tr>
<tr>
<td>FY98</td>
<td>12.81</td>
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<tr>
<td>FY99</td>
<td>108.95</td>
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<tr>
<td>FY00</td>
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<tr>
<td>FY01</td>
<td>8</td>
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<tr>
<td>FY02</td>
<td>7</td>
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<td>FY03</td>
<td>5</td>
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<td><strong>Total:</strong></td>
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<tr>
<td><strong>Supervision/ICR</strong></td>
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<td>FY03</td>
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<td>FY04</td>
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<td>FY06</td>
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<td>FY07</td>
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<td>FY08</td>
<td>21</td>
</tr>
<tr>
<td>FY09</td>
<td>11</td>
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<tr>
<td><strong>Total:</strong></td>
<td>160</td>
</tr>
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</table>
Annex 4. Stakeholder Workshop Report and Results

THE ETHIOPIAN CULTURAL HERITAGE PROJECT
IMPLEMENTATION COMPLETION REPORT PRESENTATION WORKSHOP

The Workshop took place at the Ras Hotel in Addis on October 14, 2008, in the presence of their Excellencies, Ambassador Mohamoud Dirir, Minister of Culture and Tourism, H.E. Ato Mahamouda Ahmed Gaaiz and H.E. W/ro Tadelech Dalacho, the State Ministers of Culture and Tourism.

Other invited guests and representatives included:

<table>
<thead>
<tr>
<th>List of participants</th>
<th>Number in attendance</th>
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<tbody>
<tr>
<td>Ministry of Culture and Tourism</td>
<td>3</td>
</tr>
<tr>
<td>Ministry of Finance and Economy</td>
<td>1</td>
</tr>
<tr>
<td>Authority for Research and Conservation of Cultural Heritage</td>
<td>1</td>
</tr>
<tr>
<td>Ethiopian Information Center</td>
<td>1</td>
</tr>
<tr>
<td>Ethiopian Orthodox Church</td>
<td>1</td>
</tr>
<tr>
<td>Ethiopian Islamic Affairs Supreme Council</td>
<td>-</td>
</tr>
<tr>
<td>Consultants and staff who had served the Project</td>
<td>10</td>
</tr>
<tr>
<td>Regional Representatives</td>
<td>8</td>
</tr>
<tr>
<td>World Bank</td>
<td>1</td>
</tr>
<tr>
<td>UNESCO</td>
<td>1</td>
</tr>
<tr>
<td>Procurement Service Enterprise</td>
<td>2</td>
</tr>
<tr>
<td>Others, the press, tourism organizations and consulting firms</td>
<td>8</td>
</tr>
<tr>
<td>Addis Ababa University</td>
<td>1</td>
</tr>
<tr>
<td>Project Coordinating Unit</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
</tr>
</tbody>
</table>

The Workshop Program started with the opening keynote address of H.E. Ambassador Mohamoud Dirir, the Minister of Culture and Tourism. In his speech he had stated that on the agenda of the day while discussion is made on the various issues it will be better, that instead of blaming the past experiences of the project, to appreciate where positive contributions are made, understand why certain limitations occurred during the period of implementation and forward constructive comments or proposals. He further noted that the lessons learnt from this project are of paramount importance for proper implementation of the upcoming Ethiopian Sustainable Tourism Development Project.

The focus of discussion was on:

- Looking on the evaluation of the ICR that will help the future efforts of project planning and implementation at all levels of administration including enhancing the capacity of experts who are involved at federal and regional offices.
- The pilot exercise on the Cultural Heritages Project can be taken as a learning curve whereby one can draw lessons learnt from the institution involved with the support of the various stakeholders. He had again welcomed the participants and wished them a fruitful workshop.
After giving his keynote address to the participants, he invited the National Project Coordinator, Dr. Theodros Atlabachew to present the ICR. Using a power point presentation the Project Coordinator/presenter told the participants of the workshop that the ICR was prepared by an independent local consultant. He also added that the ICR was distributed to all concerned more than a month ago. In his presentation the highlights shown were the followings:

- Background and objectives of the projects
- Institutional arrangements
- Key performance indicators
- Implementation status as reported in the ICR
- Performances after the preparation of the ICR and conclusion

The copies of the report were distributed to the participants.

