

**Cultural Heritage Preservation
and Management in the MENA Region**

Sector Review

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Social and Economic Development Group
Middle East and North Africa Region



Acknowledgement

This Regional Sector Study on Cultural Heritage Preservation and Management in the MENA region (1996-2000) has been prepared in consultation with government officials from Middle Eastern and North African countries and with the collaboration of MENA's CMUs and Sectoral Units. The study has been carried out and written by Michael M. Cernea. The overall sector review been coordinated by MNSD through its Social Team.

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CULTURAL HERITAGE PRESERVATION AND MANAGEMENT IN THE MENA REGION

SECTOR REVIEW AND STRATEGY PAPER

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CULTURAL HERITAGE PRESERVATION AND MANAGEMENT IN THE MENA REGION

Introduction

The Review's Objectives

"For real development to occur, it should be grounded in the culture of the people drawing strength from their history. The World Bank helps people preserve and pass on their cultural heritage."

(James D. Wolfensohn)

1. This sector review analyzes the policy and operational experiences accumulated by the World Bank's MENA region in the Cultural Heritage (CH) domain over the last five years (1996-2000).
2. The sector review has two broad objectives:
 - (a) to take stock of the region's overall lending and non-lending activities in this area and identify current and future needs, existing constraints, development potentials, risks and opportunities; and
 - (b) to map out the resulting *lessons of the region's experience* in support of providing future World Bank assistance for CH preservation and management in North African and Middle East countries.
3. **The Review Process.** This is the first region-wide analysis of operations supported by the World Bank in the cultural sectors of Middle Eastern and North African countries. The review's findings result from field visits and from the examination of project preparation, appraisal, and supervision processes, background studies, and economic, financial, and risk analyses for projects with CH components. Governments of several MENA countries were consulted on policy matters for this review. Consultations also took place with UNESCO, UNDP, and other international and national institutions and NGOs dealing with culture. Valuable recommendations for MENA's work, made by these organizations, are incorporated in this review. Inside the Bank, MENA's Country Management Units (CMUs) and Sectoral Units (SUs) have closely collaborated in preparing this review, coordinated by MNSD through the Social Unit.
4. **National and Universal Treasures.** MENA countries are blessed with an extraordinary cultural patrimony, secular and religious, of vital importance not only for each country but also for humankind at large. The region is home to 48 sites inscribed to

date on the World Heritage List, more than any other region except Europe. The Middle East is also the cradle of the world's three major monotheistic religions. This heritage is a cornerstone of many people's existence, nourishes their daily lives, and must flourish further. Yet it is under the threat of accelerated deterioration. Therefore, it needs increased support for sustainable preservation. Development assistance can not be oblivious to this cultural wealth.

5. **Huge Development Potential.** The presence of such rich cultural endowments in all the region's countries creates vast development opportunities. Leveraging the "compact" between cultural heritage-cultural tourism (CH/CT) and other sectors can become one of the building blocks for the region's overall growth-enhancing strategy. It can significantly contribute to addressing the severest problem confronting MENA region – its staggering levels of unemployment – by creating many new jobs and helping reduce poverty. It can also enhance education and broaden social development.

6. **Past Neglect.** MENA countries' governments call on the World Bank to assist in using these opportunities. In the past, narrow approaches have overlooked the importance of cultural dimensions in inducing development and have under-estimated the intrinsic economic value of the cultural sector itself. Despite several remarkable exceptions (e.g., the successful Hafsia rehabilitation project in Tunisia), the economic potentials of the cultural patrimony have been little explored under Bank-financed projects. Only rarely have these potentials been considered in the Bank's economic and social analyses. Moreover, in 1979-80 the Bank made the ill-advised decision to cease lending for tourism¹, a decision that for years thereafter has preempted Bank support for the cultural tourism segment as well and for related patrimony preservation.

7. Recognizing candidly and eliminating such biases today is a premise for incorporating new socio-cultural potentials in countries' strategies and Bank development programs in a more proactive manner.

8. **Changes in Development Thinking.** The increased recognition given now to culture is part of the broader changes that have taken place in development thinking in the '90s in general, as well as inside the Bank. The Bank today is articulating a more encompassing development paradigm. Country Assistance Strategies are elaborated with a holistic perspective, as outlined in the Comprehensive Development Framework (CFD)². This framework goes far beyond economic development alone. It positions the inducement of economic growth within its *social* context and embraces all sectors, culture included.

9. The Bank advances the idea that the cultural sector is itself a contributor to effective economic growth, not a sector that just consumes budgetary resources. Furthermore, the Bank's overall assistance is not intended as a narrow pursuit of economic growth alone, but aims at *broad social development*. This is why the Bank is

¹ This decision has been and is being now corrected, in practice, through the resumption of the Bank's assistance for tourism development, particularly during the second half of the 1990s.

² See James D. Wolfensohn, *The Comprehensive Development Framework*, January 1999.

strongly emphasizing that culture and cultural heritage should not be left outside of development assistance. It is the Bank's deepening grasp of *what makes nations prosper* that leads, among other initiatives, to including investments for culture in development lending.

10. **Borrower's Needs and Demands.** During the last 5-6 years, several MENA country governments with important needs in the cultural heritage domain have asked for direct World Bank investment support for patrimony preservation and cultural tourism, for three specific purposes:

- (a) to link urban and tourism investment projects with direct assistance for heritage preservation;
- (b) to safeguard and manage endangered cultural patrimony assets in ways that generate economic and social benefits for development; and
- (c) to strengthen institutional capacities for managing this category of unique assets.

11. **A Pioneering Project Portfolio.** In this context, the Bank's MENA region is in the process of developing a pioneering *investment* project portfolio in the cultural heritage sector in Morocco, Jordan, West Bank, Lebanon, Tunisia. The MENA region also provides *non-lending assistance* in this domain to Egypt, Yemen, West Bank-Gaza, Syria and other countries, that consist of heritage inventories, studies and other initiatives. This "stock" of innovative experiences, with its strengths and weaknesses, analyzed in this sector study, is a solid basis upon which MENA region can build its further assistance.

12. **MENA Staff and CH Work.** While it builds upon existing policies and operational experiences, support for CH integration in development is still largely a new activity for many MENA staff. This road requires, first and foremost, understanding its underlying reasons. In the World Bank of today, which strives to be participatory and knowledge-driven, weighing arguments prudently, candidly addressing doubts, and responding professionally to the quest for information is indispensable. Therefore, rather than postulating ready-made wisdom for adoption, the present sector review aims *to explore* the issues and provide food for thought. This will equip MENA staff for action more effectively than quickly skating over thorny issues. Therefore, while this sector analysis mainly deals with operational considerations, it also considers the philosophy of heritage management and protection. Above all, it discusses the articulation of these issues *within* the Bank's development paradigm, for linking cultural heritage work with the traditional areas of Bank work and strengths.

13. **Continuing an Open Discussion.** The detailed guidance offered recently (1999) by the Bank's Board and Management for work on CH will be presented further in detail. Among Bank staff, a growing number are involved and committed to work in the CH preservation domain. Yet other staff are still uninformed about the need for and content

of assistance in the cultural area, while others are skeptical. Providing Bank support for CH integration into development requires increased awareness and internalization of objectives. Therefore, to foster further substantive exchanges, this sector review also presents open questions and challenges.

14. Because many borrowing countries are not accustomed to the Bank playing a role in the cultural heritage sector, the MENA region expects to encounter substantial needs for information and a variety of new questions, constraints and challenges during interaction with borrowers at the policy and working levels. To best assist country governments, MENA staff need to be equipped to effectively address the range of relevant cultural issues during either CDF/CAS dialogues or investment project preparation. Such strategy dialogues will take place not only with central government culture, finance, tourism and other ministries, but also with local authorities at regional and municipal levels, with NGOs, the civil society, and the business sector. This sector study and its recommendations are intended for dissemination and continued dialogue in the MENA region with concerned agencies, the private sector, cultural activists. Proposals will be further sought to fine-tune and enrich the strategy and operational recommendations, based on lessons from past and ongoing programs.

15. **Structure of the Regional Sector Review.** The cultural domain broadly includes the region's historic "cultural heritage", both material and non-material, *and* the innumerable ongoing cultural activities in contemporary arts, literature and music, in theater and dance, etc. Given the domain's breadth, however, the present review and strategy paper concentrates upon the historic cultural *heritage* of the region and the Bank's support for it, and particularly on the region's vast *material (built) heritage* of inestimable national and universal value.

16. Part one of the review (Chapters I-IV) outlines MENA's enormously rich cultural patrimony, its potentials and risks of deterioration, and examines basic policy and economic issues. Part two (Chapters V-IX) is dedicated to the analysis of the project portfolio, non-lending assistance, operational work, project design alternatives, institutions, financing, implementation, risks, and outlines the strategic priorities for future work. On a chapter-by-chapter basis, this sector study:

- Presents the basic elements of the Bank's development policies regarding culture and cultural heritage; defines the concepts of culture used in the review; discusses the Bank's comparative advantages in this sector, the need for partnerships, and presents the key partners in the cultural area (**Chapter 1**).
- Outlines the enormously rich cultural patrimony of the MENA countries, its multi-layered evolution and main historic assets (**Chapter 2**).
- Identifies key causes of patrimony deterioration and loss – natural, economic, institutional and social; analyzes the constraints on CH preservation in MENA, particularly the scarcity of resources; signals the added hazards of

globalization; and evaluates the Bank/IDA's response and forms of support during the 1975-1995 period (Chapter 3).

- Analyzes the economic and non-economic benefits from investing in CH, in terms of poverty reduction, tourism expansion, new employment, business incubation, education and inter-generational transmission; examines the value-added by Bank support and cross-sectoral linkages (Chapter 4).
- Describes the array of ongoing MENA investment projects for CH preservation, the new projects under preparation, MENA's non-lending assistance activities, and the Bank-IFC complementarity in the region; it also identifies weaknesses in recent CH activities (Chapter 5).
- Distills the innovations and creative solutions developed in MENA by comparing the designs employed for CH projects in Morocco, Jordan, West Bank-Gaza, Lebanon, and Tunisia; analyzes institutional arrangements for implementation and supervision; suggests usable patterns for forthcoming projects and ways for indirect support to CH (Chapter 6).
- Examines financing patterns in ongoing MENA CH operations; discusses how to increase resources for patrimony management and the economic and financial analyses adequate for cultural projects (Chapter 7).
- Alerts MENA and governments about the set of specific risks to be expected in CH interventions, recommending risk-prevention approaches (Chapter 8).
- Outlines the strategic priorities for MENA's future CH assistance work: improve CH policies and governance; reform institutional and legal frameworks; promote civic engagement and cross-sectoral links; expand self-financing, private sector and donor grant co-financing. This chapter also defines lending criteria, outlines feasible project and non-lending support options, and recommends measures to strengthen MENA's in-house capacities through studies, training, staffing, research, dissemination, and by creating a regional focal point for CH work (Chapter 9).

17. **The Learning Continues.** This sector review itself is a work in progress. Many issues require further research and thinking; strategy dialogues with countries will continue at policy and operational levels. Work in MENA is continuously monitored to verify hypotheses, derive new insights, and improve project designs and implementation. The MENA regional office is actively inviting further proposals to fine tune and enrich its strategy and operational work.

18. **Looking Ahead.** At the threshold of the XXIst century, it is necessary to illuminate the way ahead in preserving the extraordinary cultural heritage of the Middle Eastern and North African countries. The past is prologue to progress. The contribution of the World Bank in this field can be more substantial than it has been so far.

19. This sector study looks forward, towards increasing the joint work of governments and the Bank for incorporating patrimony preservation into development strategies and programs. The cultural heritage is both foundation of, and building block for, development. Current generations are fully entitled to benefit from the patrimony they inherited, are safeguarding, and are also expanding. Future generations in turn are entitled to safely receive and further enjoy the cultural heritage created by their ancestors.

Chapter 1

Cultural Heritage and Bank Policy

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CHAPTER 1

CULTURAL HERITAGE AND BANK POLICY

1. This chapter defines several concepts often used in this review such as “culture”, “material culture”, “cultural heritage”, “built heritage”, “cultural sector”, as well as the basic technical vocabulary employed in conservation works. Further, it examines the Bank’s comparative advantages in this domain, the type of “value added” it can contribute, and the resulting operational implications in terms of financing, selective approaches, and the establishment of partnerships. It also provides an overview on international organizations dedicated to work in MENA region on cultural heritage, starting with UNESCO. The chapter then summarizes the Bank’s formal policy regarding safeguarding cultural assets (1986), and the recent guidance provided in 1999 by the Bank’s Board and Management on addressing culture in development, guidance that is critically relevant for this MENA sector review and strategy paper.

1.1. The Working Definition of Culture

2. **Social Science Definitions.** Scholars and specialized institutions have proposed numerous definitions for culture from different perspectives. As early as 1952, Kroeber and Kluckhohn identified over 150 definitions given by anthropologists and sociologists to the concept of culture¹. Many of them focus on social heritage. One of the most elegant and concise definitions linking heritage to culture was given by Malinowski: “The social heritage, which is the key concept of cultural anthropology, is usually called culture *Culture comprises inherited artifacts, goods, technical processes, ideas, habits and values*”².

3. Over the last four-five decades, the number of definitions given to culture in different scientific disciplines has continued to grow into hundreds. Yet despite this definitional proliferation, or because of it, the term “culture” continues to be perceived as one of the “most complicated words in the English language”³. There are broad and narrow definitions of culture, sociological or anthropological definitions, definitions distinguishing culture from concepts such as civilization, arts, or mode of life, etc. Scholars highlight either the *content* of culture or its *functions* in society, the role of culture in *nation building*, cultural differences either within or between nations, the embeddedness of culture in *economic* life, and innumerable other aspects. These continuing definitional efforts and debates mirror the scope of culture’s role in society.

¹ A. L. Kroeber and Clyde Kuckhohn. *Culture, A Critical Review of Concepts and Definitions*, Vintage Books: New York, 1952.

² Bronislaw Malinowski. *Culture, Encyclopedia of the Social Sciences*, vol. 4, pp. 621-46, New York, 1931 (our emphasis)

³ R. Williams, 1976, *Keywords*, New York, p. 76.

4. **UNESCO's Definitions.** Out of these many definitions, directly relevant for Bank work and the purpose of this review are the definitions proposed by UNESCO and its bodies, also inspired from social science. These too range from comprehensive and broad to narrow and focused. The latter are apt to serve better for operational purposes than the very broad definitions.

5. The broad definitions are best exemplified by those used in major international documents such as the *Declaration on Cultural Policies* (Mexico City, 1982) and the Intergovernmental Conference on Cultural Policies for Development (1998, Stockholm). According to these definitions, culture represents

the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only the arts and letters, but also modes of life, the fundamental rights of human beings, value systems, traditions and beliefs¹.

6. In turn, the World Commission on Culture and Development established by the UN and UNESCO, in its 1995 report *Our Creative Diversity*, also defines culture comprehensively, as

reflections of a country's history, mores, institutions, and attitudes, its social movements, conflicts and struggles, and the configurations of political power, internally and in the world at large. At the same time, (culture) is dynamic and continually evolving².

7. These broad definitions are relevant for development policy because they highlight the ubiquity of culture in society and individual life, including the economy and its productive, exchange, and consumption activities.

8. It is largely from recognizing the ubiquity of culture in society's existence, as captured in these definitions, that the World Bank derives its argument for mainstreaming the consideration of culture in activities that aim to induce and accelerate development. Culture impacts Bank assistance programs everywhere. And whether intended or not, Bank programs impact culture in turn. The Bank has therefore increasingly emphasized over the last two decades that it is necessary to *deliberately* recognize ex-ante, and take into account proactively, the cultural dimensions of every sector within which it carries out its development work.

9. The World Bank considers all of culture, material and non-material, as directly relevant to its social and economic activities. Cultural elements are intrinsic to the functioning of the economic system, and are fundamental to the patterns and forms of

¹ The Mexico-City Declaration on Cultural Policies, August 1982, and the Intergovernmental Conference on Cultural Policies for Development, Stockholm, March-April 1998.

² *Our Creative Diversity. Report of the World Commission on Culture and Development*, Paris, UNESCO Publishing, 1995, p.24.

human associations and organization, as value systems, customs, arts, religions, etc. Development interventions designed with indifference to the local culture tend to fail or to be much less effective than they could be otherwise.

10. In the initial decades of the Bank's activities, cultural differences between countries were virtually ignored. A significant number of Bank-financed projects were unsuccessful for this reason. Ex-post research on Bank projects has found that projects designed without socio-cultural social analysis have produced an average rate of return only about half (9 percent) compared to the average rate of return of projects designed with the benefit of socio-cultural analysis and social sensitivity (18.5 percent)¹. This is why over the years the Bank has strived increasingly to learn how to take into account the socio-cultural variables relevant to its investments for economic development.

11. It must be mentioned that the Bank has addressed the role of culture in the programs it finances long *before* direct investments for cultural heritage preservation *per se* were made². This position of the Bank has been expressed in many previous and recent Bank documents — policy statements, operational directives, publications — and remains a cornerstone of Bank work.

12. This sector strategy study strongly reaffirms this orientation in MENA region's work. The strategy advances this general argument by treating the preservation of cultural heritage as part of sustainable development and by supporting the inclusion of the cultural sector into the comprehensive national development strategies pursued by MENA countries. Building upon prior Bank work and policy documents, the main focus of this review is to analyze how *MENA assistance to the cultural sector can contribute to achieving the fundamental objectives pursued through development investments*. This refers specifically to the assistance for efficient management, enhancement and safe transmission of the countries' cultural patrimony to future generations.

1.2. Cultural Heritage, Material and Non Material

13. **Historic Inheritance.** Cultural heritage is the repository and record of humanity's past achievements, discoveries, beliefs and social experience. It is the foundation upon which current societies base their own sense of common destiny. It is the essential component of a nation's identity, pride and confidence.

¹ Conrad Kottak, "When People Don't Come First", in Michael M. Cernea (ed.) *Putting People First: Sociological Variables in Development*, Oxford University Press, 1991.

² For a more detailed treatment of these cultural dimensions of development, see other Bank documents and publications, including: *The Other Crisis*, address by J. D. Wolfensohn at the 1998 Annual Meeting of the Bank and IMF, Washington, D.C.; *Putting People First: Sociological Variables in Development*, edited by Michael M. Cernea, Oxford University Press, first edition, 1985; *The World Bank Participation Sourcebook*, ESD, 1996; many publications by the Bank's sociologists and anthropologists described in *Sociology, Anthropology and Development: An Annotated Bibliography*, by M. Cernea with A. Adams, World Bank: Washington, D.C., 1993.

14. Cultural heritage reflects the *cumulative transmission* of socio-historical elements from generation to generation. Since valuations change over time, what is recognized and valued as cultural heritage changes too. Elements of the cultural patrimony that seem of little value to a community now may be recognized as a great value later. As such, cultural heritage is an ever-increasing archive of material and ideological components of inestimable value for nurturing current societies and enabling them to fashion a meaningful world and to add their own contributions for the benefit of future generations.

15. Risks and threats, however, loom over the transmittal process. Immense parts of this historical treasure have been lost forever. Especially in developing countries, much that remains is increasingly affected, either as a result of natural physical deterioration, of new economic and technological developments, of societies' own neglect, or as a result of pressures for uniformity.

16. **Identity-Defining Culture.** Culture transmitted through history often *defines the identity* of a certain group of people – as nations, indigenous populations, ethnic groups, or local communities. “Heritage” indicates long-term continuity – of history, place, values, customs, etc. – and a shared perspective on the world. Cultural heritage can be a source of political or ethnic conflict if neglected, misused, or manipulated in sectarian manner, but can also be a source of powerful social cohesion and collective action. The commonality of heritage bonds people. It prods separate individuals to conceive of themselves as a social group and as belonging to a nation.

17. **Material and Non-Material Culture.** The cultural heritage consists of both *material* and *non-material elements*. The former comprise mostly physical structures of major historic and cultural significance. The latter comprise intellectual and artistic products, including literature and music, value systems, beliefs, customs, orally transmitted traditions. Both are *tightly linked and interpenetrating* and leave no room for mechanical delimitation. It is obvious that material cultural heritage embodies and expresses spiritual values and historic beliefs and traditions. In turn, living (or expressive) cultural heritage often exists through a material, physical support form.

18. **Newly Created Culture.** In addition to its heritage, each existing society continually produces new culture, both material and non-material. The new cultural products, material and not material, rest upon the preceding layers of culture, are linked to them closely. Culture is lived. Societies live and practice their inherited and new culture simultaneously, in forms in which the material and the non-material are at times distinguishable and at other times indistinguishable. For instance, many practices that are seen as non-material cultural expressions (such as celebrations of historic events, pilgrimages, artistic festivals, historic re-enactments, and others) are organized with or around material heritage assets in ways that are definitionally inseparable and irrelevant. In short, the links between material and non-material culture, between heritage and living culture, must be emphasized no less than their differences.

19. **The Forms of Cultural Heritage.** The term “cultural heritage” is more circumscribed and operationally easier to use than the comprehensive general definition of culture. The fundamental international document defining cultural heritage is the 1972 *UNESCO Convention for the Protection of the World Cultural and Natural Heritage*, signed by most governments. Article 1 of this Convention categorizes material CH in three groupings:

“monuments: architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature inscriptions, cave dwellings, which are of outstanding universal value from the point of view of history, art or sciences;

groups of buildings: groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of outstanding value from the point of view of history, art or science;

sites: works of man or the combined works of nature and of man and areas including archeological sites which are of outstanding value from the historical, aesthetic, ethnological and anthropological points of view.”¹

20. Sometimes, a distinction is also made between *immovable* cultural heritage (such as archaeological sites, large monuments, natural sites with cultural or religious significance, major buildings, etc.) and *movable* material heritage (such as sculptures, paintings, etc.). However, the successful removal and reconstruction of the Abu-Simbel Temple and the complex of monuments from the site of the Aswan Dam on the Nile have demonstrated that, when under threat, at least some of what once was considered immovable can be relocated with due care. Due to progress in modern technologies for moving, transporting, and reconstructing large scale structures, this distinction between movable and immovable has become somehow less relevant.

21. Consistent with the UNESCO Convention mentioned above, the present review employs the term “material cultural heritage” to define the ensemble of built forms, monuments, and physical artifacts transmitted through time and inherited from prior generations, which embody history, values, aspirations, beliefs, knowledge, skills — in short, the genius and creativity of humanity. These material assets are of inestimable value to current and future generations. At times, more detailed specifications will be made that many help operational work. Cultural heritage assets are often termed also “cultural property”. These structures, objects and sites may be located in urban or rural settings, above ground, underground, or under water².

¹ *Convention for the Protection of the World Cultural and Natural Heritage*, UNESCO, Paris 1972.

² Some natural landscapes may also have cultural significance. Usually, these are termed “cultural landscapes.” They include consciously designed areas (e.g., parks, campuses, estates); landscapes that evolved through use by the people whose activities or occupancy shaped them (e.g., rural historic

1.3. Key Technical Definitions: Preservation and Management

22. **Technical Concepts.** Staff working on cultural projects encounter a set of technical concepts frequently used in the artistic, engineering or architectural work for heritage preservation. Such key concepts are: conservation, preservation, restoration, reconstruction, adaptation, maintenance (see several working definitions in Box 1.1) and they reflect the variety of activities that may be needed in different technical interventions.

23. The differences between the type of activities defined by these concepts are particularly relevant for projects that may provide assistance to such works, especially in feasibility studies, and both during project preparation and implementation. As will be shown in Part II of this review, the Bank strongly promotes patterns of partnership in this domain because the comparative advantage regarding technical and artistic aspects lies with national experts and with specialized international organizations, such as UNESCO, the Getty Foundation, the Aga Khan Trust for Art, professional associations and other (see next section). The involvement of such technical expertise is a prerequisite.

24. **Patrimony Management.** Another key distinction within CH protection is that between the *technical* activities required at a certain moment (e.g., for “preserving”, “restoring”, etc.) and the *management* activities needed continuously to administer the assets, their use and access by the public, and their conservation. The concept of “*natural resources management*” (NRM) has been long used in development. *Cultural resources* need no less management than the natural ones. Yet the concept of “*cultural resources management*” (CRM) is still seldom employed.

25. The *management of cultural resources* is a considerably broader concept than the technical terms regarding conservation defined in Box 1.2. Management pertains to the policies adopted for the overall safeguarding and use of cultural assets, to implementing such policies, to the activities required for the maintenance of cultural heritage assets as “public goods” that must be both made available to the publics and protected from risks. CRM encompasses preservation, restoration, conservation or adaptation, and involves specialized knowledge, decision-making and resource mobilization and administration.

26. Building up countries’ specialized capacity to manage their cultural heritage is a key goal in Bank assistance. Success in including the cultural sector in a country’s overall development programs largely depends on the quality and orientation of its management.

districts and agricultural landscapes, land, terraces); and areas significant for their association with a historic event, activity, or person (e.g., battlefields or homes of significant people).

Box 1.1. Technical Terms in Heritage Preservation Work

The technical terminology in cultural heritage preservation includes several key professional concepts, some distinct, some partly overlapping. The following working definitions are generally agreed upon by specialists:

CONSERVATION. Conservation, a broadly comprehensive concept, encompasses all aspects of protecting sites or remains so as to retain their cultural significance. It includes maintenance and, depending on circumstances, may involve preservation, restoration, reconstruction, or adaptation, or any combination of these processes.

PRESERVATION. Preservation means maintaining the fabric of a place in its existing state to retard its deterioration. Deliberate preservation is appropriate where the existing fabric itself has specific cultural significance, or where insufficient evidence is available to permit the execution of more complex conservation processes. Preservation is limited to the protection, maintenance, and, where necessary, stabilization of the existing fabric.

RESTORATION. Restoration means returning the existing asset and its fabric to a known earlier state, by removing accretions or reassembling existing components without introducing new materials. It is appropriate only if there is sufficient evidence of an earlier state and only if returning it to that state reveals the significance of the place and does not destroy other parts.

RECONSTRUCTION. Reconstruction means returning a place as nearly as possible to a known earlier state. It introduces materials (new or old) into the asset being reconstructed. Reconstruction is appropriate only where it is indispensable for the survival of a place that became incomplete through damage or alteration. Reconstruction is limited to the completion of what was depleted in an asset or fabric; it should not reconstitute the majority of the fabric.

ADAPTATION. Adaptation means modifying a place (especially various types of buildings) to make possible compatible new function and uses of that place or building. It is acceptable where the adaptation does not substantially detract from the assets' cultural significance. Adaptation for re-use may often be very effective for realizing the economic potential of a site.