After the presentation and the coffee break time the chair was assumed by H.E. Mahamouda Ahmed Gaaz, the Minister of state of Culture and Tourism, since the Minister was not able to attend the whole session due to other urgent meeting.

During this session the chair person mentioned and highlighted that the project was a learning and innovation by its nature. The various ups and downs during the operation of the project and the experiences shared are the bases for lessons to be learnt. And hence, the participants are addressed by the chair, to focus on issues that can help the program to bring experiences and knowledge for future implementation of Culture and Tourism projects.

He also stated that since the workshop was attended by relevant authorities and stakeholders both at federal and regional levels there is a need to assess and evaluate the ICR properly. With this statement he asked the presenter to elaborate on major issues (problems) and on lessons learnt during the operation of the project to the audience.

The project coordinator has then elaborated on the problems encountered and on the lessons learnt as follows:

- This project was the first of its kind in Ethiopia to be financed by the World Bank. The project idea was initiated some ten years ago followed by the preparation and approval of the project document. However, due to various reasons, the project implementation started very late in July, 2002.
- The project was designed for implementation with the involvements of various stakeholders both at Federal and Regional levels in a newly established Federal State, where there was lack of professionals and skilled manpower. Coordination of the project, which involves multi-stakeholders interests, was not an easy task at the beginning.
- The project office spent much of its time and resources to train stakeholders and orient them to project objectives and implementation schedules. However, the high mobility of regional project representatives and some of key staffs had a negative impact in the smooth coordination and implementation of the project activities. The project coordinating unit (PCU) has also faced the same problems where a project accountant was recruited for the third time, the procurement specialist for the second time, the monitoring and evaluation specialist for the second time, assistant project coordinators of site planning and artisanal craft each for the second time.
- The nature of the project, which is a Learning and Innovation Loan (LIL), was not clearly understood by many of the stakeholders and there were high expectations.
In spite of the above instances a number of useful lessons were learnt. The followings are the major achievements and lessons learnt:

- The two sectors (tourism and culture) both at federal and regional levels used to perform their activities separately in their own islands. As a result there was no sufficient exchange of information and duplication of efforts was often observed. At present with the help of this project these sectors started to work in a coordinated and integrated manner.

- For the first time a common development platform was created, where people from the tourism, culture and private sectors were able to jointly plan and implement activities related to tourism and culture,

- A clear awareness was created amongst stakeholders that this project is serving as a show case for capacity building, employment generation and poverty alleviation in line with the country’s Millennium Development Goals,

- The project has created greater awareness, amongst concerned, about the role of tourism in realizing sustainable utilization of cultural assets. This is also believed to have an impact on the decisions of policy makers, since the Government of Ethiopia has recently acknowledged that tourism, if properly developed, will play an important role in the build up of the country’s economy and thereby the achievement of the Millennium Development Goals,

- The project has contributed its part to the government decision to develop tourism as one of the most important economic sectors, in which tourism development was included in the PASDEP,

- It complements the on going tourism project ideas “The Ethiopian Tourism Paradigm” and the up-coming World Bank financed project “The Ethiopian Sustainable Tourism Development Project” since the project activities are essential components of these new initiatives, which are planned to develop sustainable tourism and make the country as a model for tourism development in Africa.

- The tourism industry of Ethiopia is highly dependant on cultural heritages and that the present decision of the government to give due attention to the development of tourism is an important step. Hence, investing on this project is of paramount importance and great worth,

- The project coordination office was under-staffed, with a core staff of only seven people. However, they were capable of performing their duties and responsibilities independently without the usual supporting staff such as secretaries, copy typists, archive officers, etc. The good team spirit has also created a favorable working climate. Hence, this project has learnt that with proper remuneration, good management and strong team spirit satisfactory results can be registered with few people, and the realization of high sense of belongingness and responsibility amongst all employees.