MAINTENANCE. Maintenance means the continuous protective care of the contents and setting of a place; it is distinct from repair work, which involves restoration or reconstruction.

(Definitions adapted from the *Burra Charter*, Australia, 1992).

27. Important implications of the conceptual definitions discussed above emerge when operational work is confronted with another key question: how to distinguish heritage assets of major historical importance from other, more common assets and elements? For operational purposes, Bank staff and practitioners such as project designers and implementers often need to clarify whether specific assets are covered by the definition of heritage. Practically, this can be determined in one of the following several ways:

- (a) using the provisions of national law and international treaties¹ that define the obligations of signatory countries;
- (b) consultations with cultural heritage experts, consultations with local communities that attach cultural significance to the site, or with relevant governmental and non-governmental organizations; and/or
- (c) formal studies, commissioned to assess the cultural significance of the site and place it in a broader local, national, or international context.

1.4. Culture as Sector: Actors, Assets, Institutions and Services

28. Traditionally, the term “sector” has been used in the Bank for designating sectors of the economy, with their characteristics, potentials, needs and constraints. Is it helpful, for practical purposes, to cumulatively address cultural domain activities also in the encompassing perspective of a sector?

29. The concept of “sector” has already been long employed for other non-economic domains, such as the “education sector” or the “health sector”, which in themselves are very diverse and multi-sided. Thus, in the same flexible and non-conventional sense, it may be used with equal benefit for the cultural domain. Taking a sectoral perspective means taking a comprehensive perspective and exploring how different elements of the cultural domain – its actors, its institutions, its assets, its services – are interlinked and interact among themselves, as well as with other sectors.

30. As emphasized earlier, culture is ubiquitously present within all human endeavors. Yet as the distinct content and influence of the cultural domain are increasingly recognized in development theory, practice, and public discourse, the shorthand designation “cultural sector” can prove fruitful analytically and operationally. In particular, it can help highlight better the interactions between culture and the economy². For the practical purposes of this review, the concept of cultural sector facilitates, and in fact requires, a continuous examination of how support for culture is integrated with development support to all other sectors.

¹ Most detailed definitions for this purpose are contained in the *Convention Concerning the Protection of the World Cultural and Natural Heritage* (1972), which serves as an important basis for national and other legislation on the subject for countries that have ratified the Convention. Two other international treaties that are administered by UNESCO and are relevant for this purpose are: *the Convention for the Protection of Cultural Property in the Event of Armed Conflict* (the “Hague Convention”, 1954); and *the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property*, 1970.

² In rigorous theoretical analysis, the sociological theory of “embeddedness” has long clarified that any economy is always embedded in a given society and its culture, which are broader than the economy. In turn, cultural elements penetrate the economy, the markets, the economic relationships between people. Cultural activities themselves also involve an array of economic transactions (see Mark Granovetter, “Economic Action and Social Structure: The Problem of Embeddedness,” *American Journal of Sociology*, vol. 91, no. 3, 1985).

31. Two caveats are in order, and will underline further the analysis and argument presented in this paper:

- First, that the cultural dimension is, and will be, pervasive in all of development, just as are the economic dimensions, not present only in some “special” activities. Therefore, addressing culture in development involves more than support for the cultural “sector”, or for cultural heritage preservation, however important these are.
- Second, that cultural sector activities are not insular, rigidly separable from activities in other development sectors. On the contrary, such activities often overlap and frequently are naturally linked.

32. Very often, the cultural sector activities themselves, in their specificity and concreteness, are best realized and their impact even enhanced if their synergy with activities in other “sectors” is recognized and taken into account in development interventions. This will be further demonstrated in this review based on actual MENA experiences (see in particular chapters 5 and 6).

33. In the perspective of this sectoral study, the cultural sector has the following constitutive elements:

- a. The **institutions and organizations** in charge with the management of cultural activities and with the conservation of the cultural heritage, including legal frameworks, governmental agencies specialized in the administration and management of heritage or of living culture, non-governmental organizations, associations, and other structures.
- b. The **material and non-material cultural heritage** — e.g., historic cities, monuments, public and private buildings with artistic significance, archaeological sites and remains, written and oral forms of culture.
- c. The **cultural industries**, such as traditional crafts, indigenous folk arts, professional activities for the maintenance, preservation, restoration, reproduction, and transmission of heritage, etc. These industries may range from informal to small-, medium- or large-scale production enterprises.
- d. **Commercial enterprises** and a wide range of businesses specialized in marketing cultural products and heritage-related items.
- e. **Service organizations and service networks**, public and private, set up to facilitate the access to, and use of heritage assets and sites by visitors (e.g., museums, libraries, exhibitions, associations of professional guides, etc.).

- f. The **human “actors”** of this sector, those who carry out the activities described above – those employed in cultural industries (production and trade), working in various fields of artistic creation, in institutions dedicated to culture, its administration and management, in cultural service organizations such as museums, including such sub-groups (relevant to heritage preservation) as archaeologists and other scholars, antique dealers, collectors, etc.

34. Considered together, these six constitutive elements outline the broad scope of the cultural sector. The aggregate population working in this sector is large, often surprisingly large. Yet magnitudes are little known because consolidated statistics are not kept, or because these population groups are counted under the statistics for other sectors¹. The sector is the “locus” of important economic activities of a productive, commercial and service nature, which have significant total weight in the GDP and provide for the daily livelihood of vast numbers of people.

35. Many of the activities of the cultural sector are currently included in national accounting systems under other sectors, while their specificity and mutual articulation are overlooked. This is a symptom and sequel of situations in which the cultural domain is not recognized in itself as a distinct domain that is producing distinguishable revenues and has distinct investment needs. The “sectoral” nature appears clearer, however, when these constitutive elements are considered in their interaction. When their potential and actual role in development are considered also in connection with other sectors or branches of economic or non-economic activities (e.g., tourism urban infrastructure, or education) they become even more visible (see further, Chapter 4).

1.5. The Bank's Policy for Safeguarding Heritage

36. What is the Bank’s *policy framework* within which the Bank’s MENA region carries out its activities in the CH domain?

37. The Bank’s policies relevant to the cultural patrimony have been formulated in several documents. This process started in the late 1970s-early 1980s, when the Bank has begun to formally define its approach to protecting cultural heritage. The World Bank was the first multilateral financial institution to introduce (in 1982) a special policy for the protection of indigenous or tribal peoples², relatively isolated and culturally distinct, who may inhabit areas affected by Bank-financed development interventions. In 1986 the

¹ This occurs with respect to some other sectors as well. In various overlapping economic domains, groups of professional workers appear to “belong” simultaneously to more than one sector.

² World Bank, *Tribal People in Bank-Financed Project*, Operational Manual Statement 2.34; and World Bank Operational Directive 4.20, Indigenous People, 1989. This policy covers the recognition, demarcation, and protection of indigenous people’s lands and the provisions of culturally appropriate social services. The revisions introduced in the late 1980s strengthened the initial policy, stressing the need to promote the informed participation of the indigenous people, their right to share the economic and social benefits of development projects, and emphasizing the importance of respecting the cultural uniqueness of indigenous groups, their religions beliefs, social and cultural patterns of resource use, etc.

Bank issued an operational Policy Note on the “Management of Cultural Property in Bank-Financed Projects”¹ (OPN 11.03). In the following years, provisions for protecting cultural heritage were included in the Bank’s environmental policy directives and subsequently also in Bank policy papers on poverty reduction, social inclusion, and in other formal documents.

38. **“Do Not Harm the Heritage”**. The operational policy adopted in 1986 (OPN 11.03) took a “do not harm the heritage” posture. It made mandatory the protection of assets accidentally unearthed during civil works under Bank-financed projects. The policy stated that the Bank will assist only those projects that are designed and sited so as to avoid, minimize, or mitigate adverse impacts on cultural property and that it will not finance projects that damage cultural heritage. In situations when project works might endanger cultural property, the policy requires that staff and borrowers include measures to: (a) relocate project activities; (b) adjust the project design so that sites and structures can be conserved, studied, documented and, as appropriate, preserved in situ; or (c) as a last resort, and jointly with national authorities, selectively relocate the cultural property to conserve, study, document, and restore it at an alternate site.

39. **Validation by Implementation**. The Bank has tenaciously negotiated with borrowers, sometimes against entrenched damaging practices, the implementation of these safeguard principles. Operational experience and tangible results have fully validated the OPN 11.03 as a beneficial policy. Specifically, in several MENA countries the policy succeeded in safeguarding important cultural assets discovered accidentally on project sites (see Box 1.2). This policy also helps increase public awareness about the need for *regulated* preservation of historic assets.

40. This cultural protection policy remains in force*. When the presence of such assets can be anticipated, the MENA region undertakes advance screening studies on the ground. It applies safeguarding measures whenever CH assets are actually discovered in project areas.

41. **Limits on Impact**. The “do not harm” stance represented an advance when it was first adopted, compared to previous project routines oblivious to cultural heritage. Nonetheless, it only amounts to CH assistance by happenstance. Gradually, both the Bank and MENA governments have come to realize the limited impacts of this policy and the need for *taking a more proactive position*.

¹ Operational Policy Note 11.03 *Management of Cultural Property in Bank-Financed Projects*. See also the Technical paper Nr. 62 published shortly thereafter: *The Management of Cultural Property in World Bank-Assisted Projects, Archaeological, Historical, Religious and Natural Unique Sites (1989)*, by R. Goodland and M. Webb, Washington, D.C. Currently, the OPN 11.03 is under conversion, but it remains effective until the Board’s review of the new text.

* The OPN 11.03 is currently under conversion, and will be strengthened and reissued as part of the Bank’s safeguard policies, but the existing OPN is effective until the Board’s review of the new text.

**Box 1.2. How the Bank Helps Preserve Cultural Sites Unearthed during Project Work:
The Byzantine Church at Jabalia ***

Quite often, infrastructure development projects in the MENA region literally unearth major "finds" of cultural heritage. A recent example is the extraordinary discovery of the Byzantine Basilica at Jabalia, outside Gaza City, due to the *Emergency Rehabilitation Project*, funded by an IDA grant from the Bank's profits, with co-financing by Saudi Arabia, Switzerland, Denmark and Kuwait.

In the course of rebuilding Salah-El-Din Road, the northern gateway into Gaza, a backhoe operator struck toppled columns. Works were stopped immediately. The site proved to be a large Byzantine Basilica, comprising a Church, Baptistry and Cemetery. It was constructed in the Golden Years of the Byzantine Empire, continued in use after the Islamic Conquest, and is thought to have been abandoned only after being leveled by an earthquake in the 8th Century C.E. The Ministry of Tourism of the Palestinian Authority arranged for French archaeologists to excavate and assess the site through the Ecole Biblique in Jerusalem. Some 17 inscriptions in which donors are identified provide clues as to the history of the Church. The significance of the site results from the number of inscriptions found, more than double that in any other Byzantine church in Syria, Lebanon, and Jordan. The oldest inscription dates to 444 C.E., during the reign of the Byzantine Emperor Theodosius. The latest inscription dates to 732 C.E., at the time of the Caliph Hisham Abdul Malik.

A series of mosaics were found in the Basilica that are remarkable not only for their beauty and freshness but for their mute testimony to past religious turmoil. The faces of animals depicted in the mosaics were destroyed during the period of Iconoclasm and subsequently repaired by the faithful. Indeed, one of the latest inscriptions was ordered by Sergius Ardosofanos, Bishop of Gaza, to indicate that he was responsible for restoring the mosaics.

The site has been covered with sand to preserve the mosaics. The Ministry of Tourism and the Bank are now seeking funds to build a modest protective structure over the site. Many other discoveries are from older sites: e.g., a Canaanite fountain was discovered while a Bank-financed project was building an access road into Jenin. And works outside the Gaza Municipal offices discovered a sewer from the Hellenistic period, reportedly still in use!

* Prepared by David Sewell

42. The limitations of this policy are twofold: first, a "do not harm" approach remains relatively passive, because it does not act to bring those assets, and other major assets, into the country's development circuit; second, while this policy snatches some "cultural finds" out of the bulldozer's jaws, and rescues them, it remains irrelevant to other already long-known, and often more important, cultural assets, which form the bulk of the national patrimony and deteriorate silently deprived of policy protection and preservation resources.



During civil works for the West Bank & Gaza Emergency Rehabilitation Project, a previously unknown extraordinary Byzantine Basilica was discovered in Jabalia. These are two of the mosaics found underground, now protected in line with the Bank's safeguard policy for CH assets uncovered during project works (OPN 11.03)



1.6. The Bank Board's 1999 Guidance for Work in the Culture Sector

43. Important strategy discussions on culture in development issues took place in 1999 in the World Bank's Board. They generated additional guidance, support and clarifications for work in this area.

44. The Bank's lending program in the CH area to date is still relatively small¹. In FY98 and FY99, embodying management's initiatives for increasing Bank sensitivity and lending support to culture, several new operations that assist cultural heritage rehabilitation came up for Board approval. During the Board discussions for approving recent loans for culture (of which two were MENA region loans for Morocco Fez-Medina and WBG – Bethlehem 2000), the Board expressed interest in scheduling a special meeting dedicated to discussing the general framework guiding such operations. Two such meetings took place: a review meeting of the Board's Committee for Development Effectiveness (CODE) in February 1999² and a full Bank Board meeting in April 1999 devoted to the discussion of a position paper on framework and work plans³. The paper addressed a broad range of policy and operational issues, and included the following three questions:

1. Do the Executive Directors agree with the proposed framework for Bank support?
2. Do the Executive Directors concur with the criteria for Bank lending?
3. Do the Executive Directors agree that the balance is right between the Bank and partner organization, in light of comparative advantage?