- Throughout the project life the procurement of goods and services was an acute problem.

- Time is one of the most important factors in project management. Initially the project office used to procure goods and services though its own procurement specialist and then through a public business enterprise called Procurement Service Enterprise. However, in both ways it was impossible to procure goods and services on time as planned. Most suppliers of goods and services were also not honest and not efficient in their deliveries. The procurement problem is also well noted in all the World Bank meetings. Hence, one of the lessons learnt is to carefully prepare the procurement plans and systematize implementation modalities in order to effectively implement planned activities.

After this response from the presenter, then the chair opened the floor and asked the participants to make their opinions, suggestions and even questions on the delivered ICR.
Representatives from MOFED, the Harari regional state of Cultural and Tourism bureau Ato. Abdulnasir Edris, Dr. Hailu, a consultant from Addis Ababa University, Ato Abey from the World Bank, Ato Mulugeta Ali from the Amhara Regional State, and Ato kebede from Tigray Regional State and Ato Fasill Giorgis from A.A University, a consultant, have forwarded their views, opinions, suggestions and have asked various questions.

The main points they raised were:

- Delays during start-up and during the process of implementation can cause the country to suffer a lot, although the project achievement is considered as good. The capacity problem can be considered as learning for the next project which needs maximum effort, so that finical agencies can allocate funds, based on the performance of the project and hence, the ministry of Culture and Tourism has to look on the errors committed not to be repeated again.
- Policy makers have to play their part of leadership.
- During design stages, any new future project has to involve the regions in the plan that has to come from the lower part - to upper level, not again from top to bottom.
- More emphasis should be given to increase the involvement of regions in the implementation processes of any future project,
- The Steering Committee Members meetings were not regular and functional. There were no regular meetings during the last two years. This should be corrected and regular meetings be performed to conduct and monitor planning, budgeting and implementation, budget adjustments for urgent corrective measures use to problems occurring.
- The pilot sites of the project were limited to four regions only. It should have covered the rest of the Regions. The regional staffs should have been empowered to do the job, rather looking for directives from the upper level. Devolution of power is necessary.
- Local consultants should be encouraged to participate in project planning and implementation processes.
- The World Bank involvement in the implementation of the project was observed as bureaucratic, especially on procurement issues. There is a need to find ways in shortening the bureaucratic processes.
- Ato Abiy, the World Bank representation has asked if Dr. Theodros was given the opportunity to make the design of the new project. What changes he can make and recommendation he can give as an adviser? Twenty five percent of the project money was not utilized, was it intended as cost saving? And what can be done to improve the absorptive capacity in implementing the project?

On the above mentioned issues Dr. Theodros tried to address issues related to the questions and comments raised by participants. He further explained about the project agreement, the procurement guideline, and the institutional arrangement, performances of the project, the problems encountered and the implementation status. He also explained about the nature and objective of the project and about the accomplishment of the task as per the eleven key performance indicators stipulated in the project document.

After this, the Chairman has again opened the floor for another round of questions, suggestions or comments.

In this part of the discussion, Ato Fassil, a local consultant who has been working with the international consulting firm, mentioned that during his involvement he has learnt about the guidelines and the system of operation of the World Bank. He mentioned that the project objectives were mainly based of capacity building on a pilot basis. His
observation during this time includes that a great deal of knowledge was transferred to build the capacities of local counterparts. Because of the intangible nature of knowledge achievements registered in this area of activity can not be reported visibly. It is therefore, important to properly value the outcomes of the project in this regard. He further noted that cultural heritage is a complicated area of activity so also the people evolved in it. As to him in Ethiopian it is better to have learning through practice, especially on site planning and conservation, people who had been involved in the practice have learnt a lot through the knowledge transferred by international consultants. However, this can not be easily visualized and evaluated. Finally he concluded his comments with the following two proposals,

• The need for a better collaboration between different organizations and people and the need for a good will of all people as important factors for smooth implementation of any future project.