45. A concise summary of the issues addressed in the Board framework paper follows.

46. **Mainstreaming Culture.** After years of Bank effort for mainstreaming attention to culture in development projects, the key question for the Bank is not anymore a conceptual one – “whether culture matters” – but a strategy and operational question: how should the Bank in practice integrate cultural dimensions into its work, to carry out its

¹ The current program Bank-wide consists of four projects approved in FY98: about 12 approved in FY99; and 14 scheduled for appraisal and approval in FY00. Of these operations, the large majority are projects in the Bank's traditional sectors that include cultural heritage related components. A few are self standing cultural heritage projects, primary LILs. The composition of the Bank's lending program for cultural heritage preservation is changing rapidly, by including not only civil works but also, increasingly, support of various forms of cultural heritage (e.g., native languages, crafts), assistance to improve museum and library services, etc. (see more in Chapter 5).

² The paper submitted to the meeting of CODE on February 29, 1999, was prepared by the Bank cultural thematic team led by Kreszentia Duer (ESSD).

³ See *Culture and Sustainable Development – A Framework for Action*. The World Bank, Washington, DC, 1999.

development mandate more effectively. The framework and action program endorsed by the Bank's Board answer this question by opening up several new options for a more proactive investment approach towards improved heritage management, congruent with each country's priorities in development. Specifically, this framework:

- **expands** the Bank's area of stated concern, from only isolated "chance find" assets to the overall patrimony, with selectivity considerations;
- **asserts** the Bank's readiness to go beyond CH safeguard measures towards proactive realization of the patrimony's economic value, through financing CH projects based on explicit criteria for lending and non-lending assistance; and
- **guides** the Bank's CH work towards focusing on the nexus between cultural heritage and development. Particularly, it highlights the exploitable synergy between a proactive CH position and the Bank's central objective of poverty reduction and employment creation.

47. **The Culture-Development Nexus**. There are two main aspects to incorporating culture in induced development. First, the Bank's development rationale maintains that it is essential to take into account the cultural dimensions in all development interventions and in all "non-cultural" sectors. Sensitivity to national and local cultures enables development projects to fit better into country contexts, energize stakeholders, and elicit community-driven initiatives and ownership. Second, and complementary, is to bring the economically valuable endowments of the cultural sector itself into the development mainstream.

48. This policy rationale is the basis of MENA region's effort to incorporate development's socio-cultural dimensions *throughout* its development agenda. First, the MENA region works to address the socio-cultural variables of development *at the level of every project* intervention in all sectors (agriculture, infrastructure, health, etc.)¹. Second, the MENA region turned recently, more than in the past, to providing also *direct financial support* for some special projects focused on the culture sector *per se*². The treatment of socio-cultural dimensions in non-culture sectors would be incomplete without also direct financial support to the cultural sector itself, *as an integral part of the countries' socio-economic development* and of the Bank's assistance. These are two sides of the same mainstreaming strategy. Together, they achieve synergy³.

¹ This is illustrated by a variety of MENA well-known activities and has created a propitious context for addressing specific heritage issues as well. For instance, this is reflected in the use of social analysis in MENA project preparation, through social assessments, poverty assessments, gender analysis, a.o; the increased weight of MENA lending for social development sectors, human resources, social funds, and social protection; the efforts to involve the civil society in defining development priorities and programs, the emphasis on participatory approaches, etc.

² The last five-year period (1996-2000) has witnessed a demand-driven new generation of CH projects in the MENA region's project portfolio. These projects display an array of innovative approaches and will be analyzed in detail further (Section IV).

³ Since the first aspect has been dealt with in many other documents, the present regional sector strategy review, as stated at the outset, focuses on patrimony-related issues.

1.7. Comparative Advantage in CH Work

49. **Does the Bank Have a Comparative Advantage?** Taking a proactive investment stance in the CH area raises a legitimate question for the Bank and its borrowing countries alike. The Bank has faced this query in the past, whenever it became involved in other relatively new domains, such as the environment, health, education. This question is: *does the Bank have a specific comparative advantage for assisting this domain? If yes, what is it? If not, why should the Bank get involved?*

50. The issue of comparative advantage has caused some controversy and polarized responses, some exaggerating the value-added by the Bank, others denying it completely. The discussion is not fully closed. This sector review undertakes a systematic examination, attempting to answer this question empirically, not just conceptually. In our case, that means answering it in light of MENA's on-the-ground experiences.

51. The Bank has comparative advantages for some specific activities of CH protection and management, while it also has a disadvantage in performing other activities, which it should not undertake. A key Bank advantage is the ability to integrate CH assistance into mainstream development programming and into large *cross-sectoral* development projects. The gain to patrimony preservation in this perspective is substantial, as it would link with programs in multiple other sectors of the economy, rather than have only rare stand-alone projects. The Bank's role as development partner to governments not just in one sector but for entire national economies opens up opportunities for CH support through other sector's investments – for instance in infrastructure, education, tourism, agriculture – in the pursuit of economic growth with social development. This can bring to bear additional opportunities, apt to enhance impacts in all inter-linked sectors, culture included.

52. This sector study found that several ongoing projects are intensely building upon this Bank-specific comparative advantage. For instance, this is factually evidenced by projects in Jordan, Morocco or Lebanon (see Chapters 5-6). In these, substantial heritage components are integral parts of larger *cross-sectoral projects* for tourism development, urban renewal, or post-conflict reconstruction. The review also found that more such comparative advantage opportunities are available under MENA region's programs and Country Assistance Strategies (CAS).

53. Increased value-added can result also from orienting expenditures for CH preservation towards the region's poverty reduction and employment goals. Again, factual examination under this sector study has shown that ongoing CH components have been tailored to converge with poverty reduction, in various degrees (Chapters 5-6). Certainly, much more can be done. Evidence of actual impacts is expected from completing project evaluation studies (poverty linkages are discussed in detail in Chapter IV).

54. Comparative advantage is further at work in the Bank's ability, for instance, (a) to support CH institutional capacity building as part of national institutional reforms; or (b) to help reform the sector's financial and self-financing "infrastructure"; or (c) to support *national strategy and programming* for the CH sector at large, connected to national development strategies and goals, as in the forthcoming MENA project in Tunisia. These aspects are addressed in specific detail further, in Chapters 4, 5 and 6.

55. **Governments' Views on Comparative Advantage.** Further, this sector study has raised the comparative advantage issues also during consultations with governments in the region, asking whether from their perspective governments consider that the Bank has, or lacks, a relative advantage in CH assistance in the MENA region.

56. According to the views of government officials in several MENA countries, no other international assistance for CH received by these countries in recent years has been integrated cross-sectorally in the way the Bank is doing, outlined above. It is considered that such integration can successfully tap latent cross-sectoral synergies in MENA countries. It can maximize benefits not just for CH preservation, but also for development in other linked sectors. The Government officials consulted regard the patrimony as their country's own "national comparative advantage", a niche for growth, an advantage that can be better realized if it is compounded by the Bank's comparative higher ability for including the patrimony into development programming. As one senior cultural official put it, "among our countries patrimony resources are spread more equally and more widely than oil resources; each country, not only some, has them, and must use them". Bank assistance can leverage the countries' own comparative advantages through development-oriented integrated CH strategies.

57. **Only Financing is Not the Answer.** From this policy perspective, and contrary to some widespread beliefs, the value-added contributed by the Bank to the work of specialized cultural agencies is NOT primarily the amount of financing per se. More important is the way in which financial support is marshaled for mainstreaming culture into national development. *Financing in itself is not the most important factor.* True enough, the Bank is able to provide, at governments' request, financial resources for CH in amounts that may considerably surpass other channels. This, however, is not part of the rationale about the Bank's comparative advantage, because clearly the core issue is not just "throwing money at patrimony's problems".

58. The questions asked under Bank assistance for CH are: *how* are the resources to be spent? How can more *poor people* benefit from investments in CH management? How can investments in other sectors spread their positive effects over the CH sector as well? And, in turn, how can these other sectors benefit from links with the hidden economic values of the patrimony, for the nation's greater gain? In essence, all these questions point to the ultimate development philosophy with which the CH patrimony is to be financed and managed.

59. These are not light questions, however. It must be stated that the Bank, and MENA region, do not have ready-made answers to all these crucial questions. Such answers must be worked out jointly and creatively by all involved, country representatives and Bank staff together. But it is under the exacting compass of these major questions that country requests for Bank assistance are considered in MENA⁷.

60. **When Value-Added is Absent.** Conversely, there clearly are also many activities within the CH sector for which MENA region's assistance would not have comparative advantage, because they do not fall under Bank mandate and competence. For instance, MENA region is not involved in supporting archaeological excavations, which are carried out and financed by specialized academic and research bodies. Nor can it bring particular value-added to strictly technical conservation projects in the heritage domain that require highly specialized organizations and oversight. More generally, *the MENA region does not finance culture-based activities, however important on their own merits, that do not offer a demonstrable socio-economic benefit consistent with the Bank's development mandate.* In sum, MENA directs its staff members to seek NOT THE MAXIMIZATION of financing in itself for CH, but rather the maximization of the opportunities to capture and enhance patrimony's contribution to the country's basic development objectives.

61. **Lending and Non-Lending Assistance.** Since the Bank's involvement in cultural projects is only in its initial stages, the Bank's Board has also directed that work be continued on refining and adapting its basic analytical methods (economic, financial, social, etc.) and the lending criteria to assistance into this domain. Overall, the Bank's work in this arena should be pluralistic, respect diversity, and not seek to promote one culture over another. Each lending intervention must clarify its value added and the comparative advantage of the Bank's support. Evidence from operations is expected to lead to more incisive criteria regarding the granting of support for cultural activities that are developmental but not directly income generating. Further research by the Bank, and MENA, is needed also to clarify the conditions under which:

- culture-based activities are apt to contribute most directly to economic development;
- such activities strengthen the identity, social cohesion and efficacy of poor groups and contribute to their inclusion in the economy and society; and
- tourism development can benefit the poor; provide significant government revenues, and avoid degrading environmental and cultural assets.

⁷ Significantly, in instances when these principles have not been well translated in project design, like in a recent World Bank-financed CH project in Azerbaijan that took a rather insular, monument-centered and decontextualized approach, the Bank's Board criticized the design of the investment loan. That project is now being retrofitted, in light of the Board's guidance. MENA region is learning from all available Bank experiences and attempts to avoid narrow insular approaches.

62. MENA intervention in the CH domain would not crowd out the participation of the private sector or other agencies, and will not be undertaken when alternative financing is or could be available.

63. The Bank's policy also offers full scope for a series of critical *non-lending activities* to assist borrowers in their culture and development programs. It is particularly important to address cultural sector issues within CDF and CAS consultations and analysis, and within country and general economic and sector work on relevant sectors (infrastructure, tourism, education, etc.). Institutional assistance by the Bank for mobilizing bilateral aid and for private sector support is seen as a cornerstone of non-lending assistance. The Bank can also support other CH activities that do not involve lending but create premises for structured programs in CH, such as heritage inventories or strategy preparation.

64. **Operational Policy Implications.** Two key operational imperatives result for MENA region from comparative advantage considerations in the CH domain. These are: *selectivity and partnerships building.*

Selectivity. The selectivity principle guides MENA to choose from among the many CH activities in need of support those which are germane to the Bank's mandate and can yield high development benefits. Yet it is a complex challenge to discover how to connect investments in conserving the heritage of the past with investments to accelerate future development. The task is promising, yet is fraught with generous opportunities for making well-intentioned mistakes. Selectivity can be implemented through: customized project preparation work; study of alternatives; and the use of explicit criteria for granting or declining lending, as defined further (Chapters 5, 6 and 9).

Neither the importance, nor the ubiquity of worthy heritage sites, automatically guarantee that every support for preservation will necessarily be well-oriented, sound and sustainable in the long run. Hence, the imperatives of thinking through alternative project options; defining sound investment criteria; pursuing only firm priorities; leveraging the Bank's comparative advantages; compensating for comparative disadvantages through partnerships; knowing not only what MENA could do, but also what MENA *should not do* in the cultural sector, or when it does not have a comparative advantage; and, most importantly, embedding heritage protection *within*, rather than parallel to, the Bank's strategies of poverty reduction, financing infrastructure, and social inclusion.

Partnerships Building. Further, awareness of both comparative disadvantages and advantages prompts MENA to pursue a partnership approach in its CH interventions. Partnerships are strategically indispensable in assisting preservation works. Because of the Bank's relatively recent entry into this field, it has a comparative disadvantage in terms of a still limited number of staff with the skills required by these activities. Complementing the Bank's knowledge with the

expertise of specialized organizations is therefore paramount, together with an effort for building up MENA's in-house skills. *"Much of the knowledge on the various aspects of culture, stated the Bank's President, resides outside of the World Bank. Therefore, integrating culture into the Bank's work will depend on successful partnerships. Partnerships that bring together international, regional, national and local actors; that bridge formal and informal, private and public sectors. Partnerships that bring in foundations, civil society and the communities themselves, as well as national government and international agencies"*¹.

1.8. Partnership with UNESCO and Other Institutions

65. Since the Bank's assistance to the cultural patrimony depends, and will continue to depend, on partnerships, it is important to point out some of the key potential partner organizations for MENA's activities in the cultural heritage domain.

66. UNESCO is the premier institution within the UN system dealing with cultural heritage. The preservation of the world's cultural heritage is one of UNESCO's fundamental functions. Partnership with UN organizations, and particularly with UNESCO, remains a basic principle for the Bank's policy and operations in the cultural sector. Several other UN agencies, many private foundations, and major international non-governmental organizations, also have a considerable record and established competencies in this domain. The Bank's collaboration with these organizations is grounded in the principle of comparative advantage and is aimed at drawing on such organizations' technical expertise.

67. **Areas of Cooperation.** Institutional capacity building and development of legal frameworks and regulations for protecting the patrimony is a natural area for cooperation with UNESCO. UNESCO's constitution calls for the adoption of appropriate legislation at two distinct levels - the international and the national legislation - that should define the nature and scope of the protection to be provided, specify the property involved, and set out the measures able to afford such protection². UNESCO helps countries in the formulation of legal frameworks. It has prepared a series of international multilateral treaties to enhance the safeguarding of the tangible cultural heritage, during peace time as well as under conflict circumstances. These conventions set standards for proper management of CH, and are applicable to CH in every region. The most important of these international instruments is the World Heritage Convention of 1972 which, judged only by number of signatory states, "must be regarded as one of the world's most successful conventions"³. It defined the goals and standards for the protection of the

¹ James D. Wolfensohn, *Foreword. Culture and Sustainable Development, A Framework for Action*, World Bank, Washington D.C., 1999.

² UNESCO, *Conventions and Recommendations of UNESCO concerning the Protection of the Cultural Heritage*, UNESCO, Geneva, 1985.

³ Lyndell V. Pratt, *International Standards for Cultural Heritage, World Culture Report*, UNESCO, 1998.

cultural heritage by each state, and has listed specific measures to enable individual states to safeguard the cultural property on their own territory¹.

68. UNESCO member states have a constitutional obligation to transmit the standard-making UNESCO recommendations to their relevant national authorities for implementation, and to report on implementation. For instance, the *Recommendation on the International Principles Applicable to Archaeological Excavations* (1956) has become the standard adopted in most national legislations on the subject. In addition to the definition of international standards and principles, UNESCO undertakes a vast number of direct technical assistance projects and studies that provide help in restoration and preservation activities to a vast number of countries

69. UNESCO and its founders have emphasized that it is incumbent on the international community as a whole and on international development agencies to participate in the protection of the cultural and natural heritage of outstanding universal value by the granting of collective assistance which will serve as an effective complement - not substitute - to action by the state concerned.

70. The Bank has initiated a number of collaborative activities with UNESCO, some of which have taken place in MENA countries. In 1977, the Bank and UNESCO have fostered the creation of a "Cultural Heritage Network", with the participation of more than 20 internationally recognized institutions. The network aims at information sharing, knowledge management and collaborative field projects for integrating the protection of heritage into the mainstream development programs.

71. Several international non-governmental organizations recognized by UNESCO as very active in patrimony protection are also partners for Bank-assisted activities. Among these are the International Council on Monuments and Sites (ICOMOS), the International Conservation Center in Rome (ICCROM), the International Council of Museums (ICOM), the Aga Khan Trust for Culture (AKTC), the International Center for Jewish Art (CJA), the Getty Foundation, and many others (see Box 1.3).

¹ UNESCO sponsored the *Convention on the Protection of Cultural Property in the Event of Armed Conflict*, The Hague, 1954 (The "Hague Convention"), updated in 1999. Extending the principles of wartime cultural protection to civil wars, it also calls on States parties to the Convention to establish in peacetime adequate measures for the identification and protection of both moveable and immovable cultural property. Other conventions developed by UNESCO include: *The Most Effective Means of rendering Museums Accessible to Everyone* (1960), *The Protection of Cultural Property Endangered by Public or Private Works* (1968), *The International Exchange of Cultural Property* (1980), and numerous others. After years of negotiations about the impact of international theft, illegal excavation and smuggling of items of cultural value, the UNESCO General Conference adopted the *Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of ownership of Cultural Property*. States Parties to this Convention undertake to contain the illicit trafficking in stolen and smuggled cultural property; such trafficking victimizes primarily the developing countries.

Box 1.3. An Example of Bank Partnership in CH Preservation

The institutional cooperation promoted by the Bank includes *formal agreements* of partnership. An illustration is the partnership concluded with the Getty Trust Foundation, an organization primarily specialized in CH preservation and conservation. This partnership can be “put to work” in any project in MENA, or other regions. The partnership agreement stipulates that the Bank and the Getty Trust will work together to:

- Identify specific operations and projects where the Bank and the Getty can collaborate to protect and sustain cultural heritage (for example, the Getty would provide expertise to Bank-assisted projects).
- Jointly undertake pilot projects in cultural heritage and develop a research and evaluation agenda to assess the performance of these projects.
- Mobilize financial and institutional resources for these objectives.
- Engage in staff exchanges to increase awareness of methods, resources, and operational practices of the partner organization.

In turn, the Getty Trust Foundation (or other similar organizations) get important benefits from partnership with the Bank: it can link CH preservation to many large-scale development projects, which the Foundation does not do on its own. Most important, the beneficiary developing countries gain the cumulative impact of both organizations under the same programs.

72. **Partnerships are a Two-Way Street.** In turn, while inviting new partners, MENA responds cooperatively to specialized agencies that themselves seek certain capacities and perspectives from the Bank to reinforce their own contributions. MENA region’s access to, and influence with, governments and the private sector can help place cultural issues on the main development track and an reinforce the impacts of other agencies and stakeholders in concerted CH activities. Complementarities through partnerships leverage the effectiveness of *all* parties.

73. **The World Heritage List.** An important instrument for international cooperation in preserving humanity’s most important cultural patrimony is the World Heritage List. Based on criteria established in the 1972 Convention for the Protection of the World Cultural and Natural Heritage, the World Heritage List (WHL) includes monuments and sites of outstanding universal value. These are selected and classified by the World Heritage Committee established by UNESCO, assisted by ICOMOS and ICCROM. The WHL list is gradually expanding. Each year the World Heritage Committee evaluates proposals from member states for inclusion in the list, considering the best ways for ensuring the representative nature and hence the credibility of the WHL.

74. By October 1999, 416 cultural sites were included on the list, of which 389 were included on cultural criteria alone and 27 on both cultural and natural criteria. Of these 416 sites, 48 (about 12 percent) are in the countries of Middle East and North Africa, making the MENA area the second largest region, after Europe, in terms of the number of sites on the World Heritage lists (see a detailed description of the MENA sites in Chapter 2 and on the heritage maps at end of paper).

75. UNESCO, the World Heritage Center, and the scientific community at large strive to continually improve the identification and selection process, and to remedy existing imbalances and gaps in the WHL. Among the gaps and imbalances of the WHL relevant for this review are:

- Europe is over-represented in relation to the rest of the world;
- Historic towns and religious buildings are over-represented in relation to other types of property;
- Christianity is over-represented in relation to other religions and beliefs; and
- “Elitist” architecture is over-represented in relation to vernacular architecture¹.

76. Correcting the imbalances of the WHL depends considerably on expanding the institutional capacity of developing countries as well. Better capacities are required both for preparing the historic and artistic documentation to support selection and for managing the selected sites at the level required for properties inscribed on the WHL.

77. Overall, both long-existing Bank policies and the 1999 Board-provided additional guidance offer ample space and a clear compass for MENA region’s evolving program in culture and development. The specific recommendations given are directly relevant not only for the general regional strategy, but also at the level of each ongoing and future operation, taking into account country needs and circumstances.

¹ See documents of the “Expert Meeting of the Global Strategy” and thematic studies for a representative World Heritage Lists, UNESCO, June 1994. See also: Leon Pressouyre, *“La Condition du Patrimoine – Vingt ans après”*.

Chapter 2

Inherited Treasures: MENA's Cultural Patrimony

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CHAPTER 2

INHERITED TREASURES: MENA's CULTURAL PATRIMONY

1. This chapter provides a brief historical overview of the people who have lived and migrated through this region, created its cultures, toiled its soils, sailed its waters, and built its houses, workshops, prayer-shrines, amphitheaters and libraries. It attempts to highlight what is particular and characteristic about the MENA cultural heritage. The first part of the chapter contains succinct elements of historical background on peoples, empires and civilizations succeeding each other; the second part deals with how this patrimony has been and is re-discovered and studied; and the third part describes the main categories of heritage, built and oral, with which today's governments and societies have to deal in their conservation and management efforts.

2.1. Populations, Culture and Religions

2. What in World Bank vernacular is called "The MENA Region" represents a geographically vast mosaic of several distinct past civilizations and of contemporary societies that are their heirs and display rich new cultural developments. Considering at the outset the region's history is necessary for understanding the genesis of its cultures. The diversity and pluralism of the region's cultural heritage can be appreciated only in the context of the vast movements of its populations, of its ever expanding trade routes, of the wars, political conquests and rise and collapses of empires and states. Economic and political factors account for the overlaps, mutual influence, and juxtaposition of civilizations, resulting in the multi-layered nature of the region's heritage.

3. Regional geography underlines history and political developments. The region stretches from the Caspian shores and Iran – ancient Persia – at east, through the fertile valleys and plains of Mesopotamia, continues through the present-day Syrian, Lebanese, Israeli, and Palestinian coastal corridor, embraces the world of Egypt's and Nile dynasties, and expands all the way along the southern Mediterranean coast to the westernmost reaches of North Africa. Settlement has replaced settlement; civilizations have come and gone. The MENA region encompasses not one, but a plurality of nations, and an even greater number of ethnic and culturally diverse groups. New nations rest on layers of embedded history, incorporating into their national consciousness and daily lifestyles artifacts and influences from generations long past.

4. **History and Cultural Transfers.** A nation's cultural heritage is its most precious expression of national identity and continuity. Yet an awareness of the value of this inestimable heritage came rather late, and the scientific, systematic attempt to preserve it began only as recently as the past century, with the first archeological expeditions in the 1830s and 1840s.

5. The region can trace the history of its civilizations for more than 11,000 years. Early Paleolithic hunting implements, discovered in the caves of Mt. Carmel, introduce the area's heritage, and present-day countries are but the latest chapters in this continually changing story. In the Middle East, Jericho's multi-strata site reveals cultural evidence dating back some 9,000 years ago, when the area was occupied by Mesolithic peoples. The Fertile Crescent of Mesopotamia exemplifies the stratified, inter-penetrating layers of history found in many parts of the MENA region: in the fourth millennium BC, Neolithic and Chalcolithic settlements were replaced by the Sumerian civilization, which was itself nearly destroyed about 2500 BC by Semitic tribes from the Arabian Desert. Akkad, the mighty city that arose on the ruins of Sumer, was then itself replaced by Assyrian, Babylonian, and Persian civilizations. Indeed, Amorites from the west, the Indo-European Hittites from central Asia, Arameans, Phoenicians, Hebrews, Philistines, Greeks, Romans, Turks, Mongols, Arabs, Ottomans and much later French, English and many others, have all left their mark on the Middle East.

6. To the west, the fertile Nile valley was sheltering a similar, if generally more protected and integrated, series of civilizations during this long period. The fertility of the Nile Delta was a great attraction to wandering Semites from the east and north, especially in times of drought and famine. While raising gigantic pyramids and building Luxor's unique temples, the Egyptians in turn made successive territorial forays which extended their cultural and political influence along the contested coastal plain of Syria. Egypt's most flourishing period ended in 525 BC, when it was conquered by the Persians, who incorporated it into an Empire that extended to China. In the fourth century BC, Persia itself couldn't stop the triumphal advance of Alexander the Great, who led the Greek armies from the south of Europe, across the Middle East, deep into Asia. And then only a few centuries later, the Greek conquerors were in turn replaced in the Middle East and North Africa by the Romans. Throughout the times, most of the local populations survived under wave after wave of incoming armies, absorbing new and lasting influences into the area's cultures.

7. Movements across the entire region gradually intensified towards today's Maghreb. It was the seafaring Phoenicians who first extended Middle East trade and influence throughout the entire Mediterranean, reaching as far as the Atlantic by the second millennium BC. On the northern Syrian coast, evidence uncovered at Ras Shamra (ancient Ugarit) indicates commerce with numerous other ports throughout the Mediterranean. Settlements such as Volubilis in Morocco, which reveal complex societies and trading activities, testify to the extent of Phoenician and then Roman power and influence during this period, not only along the shores of the Mediterranean basin, but often deeper into the interior. Phoenician's maritime dominance of the Mediterranean came to an end in 211 BC, when it was defeated by the Romans at Carthage. With this victory, Rome gained mastery over the entire Mediterranean, and Roman colonies now prospered across North Africa. Tingad in Algeria (now, like Carthage, on the World Heritage List) remains one of the most representative towns of those times, miraculously preserving for today's and tomorrow's generations the full urban architecture and layout

of a city flourishing two thousand years ago. This complicated and continual movement of settlers, conquerors, colonizers, and traders continued throughout the succeeding centuries, until the XXth century.