• Selecting partners, artists and creative people can not be easy using the procurement guideline, which is not clear to make evaluation in selecting such people. The Bank’s procurement guideline is found to be time consuming and its results mostly ineffective. Some innovation is necessary on the guideline in taking the Ethiopian situation which is in practice.

• Ato Gebrewold Ashengo, a local consultant on craft development, noted the adaptation made in meeting the international market, in the transformation of new ideas to Artisanal & crafts men and women, the training facilities and the introduction of some machinery had been useful in the development of technical skills.

• He also raised the coordination of Culture and Tourism, which was not in practice at the start of the project, as a positive step forward. He suggested the involvement of the Micro and Small Scale Enterprises for credit facility at the planning and design stage.

• Ato Mulugeta Ali, head of Culture and Tourism bureau of the Amhara Regional State mentioned that in the Inventory and Documentation component for preservation and promotion of Heritages part, there is a missing element and in his suggestion he stated that after the hand over of the Broad Band, website system the Ministry of Culture and Tourism and ARCCH has to do their part to coordinate the activities so that the system will be operational without interruption.

The chair person in response to some of the questions and suggestion raised has said that working in collaboration with many institutions is difficult and this can be considered as learning for the up-coming project.

He then asked the audience if there are any additional suggestions, recommendations especially on the procurement procedure of the World Bank and of that of the Ethiopian government.

• In response, representative of MEDAC, Dr. Tesfaye suggested that MOFED can make the necessary support to problems encountered between World Bank and of the project office.

• On this issue Ato Abiy from the World Bank, had also responded by stating that the Bank’s responsibly is to assure the money to be spent is for the purpose intended. The threshold for prior review is up to 30,000 USD. To overcome the problems of procurement he also said that one has to make a careful plan at the beginning, in making prioritization, organizing incumbent into lots and then the problems
encountered can be solved easily. This is the working procedure in place, and unless it is changed we all have to abide with it.

- Ato Fasil Giorgis suggested the idea of sub-contracting a procurement agent will solve the current procurement problem.

H.E. Ato Mahamouda Ahmed Gaaaz, the chair person, after making a summary on the issues, suggestions and opinions raised, has thanked the participants for their fruitful comments, suggestions and recommendations. He also assured the participants to consider all their constructive suggestions, comments and recommendations since they are helpful in future activities.

Finally, the Chairman thanked the Project Office and its stuff for the successful accomplishment of their tasks with all the problems they have encountered. He also reiterated that lessons learnt from this project will be taken seriously by the Ministry as they are useful for any future project management and implementation.

H.E. Ato Mohammuda Ahemed Geaz, the Minister of State of Culture and Tourism declared the workshop closed at 6.00 p.m.
Annex 5. Summary of Borrower's ICR and/or Comments on Draft ICR

Introduction

The Implementation Completion Report (ICR) on the Ethiopian Cultural Heritage Project was prepared and submitted to the Project Coordination Unit (PCU). The focus of the borrower’s ICR was on achievement of objectives and outcomes, and important lessons learnt from experiences gained during the implementation of the project. The core strategy of the project is to combine conservation of historical and archeological sites with economic development through supporting tourism and small scale business activities, as well as to create a learning platform for cooperation among multiple institutions and stakeholders in the implementation of cultural heritage conservation and tourism development projects.

Overall Objectives and Outcomes:

- To provide a learning platform, through piloting different means, for integrating the conservation and management of the country’s cultural heritage assets into the development of the local and national economy.
- The project would realize its overall objectives through the implementation of four components, (1) planning and conservation of archeological sites and historical buildings; (2) developing cultural heritage inventory and documentation system; (3) preserving and developing ancient artisanal crafts, and (4) project management.
- As a LIL project, it also created learning opportunities for fostering partnership arrangements between different stakeholders such as federal and regional government agencies, private sector, local communities and NGOs in the management and conservation of cultural heritage assets.