8. Summing up chronologically this succession of migrations and populations, most historians are in consensus in outlining in broad lines the following main periods in Maghreb's layer upon layer of cultural history with considerable overlaps¹:

- The Prehistoric and Protohistoric periods from the beginning of the 7th millennium BC until the establishment of Carthage;
- The Antique Period: from 8th Century BC to the 7th Century AD, including:
 - The Punic epoch;
 - The Numidic epoch;
 - The Roman epoch;
 - The Vandal epoch;
 - The Byzantine epoch.
- The Islamic Period: 7th Century AD – to date.

9. Within the Islamic period, historians also distinguish some sub-periods in terms of powerful political and cultural influences, such as the Ottoman period in the 16th-18th centuries, the Colonial period in the Maghreb in the 19th-20th century, and the Modern period, starting in mid-20th century at independence².

¹ ICCROM, *Synthèse de l' Enquête sur Le Patrimoine Culturel Maghrébien*, draft, Avril 1996

² Other chronological classifications proposed in the history literature use the following periodization:
(a) the Prehistoric Period, with its archaeological sites and rock-art sites preserved until now;
(b) the Pre-Islamic Period, from the VIIth-VIth centuries BC and including the Roman period; and
(c) the Islamic period, from the VII Century AD to the present, with its extraordinary range of religious and secular buildings.

Box 2.1. Collective Destinies: How Cultural Exports Traveled

The great French historian Fernand Braudel offered an extraordinary image of the intermingling civilizations created by the many people who lived over millennia along the Mediterranean shores.

"How Cultural Exports Traveled" is an excerpt from his classic treatise on *The Mediterranean* in which Braudel masterly describes how "cultural possessions" changed places, and how culture formation and diffusion took place, producing what today is the region's collective cultural heritage.

Fernand Braudel: "How Cultural Exports Traveled"

Men traveled; so did cultural possessions, both the everyday and the unexpected, following expatriates round the world. Arriving with a group of travelers one year they might be carried further by others a year or a century later, ferried from place to place, left behind or taken up again, often by ignorant hands. The first printing-presses in the Danube lands, which were to produce Orthodox devotional works, were brought in at the beginning of the sixteenth century by Montenegrin peddlers from Venice or from Venetian possessions. The Jews expelled from Spain in 1492 organized in Salonica and Constantinople markets for everything they found lacking there: they opened iron-mongery shops, introduced the first printing-presses with Latin, Greek or Hebrew characters (until the eighteenth century when the first presses with Arabic characters appear); they began producing woollen cloth and brocade and, it is said, built the first wheeled gun-carriages, thus providing the army of Sulaiman the Magnificent with its field artillery, one of the secrets of its success. And it seems that they took as their model the gun-carriages of Charles VIII's artillery in Italy in 1494.

But most cultural transfers were the work of anonymous carriers: So many were they, some moving quickly, others so slowly, that it is almost impossible to find one's way through this immense baggage hall in perpetual confusion. For every piece of cultural baggage recognized, a thousand are untraceable: identification labels are missing and sometimes the contents or their wrappings have vanished too. In the case of works of art... (or) when we are dealing with tangible entities like words... we may be reasonably if not absolutely sure of their provenance. But when it comes to ideas, attitudes, techniques, the margin of error is very wide. Is it possible to say that Spanish mysticism in the sixteenth century can be traced back to Moslem Sufism through such intermediaries as the eclectic genius of Ramon Lull? Is it true that the use of rhyme in the West owed its origin to the Moslem poets of Spain? That the chansons de geste (as is quite probable) borrowed from Islam? We should be equally wary of those who are too certain in their identification of cultural phenomena and of those who by reaction deny all borrowing between civilization and civilization, when in the Mediterranean to live is to exchange – men, ideas, ways of life, beliefs - or habits of courtship (our emphasis).

What is already plain is the extent and immensity of the intermingling of Mediterranean cultures, all the more rich in consequences since in this zone of exchanges cultural groups were so numerous from the start. In one region they might remain distinctive, exchanging and borrowing from other groups from time to time. Elsewhere they merged to produce the extraordinary charivari suggestive of eastern ports as described by romantic poets: a rendezvous for every race, every religion, every kind of man, for everything in the way of hairstyles, fashions, foods and manners to be found in the Mediterranean.

The mark of a living civilization is that it is capable of exporting itself, of spreading its culture to distant places. It is impossible to imagine a true civilization which does not export its people, its ways of thinking and living".

Fernand Braudel *The Mediterranean and the Mediterranean World in the Age of Philip II*, Vol. II, Harper and Row, 1966, p.60-763.

10. In the nineteenth century, Italy, France, and England occupied and colonized North Africa, exploiting its resources and people yet adding new social and artistic influences to the multiple and inter-penetrating layers of culture already existing in these lands. And in the twentieth century, German as well as British and French occupation or powerful political, economic and cultural influences, at times included not only North Africa but also the eastern Mediterranean basin. But soon after the Second World War, the Colonial system collapsed, independence was gained, new nation states were formed, and a period of intense nation-building and national cultural renaissance set in.

11. **World Religions.** Three major monotheistic world religions have their birthplace in the area encompassed today within the MENA region and remain an intrinsic and essential part of the region's and all humanity's heritage. Judaism, Christianity and Islam appeared in the Middle East, as did others, less widespread religions.

12. Religious communities have built shrines of historic and spiritual universal importance. The old walled city of Jerusalem embodies within one unique urban environment the roots and links of these religions. The holiest shrines are here: the Western Wall of Herod's Temple, the Church of the Holy Sepulchre, the Church of the Nativity in Bethlehem, the Dome of the Rock with the holy Al-Aqsa Mosque, as well as numerous other sites and buildings of profound spiritual significance. Empires were established under religious flags, such as the Byzantine Empire in the Eastern Mediterranean. Wars were fought and armies moved under religious flags, from east to west or west to east, carrying not only their weapons but also their cultural influences.

13. The ideas, values and archaeological treasures those time left behind – holy sites, manuscripts, shrines, schools, and many others – claim today the loyalties of innumerable millions of people throughout the world. Not only the religious, but also the political, cultural, moral or economic importance of this heritage for the contemporary world and humanity's life can not be overestimated.

Box 2.2. The Oldest Remaining Christian Church in the World

The known heritage is expanding with new discoveries of international significance. They testify about the "layered" nature of humanity's cultural thesaurus and the succession of civilizations and religions in the same geographical territory.

As recent as in 1998, American archaeologists excavating in Southern Jordan have found what they believe is the oldest remaining Christian church in the world. The discovered mud-brick structure is set just a few hundred yards from the Red Sea. The researchers concluded that the church may have been built some 1,700 years ago by the Christian community of Ayla, a flourishing cosmopolitan outpost of the Roman Empire.

(The Washington Post, July 9, 1998)

14. **Commonalities and Diversity.** The countries of the Middle East and the countries of the Maghreb share so many characteristics and mutual influences that it is possible to speak of fundamental commonalities within their enormous diversity. All major types of archaeological sites and artistic categories are represented in all three countries - Algeria, Morocco and Tunisia – defining the Maghrebian cultural heritage. Integral also to the cultural Maghrebian community is the indigenous culture of its Berber populations. When newcomers from the east arrived, the local Berber communities and their armies fought hard, but had to retreat into the Atlas Mountains. Yet, Berber culture and languages have been, and remain, a significant presence from Morocco to Tunisia, in history as well as in contemporary social life. Jewish culture in turn is an important part of the patrimony of the Maghreb. Jews first came to the Maghreb with the Phoenicians,

and much later arrived in significant numbers from Spain. Jewish communities in the Medina grew large and widespread throughout the area, especially from the 15th to mid-20th centuries. After the 15th Century and the consolidation of Christian power in Iberia, other exiles and migrants from southern Iberia brought Andalusian art and Christian religion, together with their unique style of life, to North Africa. Preservation of heritage means therefore preservation of the evidence of cultural pluralism, preservation of both commonalities and diversity, neither at the expense of the other.

15. The presence and movements of so many populations and influences in the MENA Region, as only briefly sketched above, simply hints at the area's historical complexity and cultural diversity, for within each of these periods there were numerous smaller migrations and cultural contributions. These populations have endowed the Middle East and North Africa with an exceedingly rich, very complex cultural heritage, not yet even fully known, identified, catalogued and studied. Studying and preserving this cultural diversity as a treasured inheritance and "public good" is part and parcel of today's efforts for building identity and social cohesion, continuing the best historical traditions of "living together"¹, and mutual respect between different populations and their cultures.

16. The 20th Century has seen the establishment of national states which proclaim a specific identity, yet whose cultural heritage subsumes a wealth of historic experiences. Retrieving, rescuing, and protecting this inherited treasure, much of it of universal significance, is of vital importance not only for the national consciousness, but also for the cultural richness of the world at large.

2.2. The Record: Re-discovering the Heritage

17. For defining today's strategies of heritage preservation in ways linked to the countries' overall development strategies, it is also important to understand how the sheer "evidence" or the "record" of the historic heritage has been written up and how incomplete it still is.

18. To many it may be a surprise to learn that the systematic attempt to access/preserve this record has begun only recently. The search to discover the cultural heritage, and to establish a scientific record of it, has been itself controversial. During the 19th Century, Western European and American researchers started to take an increasing interest in exploring the cultures of countries in the MENA region. They forged close inter-cultural links, defined areas of primary scientific interests, and assumed implicit and explicit obligations that are in part at the roots of today's cultural cooperation patterns.

¹ For the special patterns of interaction within the cultural pluralism typical for medieval Spain and North African areas, researchers are using the concept "*convivencia*" – living together (see Vivian B. Mann, Thomas F. Glick and J.D. Dodds, *Convivencia. Jews, Muslim and Christians in Medieval Spain*, George Braziller Inc. New York, 1992).

19. Only in the last five to six decades have scholars from developing countries joined in substantial numbers this major endeavor. Their accomplishments are impressive and their work needs much stronger support from the international community as part of the assistance for cultural heritage preservation.

20. Concisely, some of the elements that have marked the process of accessing and creating the cultural record are summarized below:

- The first archaeological expeditions into the Middle East were prompted not by scientific inquiry or cultural appreciation but by “anti-Darwinism”: the attempt to verify Biblical history. Interest was therefore focused on Mesopotamia and the Nile Valley in an attempt to prove the truth of the Bible.
- These earliest archaeological inquiries were idiosyncratic and unsystematic, undertaken by curious individuals, with private support, who just happened to be in the area. The first expedition to Babylon, in 1811, was on the personal initiative of Claudius Rich, an employee of the East India Company, and it was not until 1845 that the first expedition reached Assyria.
- The first “archaeologists,” as loyal British subjects, exported their “finds” to the British Museum and innumerable private castles. For long, antiquities were not appreciated for their value as testimony to the integral local cultural and historical context, but for their value as discreet art objects that would enhance museum or personal collections abroad. There was little attempt at *systematic* documentation.
- In Egypt, a bit earlier, the French had led a similar scramble for antiquities. By 1828, however, the French had instituted a more precise recording of findings, which was continued in Egypt by the Prussians.
- The first American expedition to Mesopotamia was carried out in 1884, by the University of Pennsylvania, with work beginning three years later at the holy Sumerian city of Nippur.
- Excavation methodology, however, took its greatest step forward with the arrival of German researchers at Babylon, who developed the first significant standards for archaeological investigation.
- Many items were lost or damaged as work expanded. Crating and transportation were difficult and unreliable, and many items were stolen or damaged in transit. Plundering, by local residents as well as by excavators, was common.
- By the mid-nineteenth century, an incipient appreciation of the importance of cultural heritage *in situ* started to shift the focus of research. A few

archaeologists in the Middle East and some government officials began to appreciate the value of archaeological sites as “documents” important to the local, and not only the world’s, cultural heritage and history. The first National Museum and the first National Antiquities Service in the Near or Middle East was established in mid-century in Egypt. Subsequently, Antiquities Departments or Institutes were created in all MENA region countries after the end of the colonial period and the beginning of independence.

- Until the First World War, most expeditions were privately financed by wealthy individuals, for their own purposes. There was little public or government understanding of the value of the antiquities to the cultural heritage of the region.
- Modern archaeology, as a discipline with scientific standards of research, documentation, evacuation, and preservation, began only after World War I. In the aftermath of the war, many private fortunes, which had provided support for scientific expeditions, were lost. Institutions, often with state aid, became the primary sponsors of expeditions, and archaeology became a profession, accountable to others for its standards and results.

21. The shift to public funding and professionalism coincided or was reinforced with the rise of new states in the Middle East and in the Maghreb countries. Following World War I and the demise of the Ottoman Empire, a new awareness of national identity was expressed in the struggles for independence and in the revival typical for the post-colonial years. Independence movements after World War II and the collapse of the colonial system created a totally new political framework for research on the historic patrimony. Cultural heritage rapidly gained much prominence within the processes of nation-building, as expression of the national ethos and reason for national pride. These political developments contributed to the emergence of archaeology itself, within which the search for the coherent history and culture of a site, rather than for simply extracting individual items, became the dominant trend.

22. Archaeological excavations underway now in Middle East and North African countries are carried out by the new generation of archaeologists of these countries themselves, in scientific partnership with foreign universities¹. With every excavation campaign, their important discoveries continue to enrich the known cultural heritage of the MENA region. They also add to the tasks and extent of cultural preservation needs – a welcome extension, despite the new burden. And there still is much to be discovered and known. Painstaking research and discovery remains a constant goal of heritage preservation and transmittal into the future.

¹ Siraj, Ahmed, Rapport sur l’Etat des Recherches Archéologiques au Maroc, établi pour la Banque Mondiale, Université Hassan II de Mohamedia, processed, December 1999.

2.3. National and Universal Values

23. The succession of diverse populations and cultures described in the previous section has left in place a vast heritage, tangible and intangible. This heritage is at the same time physical and spiritual, material and non-material, religious and secular. The present section faces the impossible task of giving a brief overview of the content and importance of the heritage itself, for the purposes of this review paper.

24. **The World Heritage List.** Perhaps the most concise characterization that can be given to the MENA region culturally is that, within its long stretch from the Atlantic shores to the mountains of Central Asia, it is nothing less than a vast archive of the history of several Western and Eastern civilizations. Literally littered with traces of mankind's creativity and habitation, the region is home to 48 sites inscribed on the World Heritage to date. Yet their list merely indicates, but does not exhaust, the enormous cultural wealth lying visible or hidden in its sands, in its cities, and in the memories and lifestyles of its peoples.

25. One factual indicator eloquently captures the extraordinary wealth and universal importance of this heritage: the number of World Heritage sites located in the MENA region is higher than in other Bank regions, except the combined Europe and Central Asia Region (see table 3.1). MENA countries are on record to date with 48 sites of universal cultural significance, versus 32 and 31 in East and South Asia respectively, 20 in Africa, and 41 in all Latin American and Caribbean countries (Table 3.1). The World List is growing slowly, with each year adding only a few sites inscribed after extremely careful consideration by UNESCO and its expert commissions. Several other "site files" from MENA countries has been submitted for examination and are awaiting certification as world heritage sites. And most experts agree that many MENA region sites not yet on this list are equal in value, beauty, significance.

Table 2.1: Distribution of World Cultural Heritage Sites By Region

Bank Regions	Cultural Sites			
	Cultural Sites (C)	Natural Sites (N)	Both (N+C)	Total Sites
Middle East and North Africa	46 (19.4%)	1	2	49
Africa	19 (8%)	33	1	53
Latin America and Caribbean	40 (16.9%)	13	1	54
East Asia and Pacific	29 (12.2%)	8	3	40
Europe & Central Asia*	72 (30.4%)	9	3	84
South Asia	31 (13.1%)	9		40
Total for Developing Countries	237 (100%)	73	20	320
Other (Developed) Countries**	152	28	7	187
Grand Total of Sites	389	101	27	507

(Source: UNESCO/WHL) This table regroups the sites on the WHL according to conventional grouping of countries in Bank regional Vice-presidencies.

C= Cultural site, N= Natural site.

* Includes transition and developing countries in Europe and Central Asia that are grouped in the Bank's Europe and Central Asia Region (ECA).

** This row includes developed countries: Australia (C=7, C+N=4), Canada (C=6, N=5), 14 countries in Europe (C=126, N=8), C+N=2), Japan (C=2, N=6), New Zealand (N=1, C+N=1), and USA (C=11, N=8).

26. The outstanding universal value of the monuments on the World Heritage List is reflected in the criteria applied for selection and inclusion. They represent “masterpiece of human creative genius”, “bear a unique ... testimony to a cultural tradition” and are “outstanding examples (that) illustrate a significant stage in human history”. To understand the character and value of each monument or site, the list explicitly mentions the two, three, or four criteria applied for each. These criteria are given Box 3.3.

27. It must be emphasized, however, for a correct appreciation of the sheer magnitude of the heritage in MENA, and of its “weight” in each nation’s development capital as well, that the number of monuments of the WHL is a tiny fraction of the total built heritage sites in each country. It is impossible, in fact, to accurately quantify the magnitude of the patrimony, because inventorying work is either ongoing, or has not even

began in earnest (Yemen, for instance, a country with an enormous patrimony, will *start* such an inventorying effort only in year 2000, with assistance from Italy and the World Bank). Tunisia, for instance, has 8 sites on the WHL, but its still far incomplete "Archaeological Map of Tunisia" already lists over 21,000 sites¹, of which 300 are "state classified". The West Bank is reported to have at least 1600 archeological sites². In turn, beyond its eight WHL certified sites, Morocco has identified over 15,000 sites and historic monuments but to date has managed to study and declare only some 300 of them as "state classified" (protected) sites.

28. While many more sites and monuments would qualify to be in the "state classified" category, resource limitations prevent MENA countries at this time from applying the same protection regime to a larger number of monuments and sites. That also restricts the ability to "capture" the economic potential of these many exceptional monuments. The numbers mentioned above refer to only what is defined as "built heritage" and do not include the important and numerous works of art, historic objects, manuscripts, etc. housed in such heritage repositories as museums and libraries.

29. **Archaeological Sites and Monuments.** Cultural heritage assets in the MENA Region can be identified under three broad categories:

- Archaeological sites and monuments
- Urban ensembles – the built Medinas and Kasbahs
- Living cultural heritage: folklore and folklife, traditional arts and crafts.

30. The term "archaeological site" defines an area in which remnants of past civilization have been discovered in the form of buildings and buildings' ruins, burial sites, deposits of tools, implements, bones, a.o. Some areas are declared archaeological sites even though they have not been "opened" and excavated, but available evidence strongly indicates the presence of important artifacts underground. Others have been opened and studied, and many of these archaeological sites have gained a place on the World Heritage List (see Table 3.2, and Table 3.3).

¹ ICCROM, *Synthèse de l'Enquête sur le Patrimoine Culturel Maghrébien*, April 1996 draft, processed.

² UNESCO/Palestinian Authority, *Bethlehem 2000 Emergency Action Plan for the Bethlehem Area, Synthesis Report*, 1998, processed.

Table 2.2: Middle East World Heritage Cultural Sites

	Category	No.	Date of Inclusion	Criteria
Egypt	C	86	Memphis and its Necropolis-the Pyramid fields from Giza to Dahshur 26/10/79	(i) (iii) (vi)
	C	87	Ancient Thebes with its Necropolis 26/10/79	(i) (iii) (vi)
	C	88	Monuments from Abu Simbel to Philae 26/10/79	(i) (iii) (vi)
	C	89	Islamic Cairo 26/10/79	(i) (v) (vi)
	C	90	Abou Mena 26/10/79	(iv)
Iraq	C	277	Hatra 6/12/85	(ii) (iii) (iv) (vi)
Iran	C	113	Tchoga Zanbil 26/10/79	(iii) (iv)
	C	114	Persepolis 26/10/79	(i) (iii) (vi)
	C	115	Meidan Emam, Esfahan 26/10/79	(i) (v) (vi)
Jerusalem	C	148	Old City of Jerusalem and its Walls 11/09/81	(ii) (iii) (vi)
Jordan	C	326	Petra 6/12/85	(i) (iii) (iv)
	C	327	Quseir Amra 6/12/85	(i) (iii) (iv)
Lebanon	C	293	Anjar 2/11/84	(iii) (iv)
	C	294	Baalbeck 2/11/84	(i) (iv)
	C	295	Byblos 2/11/84	(iii) (iv) (vi)
	C	299	Tyre 2/11/84	(iii) (vi)
Libya	C	183	Archaeological Site of Leptis Magna 17/12/82	(i) (ii) (iii)
	C	184	Archeological Site of Sabratha 17/12/82	(iii)
	C	190	Archeological Site of Cyrene 17/12/82	(ii) (iii) (vi)
	C	287	Rock-art Sites of Tradart Acacus 6/12/85	(iii)
	C	362	Old Town of Ghadames 28/11/86	(v)
Oman	C	433	Bahla Fort 11/12/87	(iv)
	C	434	Arch. Site: Bat, Al-Khutm, Al-Ayn 9/12/88	(iii) (iv)
	N	654	Arabian Oryx Sanctuary 17/12/94	(iv)
Syria	C	20	Ancient City of Damascus 26/10/79	(i) (ii) (iii) (iv) (vi)
	C	22	Ancient City of Basra 5/9/80	(i) (iii) (vi)
	C	23	Site of Palmyra 5/9/80	(i) (ii) (iv)
	C	21	Ancient City of Aleppo 28/11/86	(iii) (iv)
Yemen	C	385	Old City of Sana'a 28/11/86	(iv) (v) (vi)
	C	192	Old Walled City of Shibam 17/2/82	(iii) (iv) (v)
	C	611	Historic Town of Zabid 11/12/93	(ii) (iv) (vi)

* N = Natural Property. C = Cultural Property.

31. Fabulous archaeological sites are spread across the entire map of the MENA region, with perhaps a density unmatched anywhere else. Each site is a chapter in a historical record that is continually being enriched by new discoveries¹. In the eastern part of the Region are the lands of the Fertile Crescent and of great, complex civilizations such as Sumer, Akkad, Babylon, Assyria and Persia, as well as all sites marking the earliest days of Judaism, Christianity, and Islam. The oldest mud-brick walls in Palestine are found at Jericho, built at least 10,000 years ago by a farming community to keep nomads out. The remnants of twenty cities dating back beyond 4000 BC have been uncovered at the great tell at Bet She-an, in Israel: each layer sits on top of another, Byzantine bathing halls lie on a Roman structure, which in turn covers evidence from early Israelite and Canaanite settlements.

Box 2.3. The Criteria of Universal Cultural Value

Six key criteria are used to decide if a nominated monument or site is of exceptionally universal value and can be included in the World Heritage List.

According to the 1972 Convention adopted by all governments, members of UNESCO, to justify inclusion of a cultural property should:

- I. represent a masterpiece of human creative genius; or
- II. exhibit an important interchange of human values, over a span of time or within a cultural area of the world, on developments in architecture or technology, monumental arts or town-planning and landscape design; or
- III. bear a unique or at least exceptional testimony to a cultural tradition or to a civilization which is living or which has disappeared; or
- IV. be an outstanding example of a type of building or architectural or technological ensemble which illustrates (a) significant stage(s) in human history; or
- V. be an outstanding example of a traditional human settlement or land-use which is representative of a culture (or cultures), especially when it has become vulnerable under the impact of irreversible change; or
- VI. be directly or tangibly associated with events or living traditions, with ideas, or with beliefs, with artistic and literary works of outstanding universal significance. (This criterion justifies inclusion in the List only in exceptional circumstances and in conjunction with other criteria cultural or natural).

32. To the east, at the confluence of the Tigris and Euphrates Rivers, lie the ruins of the great Sumerian city of Ur, legendary birthplace of the Biblical Abraham, where archaeologists have discovered elaborately-carved Royal Tombs. Sumerian civilization

¹ During the very writing of this review paper, newspapers and scientific journals kept reporting almost every week that new archaeological discoveries were made in one or another area of the region, in Morocco or Yemen, in Lebanon or Tunisia, in Oman, Saudi Arabia or Israel. In Egypt, for instance, excavations that took five years unearthed within the city of Bawity a necropolis from the Greco-Roman period, containing about 10,000 graves, with mummies bedecked in gold, earthenware jewelry, pottery, statuettes, etc. The Director of Antiquities at the Giza Pyramids, Zahi Hawas, defined this find as "most important recent discovery in terms of quantity and quality...". (The New York Times, June 20, 1999).

has been found at several other sites as well, such as Lagash, and at Iran's World Heritage site Tchog a Zanbil. Some of these archaeological sites have yielded priceless texts in long-disappeared languages – such as the texts in Sumerian, Hurrian, Hittite discovered at Ras Shamra and Ugarit in Northern Syria. To the north of Ur lies the fabled city of Babylon, dating from 2500 BC, as well as the imposing ruins of the Assyrian city of Ninevah, one of the first cities to be excavated by modern archaeology. Assyria's great libraries, such as that of Ashurbanipal at Ninevah, were filled with copies of Babylonian and Sumerian works, and it is these collections that have yielded the most valuable information about ancient literatures. In Iraq the site of a burned-out city, Mashkan-Shapir is thought to have sparked the legend of Sodom and Gemorrah¹. And at the far eastern edge of the MENA Region lie the magnificent ruins of another World Heritage site, Persepolis, the capital of the Persian Empire until its defeat by Alexander in 331 BC. Evidence of Zoroasterism, the pre-eminent religion of the Persian Empire, are found at numerous sites such as Pasargadae, Nakse-e Rostom, and among the ruins of Susa, the capital city of the Empire under Darius I.

33. Silent testimony to the power and creativity of ancient Egyptian civilization, which was roughly contemporary with the great civilizations of the Babylonian plains, lines the Valley of the Nile, at World Heritage sites of Memphis and its necropolis, the Pyramid fields from Giza to Dahshu, to the Upper Egypt sites of ancient Thebes and the Nubian monuments from Abu Sibel to Philae. To the east, in present-day Jordan, the Nabateans carved the city of Petra out of rose-red rock about two thousand years ago, and built an empire based on advanced agricultural techniques and control of the area's strategic trade routes. This lasted until 106 A.D., when Petra was captured by the Romans. Petra's northern neighbor and rival, the Aramean city of Palmyra, met a similar fate at the hands of the Romans, as did the Israelite kingdom along the coast, which has left a vast archaeological legacy. Throughout Israel are numerous sites, such as Megiddo, attesting to centuries of continual movement of peoples throughout this area, from Babylonia through Assyria to Egypt, for trade, resettlement, or warfare. And in the West Bank alone, the project report on "Bethlehem 2000" indicates some 1,600 archeological sites.