Achievement of Project Objectives

- The project enhanced the stature of the cultural heritage sector in the overall social and economic development paradigm of the country by including the sector in the socio-economic development agenda and through building the capacities of the federal and regional governments in conserving and managing cultural heritage sites for the promotion of tourism activities
- The contribution of the project in the development of information management system and rapid assessment capability is significant, as well. It has created a capacity in taking systematic inventory and documentation of important cultural items, including networking system for information sharing between the federal and local governments. The construction of a museum at Axum, contributed to the safe keeping of archeological objects while at the same time making them accessible to visitors. The Churches in Axum and Gondar have opened up their cultural treasures for inventory and documentation.
- The contribution of the craft development component to project objective has been satisfactory as the activities implemented have brought about attitudinal changes on beneficiary artisans. Skills in improved product design and production were created through technical skill development training programs offered to artisans engaged in weaving and embroidery, jewelry, wood and stone curving, pottery, parchment and traditional leather and basketry and bamboo works.
- The project has created learning opportunities for culture related project management and monitoring, as the local staff, both at the PCU, ARCCH and the counterpart culture and tourism departments have gained valuable experiences. Overall the project has laid down the necessary ground for achieving its core objectives.
Achievement of Project Outcomes
The realization of project outcomes has been assessed in terms of planned targets and unplanned achievements. Since it has not been possible to quantitatively compare realized outcomes against baseline data due to lack of such information, the ICR is restricted to qualitative assessments only.

It was found that the project has successfully met the desired planned outcomes.

Achievements of non-planned outcomes:
The following major outcomes not foreseen in the project design have been recorded:

- In addition to the improvements in the skill base for site conservation, important experiences in structural survey on historical buildings were gained in Gondar
- The creation of partnership arrangements with tertiary education institutions
- A new archeological site was discovered and excavated in Axum, also there was construction of shades for the stone inscriptions and fencing of the site
- A new archeological museum was built instead of an Ethiopian Orthodox Church
- The underground tombs at the stela field of Axum were conserved, consolidated and properly presented for visitors
- Some artisans have made encouraging efforts to expand their business in Harar
- Women craft operators benefited from the artisan development components.

Beneficiary Impact Assessment
Two societal groups have directly benefited from the project. The first group is associated with institutional beneficiaries, particularly ARCCH and local cultural and tourism departments at the pilot sites. The other primary beneficiaries are craft people who were supported by the project through training and development of market links. A total of 428 artisans, engaged in weaving & embroidery, jewelry, wood & stone curving, pottery, parchment & traditional leather and basketry activities were trained.

Lessons Learnt
- Experiences and knowledge in modern conservation and management of cultural heritages assets is one of the most important lessons gained from the project.
- As a LIL project, the project also offers a number of lessons in project management
- The project has enhanced synergy benefits arising from inter-institutional collaboration in project implementation
- The project has brought to the fore the issue of staff turnover in the implementation of LIL projects. High staff turnover not only affects the process of implementation but it also wastes what has been built.

Final Activities Completed between May to October 15, 2008 and continued by GOE
- Lighting System procured and installed in Axum and Gondar
- Interpretation panels for Axum and Gondar: Not completed due to suppliers’ trailering.
- Museum security systems procured and installed in Axum and Gondar
- Most of the conservation of the Bakafa Horse Stable in Gondar is completed.
- Agreement is reached that the roof lime concrete casting works will be completed by the local culture and tourism office.
- Restoration and refurbishing of Craft centers in Addis and Axum completed
- Procurement of weaving tool and equipment completed
- Small hotels and restaurant owners & employees and tourist guides in Axum, Gondar and Harar trained. A total number of 180 people were trained.
Publication of Leaf-let for Axum, book-lets for Axum and Gondar and archaeological excavation book are partially completed due to delay of delivery by publishers and the lack of finance in part of the PCU due to full recovery of the remaining fund by the Bank. Procurement of wood and stone carving tools not completed. This is due to the inability of the supplier to deliver the requested items.

Activities not included in the ICR

- Procurement of goods and equipment for the EOC’s Museum is being processed.
- An amount of USD 270,800 was allocated for the procurement of 20 computers, scanners, printers and audio visual equipment; Museum security system; Display cases; and standby electric generator. Almost all are procured except the generator, metallic cupboard and wooden cupboard due to Supplies’ inability to deliver.
- Construction of the Harar Handicraft Training Center. The Contractor’s offer exceeded the allocated budget. Hence, it was not completed.
- Procurement of consultants for the up-coming ESTDP (partial activity). The bid process completed, selection done by MoCT.
### Annex 6. List of Supporting Documents

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<td>Project Appraisal Document</td>
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<td>Development Credit Agreement</td>
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<td>World Bank Supervision Mission Report</td>
<td>June 18 to July 3, 2002</td>
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<td>World Bank Supervision Mission Report</td>
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<td>HYDEA, Site Planning and conservation Activities in Gondar and Axum: Final report.</td>
<td>October 2007</td>
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<td>HYDEA, Site Planning and Conservation Activities in Gondar and Axum: Final report.</td>
<td>July 2007</td>
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<td>HYDEA, Inventory and Documentation of Ethiopian Cultural Assets: Rapid Assessment &amp; Mitigation Measures.</td>
<td>December 2006</td>
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<tr>
<td>HYDEA, Inventory and Documentation of Ethiopian Cultural Assets: Design of the Information System.</td>
<td>July 2005</td>
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<tr>
<td>Finnet Consult, A Social Assessment of the Ethiopian Cultural Heritage in Four Selected Sites: Gondar, Axum, Harar and Addis Ababa.</td>
<td>February 2006</td>
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Annex 7: Output Indicators Defined in the PAD

1. Comprehensive site conservation and interpretation plans are completed for Axum and Gondar and first phase of site conservation and interpretation activities is launched taking into account municipal planning efforts.

2. Local community living within old Axum and in Gondar, municipal authorities, and the church in Axum and Gondar are involved in preparation of their respective site plans, have participated in meetings and decisions during plan development, and see themselves as beneficiaries of the proposed plan.

3. A plan for museum development, including site identification, architectural designs and a proposed budget, is completed for a museum in Axum; 12 national and regional staff are trained in museum curation.

4. The community in Gondar has clearly defined access to and use of structure/s within the Fasil Ghebbi complex, and perceives an increase in benefits (as individuals or as a community) as a result of their proximity to this World Heritage site. An information and documentation center is established in Gondar and linkages are developed with local schools curriculum.

5. Site interpretation work is completed in Gondar and Axum.

6. Core national standards and guidelines are established for inventory and documentation of cultural assets through an iterative process with key national, regional and local stakeholders.

7. Pilot inventories are completed in Tigray, Amhara and Oromiya regions, prepared jointly by ARCH and regional staff. Capacity at the national, regional, and local levels is increased to carry out inventories.

8. Guidelines are prepared outlining how threats to important cultural sites (from development activities) can be assessed and mitigated. Capacity is strengthened for site assessment and mitigation, on the basis of pilot activities in a region.

9. Three artisanal craft centers are established in Harar, Addis Ababa, and in Axum where artisans execute, display and sell craft products.

10. Income to craftspeople from the sale of crafts is increased by the development of local, national, and export markets. Capacity for business planning and marketing amongst craftspeople is increased.

11. Ethiopian craft products are marketed at four major international venues. Marketing and business plans are developed for each craft center.
Annex 8: Learning Expectations (per the PAD) and Results

This Annex details the learning expectations from the PAD as compared with actual results.

**Technical**
*Strengthened technical capacity at the national, regional, and local levels in the area of site conservation, planning, and interpretation; for museum curation; for inventory and documentation; and for artisanal crafts development. Practice in identifying and mitigating the potential negative impacts of development activities on cultural sites and assets.*

Site management deriving from detailed documentation and analysis, was introduced for the first time in (two) critical World Heritage sites in Ethiopia. This is a crucial development for the sector as these sites risk being removed from the list if they fail to implement an adequate management plan. An archaeological site museum was built in Axum which is a testing ground for museum display and object conservation (not yet in evidence). A computerized inventory was established and regional teams were trained. Environmental assessment procedures were utilized at Axum in verifying the location for the new museum.

**Institutional**
*New collaborations for cultural site and heritage management between Federal culture and tourism agencies, clarity of roles between Federal and Regional bureaus, partnerships with Universities, national and international NGOs, and focusing on communities as beneficiaries.*

At the project sites, municipal government worked alongside the TA to develop site management and multi-stakeholder committees were set up. UNESCO, Norad, and the World Monument Fund contributed to activities at Gondar, Axum, and Harar. Community outreach was sporadic at best, although some public and childrens’ programs took place. Partnerships with local university departments of archaeology and tourism in Axum and Gondar, respectively, provide a valuable resource on technical expertise for the Regional bureaus.

**Social**
*Involvement of communities in site planning and conservation, and greater integration of communities into the life of important historic sites. Preserving and reviving artisanal traditions to reestablish craft making as a vital part of community and national economic life. Artisans and craftsmen provided with design guidance, business training, improved technical skills, and market links to local, tourist, regional, and export markets.*

Community involvement at sites was less than expected. In Gondar the site was refurbished and has become an urban amenity. Artisans received training and exposure to new design and business practices. Crafts centers established to showcase their products. Linking artisans to national markets beyond their region through regular participation in regional fairs.
Annex 9: Lessons for New Bank Projects in Related Sectors

1. **Investment in physical works.** The proposed Tourism Project should ensure that investment in the core zone of the Lalibela site includes the comprehensive financing of several aspects including change of entrance, parking lot, signage, walkways, guide and manager training, re-use of traditional house for religious demonstrations and some building conservation. Failing this, the investments will deliver isolated outputs but risk achieving meaningful outcomes.

2. **Site management plan framework.** The proposed Tourism Project should utilize a site management plan framework to guide investments in historic sites in order to assure good conservation, appropriate infrastructure, and community benefits.

3. **Mixed use.** The proposed Tourism Project proposal in Lalibela is to remove all existing commercial activity such as art galleries and tourist shops. While there are reasons for this it is advisable that the core site is equipped with directional signs that point to the areas where quality handcrafts are sold. The Axum craft center restored and financed under CHP is not yet in operation. As a priority the proposed Tourism Project should ensure that it becomes active and is well advertised at all the main cultural sites in Axum. There is a risk that delay will result in the building deteriorating and put to alternative uses.

4. **Capacity building.** In the proposed Tourism Project support to training programs in Departments of Tourism in four local universities should ensure that the appropriate regional staff benefits and that the course has hands on, in situ training at the cultural sites.

5. **Involvement of civil society.** The proposed Tourism Project is strongly advised to clearly identify and detail any community involvement activities at preparation stage.

6. **Tourism planning.** In the proposed Tourism Project a holistic approach must be applied to the financing of the Lalibela core site. Investing in this will do far more for tourism than the current proposal to invest substantially in building access roads.

7. **Decentralized responsibility.** In the proposed Tourism Project activities in Axum and Lalibela should clearly view the city administration and local culture and tourism bureaus as the primary client and decision maker rather than the Federal Agency. It is imperative for the Bank team to discuss directly with them and not assume that discussions with the Federal Ministry will trickle down to the local level.

8. **Procurement.** The proposed Tourism Project should think through the procurement for Axum and Lalibela and factor it into the procurement thresholds and plans.

9. **Bank Staff Mix.** Because the proposed Tourism Project will be working at sites of high cultural heritage importance, the project should ensure appropriate cultural resource technical expertise to maximize their wider economic and community benefit and protect the assets. The Bank faces a reputational risk if actions are taken without proper expertise.

10. **Steering Committee.** The proposed Tourism Project needs to be cognizant of the inherent tension between (Culture) ARCCH and Tourism at the Federal level. It is advised that where possible direct discussion happens with the regions and city administration rather than expecting every agreement to be finalized at the Federal level.
11. **Crosscutting Outcomes.** The proposed Tourism Project needs to clearly identify specific outcomes and deliverables that cut across the components and link activities in Lalibela, Axum, matching grant etc. There must be regular technical supervision of these broader outcomes along with the component specific outcomes.