34. While the Semitic Arameans were occupying the territory east of the Lebanon Mountains, and establishing great trading center, as at Palmyra, the Phoenicians along the coast were pushing westward throughout the Mediterranean to establish a great commercial empire. The great Phoenician port of Tyre, a World Heritage site now in Lebanon, reached the height of its prosperity in the eighth century, and remained the commercial center of the eastern Mediterranean until captured by Alexander the Great in 332 BC. Ships sailing from Tyre and Sidon extended westward the Phoenicians' commercial empire to Carthage in 814 BC, and as far as Volubilis in Morocco a few centuries later. Established in 1101 BC, Kerkouane/Utica in northern Tunisia -- like Tyre, Carthage and Volubilis a World Heritage site -- is known as "the Punic Pompeii." Kerkouane has a large necropolis as well as houses unlike those anywhere in Africa.

¹ (Pelegrinno 151-171).

35. Roman power replaced Phoenician power in the Mediterranean following Rome's victory over Carthage in 146 BC. Roman colonies now dotted the landscape of North Africa, adding a Roman triumphal arch as well as another layer of civilization to the Punic-Berber-Hebrew mixture already at Volubilis and Carthage. The Romans extended their colonies, with their temples, villas, baths and public fora at numerous sites such as Dougga/Thugga and at El Jem in Tunisia, where the largest Roman amphitheater in North Africa lies under the sun. Archaeological evidence of Roman architecture is found throughout the Mediterranean: Roman columns crumble in the sea on the Israeli coast at Herzlyia, while a few miles away, at Caesaria, crowds gather to listen to concerts given still in a great Roman amphitheater.

36. Algeria is home to the undoubtedly largest collection of prehistoric rock paintings, for the protection of which two areas totaling some 500,000 km were declared National Parks -- Ahaggar and Tassili. Local inhabitants in North Africa and international visitors alike come across sites of extraordinary rock-art at Tadrart Acacus in Libya or Yagour in the High Atlas. Morocco has inventoried 243 prehistoric rock-art sites of exceptional value, but the total number known to exist in the country is about 17,000¹. Roman mosaics are spread in the entire region and some are brought together in the unique Bardo Museum in Tunis. Crusader castles, Yemeni tower houses, Phoenician olive presses, mosques, abandoned synagogues and cemeteries, Byzantine ruins, churches, medrasses, palaces -- all are evidence of the creativity of the populations that traveled these paths long ago.

37. **The Medinas: Medieval Social Fabrics.** Medinas as a particular type of urban social, economic and architectural space are characteristic for most every country in the Maghreb and Mashreq. Some are designated as old historic towns. They are important not only for their built structures but also for their characteristic *social fabric* that today can no longer be replicated but, at best, can be preserved. For today's visitor, the ancient walled cities of the MENA countries, with their labyrinthine alleys and dense markets, seem lifted from the pages of yesterday, but for their inhabitants and artisans, they seem and are still their common way of life.

38. The World Heritage list includes numerous walled cities in the MENA Region (see Tables 3.2 and 3.3). Perhaps most dramatic are the old cities of Yemen, Sana'a, Shibam, and Zabid, with their tall mud brown tower houses whose windows, outlined in white plaster, look out on busy medinas. Shibam, the "Manhattan of the Desert" towering above the wadi bed below, is slowly being abandoned by the young, who find work outside the old town, near or far. At the other end of the Mediterranean are the medinas of Fez, Essaouira, Marrakesh, Tetouan, Tunis, and Sousse, and the imperial city of Meknes. The ancient cities of Damascus, Basra and Aleppo, the Kasbah of Algiers, the Old Town of Ghadames, in Libya, are also on the World Heritage list; many more, such

¹ Ali Amahan, *Héritage Culturel au Maroc*, processed, 1999.

as Tripoli and Essaouira, could be added, as special, historic, and precious environments for human habitation.

Table 2.3: North Africa World Heritage Sites

	Category	No.	Date of Inclusion	Criteria
Algeria	C	102	Al Qal'a of Beni Hammad 5/9/80	(iii)
	N/C	179	Tassili n'Ajjer 17/12/82	N (ii) (iii) C (i) (iii)
	C	188	M'Zab Valley 17/12/82	(ii) (iii) (v)
	C	191	Djémila 17/12/82	(iii) (iv)
	C	193	Tipasa 17/12/82	(iii) (iv)
	C	194	Timgad 17/12/82	(ii) (iii) (iv)
	C	565	Kasbah of Algiers 14/12/92	(ii) (v)
Malta	C	130	Hal Saflieni Hypogeum 5/9/80	(iii)
	C	131	City of Valletta 5/9/80	(i) (vi)
	C	132	Megalithic Temples 5/9/80 – 14/12/92	(iv)
Morocco	C	170	Medina of Fez 30/10/81	(ii) (v)
	C	331	Medina of Marrakesh 6/12/85	(i) (ii) (iv) (v)
	C	444	Ksar of Ait-Ben-Haddou 11/12/87	(iv) (v)
	C	750	Ancient Ksour of Quadane, Chinguetti	(iii) (iv) (v)
	C	793	Tichitt and Oualata 7/12/96	(iv)
	C	836	Historic City of Meknes (1996) Archeological Site of Volubilis 1/12/97	(ii) (iii) (iv)
	C	837	Medina of Tetouan 1/12/97	(ii) (v)
Tunisia	C	36	Medina of Tunis 26/10/79	(ii) (iii) (v)
	C	37	Archeological Site of Carthage 26/10/79	(ii) (iii) (vi)
	C	338	Amphitheater of El Jem 26/10/79	(iv) (vi)
	N	8	National Park of Ichkeul 5/9/80	(iv)
	C	332	Cite punique de Kerkouane And its necropolis 6/12/85- 28/11/86	(iii)
	C	498	Medina of Sousse 9/12/88	(iii) (iv) (v)
	C	499	Kairouan 9/12/88	(i) (ii) (iii)
	C	794	Dougga/Thugga 12/01/97	(v) (vi) (ii) (v)

39. The medieval Islamic cities, with their dense quarters and walled, hidden courtyards, are a window into centuries-old patterns of life, where economic, religious, and social activities are integrated in daily life. In Fez, for instance, the great Karouinye

mosque and university lie in the heart of the Medina; the thousands of worshippers who find their way to it through the labyrinth of streets pass shops, workshops, and schools, sustaining as they go not only the economic base of the Medina but social relationships as well. Traditional crafts flourish in the Medina: brasswork, carpentry, tiling, as do religious practices that give spiritual meaning to life.

40. The medinas, therefore, can be "living cultural heritage" at its best: ancient religious buildings, schools and inns, being used; traditional folkways—stories, songs, games, beliefs—kept alive; traditional crafts being conveyed to the next generation; and economic activities supporting and supplying traditional needs while adjusting to contemporary market demands. But untended, the medinas can also be deteriorating, unsanitary overcrowded alleys where only the poor remain, undercutting economic vitality, and abandoning religious shrines.

41. The variety within the same type of built heritage is remarkable. Where most medieval medinas are internally intricate, "turned in upon themselves," Essaouira, on the Atlantic coast, looks outward. It stands out as the only Medina deliberately constructed with a clear grid pattern, with streets in right angles. In response to its traditional economic function as a trading port to Europe, eight European consulates built once grand headquarters in Essaouira. Incoming Europeans built also homes and religious institutions. Today, this city by the sea is bypassed by trade and tourism, and its historic ramparts are mortally threatened by constant waves and heavy pollution.

42. Off the coast of Tunisia lies another special environment, the island of Djerba, where natural biosphere reserves are intermingled with cultural monuments, unique "industrial" buildings of traditional weaving workshops, and ancient but functioning mosques and synagogues turn the past into the present. Today, however, the very natural qualities of the island are threatened by mass tourism, and by large hotels that compete for the island's reserve lands and dramatically erode its coastline. A totally different "built environment" can be found elsewhere in Tunisia, in its Matmata region. In this arid, mountainous region, tribes have defied the harshness of nature by carving out cave dwellings and granaries within huge craters. Similar collective granaries and caves are found in the Chenni area. These are not the spectacular palaces of Medina leaders, but are a testimony to patterns of life no less significant for understanding the past.

43. Rural areas, in turn, have their specific types and patterns of built heritage. In the south of the Arabic peninsula, Yemen's famous Wadi Hadramawt valley is still dotted by remains of the forts and military ramparts that provided security to the camel caravans moving slowly along the old silk route, passing the academic city of Tarim and heading to ancient Aden. Maghreb's mud architecture also reflects patterns of ancient social organization and collective defense needs. Most typical are the Qasba (elsewhere written as Kasbah) the family compound with the appearance of a fortress, or the Qsar, the fortified village containing several qasbas. Known under different terms (Qsar or Ksour in Morocco and Tunisia, Kherba, Athan or R'djem in Algeria), the Qsar was a "closed space" surrounded by a fortified mud wall, the result of the cultural contributions of

different social groups with different origins which settled in watered oasis and organized themselves to respond to the natural and social challenges¹ As structures built of mud and few stones, they are fragile despite their appearance and require tender care if they are to last into the future as a testimony to past ways of life.

44. **Oral Traditions and Live Arts.** Throughout the MENA region, there is also an enduring and rich oral cultural heritage – distinct from the written and the built heritage. Traditional music, oral histories, story telling, customs and ways of life, popular crafts, folklore – all are unique instances of folk life and are intrinsic part of the area’s cultural heritage.

45. While for the outsider, traditional folk practices and rituals are clues to perceiving and understanding a society, to the people themselves such practices are embodiments of meaning—links to the past and often links also to a spiritual world that gives rationale and purpose to life. The village storyteller is not merely an entertainer like those on television: he or she is the community’s oral historian, recalling religious tales and also actual family relationships, property transfers, and similar necessary data. And traditional crafts, when passed from father to son, preserve the past, in a living manner, more actively than a museum; furthermore, such skills have economic value in cultural industries, in restoration work, and in tourism.

46. Jamaa el Fna Square in Marrakesh is an outstanding example of a living cultural heritage treasure with which few other places in the world could compare. At least from the 17th Century, if not earlier, Jamaa el Fna has been a huge spontaneous public stage, displaying a buoyant culture that can hardly be chained in definitions and classifications. A stage on which people from different cultures and ethnic groups have met, and folk performers—storytellers, musicians, painters, potters, healers, jugglers, snake-charmers, magicians, cosmeticians, fighters, cooks, and other unusual performers - have felt free to display their talents and wares before the crowds that have gathered each evening.

47. The square sits at historic crossroads in many respects. Marrakesh is at the edge of the desert, where north and south, city and desert, meet. Jamaa el Fna is physically between the mosque and the Medina, and certainly now between traditional and modern life. In the dark of night, in the flickering lights by each performer, magic is in the air. Especially in the storyteller’s tales or the folk healer’s interventions—which depend strongly on belief in the herb and the healer--the square gives freedom to the interplay between the sacred and the profane. It is the traditional, daily culture of another time, miraculously alive for all to experience and learn in year 2000 and beyond.

48. Jamaa el Fna is, then, a crucible for the preservation and the reinterpretation of living cultural heritage, a unique and precious piece of intellectual and spiritual property in a world that is rapidly globalizing and standardizing. But the square is also precious in

¹ Mohammed Berrian, *Tourisme, Culture et Developpement dans la Région Arabe*, UNESCO, Rabat, October 1997, p.33.

the financial sense to the artisans and small businessmen who fill the open space with food stands, open air restaurants, and souvenir shops. Situated on the edge of the Medina, Jamaa el Fna assists commerce in the Medina by bringing crowds to the area, but is also shrinking under tremendous economic and land competition pressures. The open space for spontaneous performance is increasingly limited by commercial presence, parking, and encroachment of surrounding buildings. While seemingly ephemeral folk “cultural heritage” is difficult to “preserve” without changing it in the very process, still the *conditions* that allow it to thrive, such as the square itself, can be protected and maintained¹.

49. Religious practices, anchors of reality for believers, also may exist outside formal, protective institutions, and the conditions for their perpetuation may be endangered by various forms of culturally insensitive developments, by changes in land uses, etc. Kubbas—tombs of the holy men—dot the landscape of the Maghreb. They are emblems of a practice indigenous to the Maghreb, *maraboutism*, the belief that the souls of holy men are especially empowered to act as conduits of prayers to the divine. Believers make pilgrimages to the tombs on holy days or in times of need. This belief apparently predates both Islam and Judaism in North Africa, and has colored the practice of both religions in the Maghreb; it also distinguishes them, to some extent, from others of their faith. *Moussems* are a distinct form of religious and memorial celebrations, integrated with folk art activities, in which the anniversary of a holy person draws large numbers of people to the areas where they lived and/or were buried. As one of the forms of pilgrimages, typical for the Middle East and North Africa Region, the *moussems* add to the flows of what is collectively counted as tourism and increase the economic impacts of tourism.

50. It is important now to record such unique life styles of all area populations wherever they are found, and where necessary and desired, to safeguard these testimonies. In the Matmata region of Tunisia – an arid, mountainous region – tribes have defied the harshness of nature by carving out cave dwellings and granaries within huge craters. Similar collective granaries and caves are found in the Chenni area.

51. **Artisanal Activities and Handicrafts.** Much of the artisanal contemporary handicraft production represents another, and very important, living embodiment of the region’s cultural heritage. Handicrafts combine traditional folk arts and a rich body of know-how, decorative artistic models with the secular knowledge of old technologies. The diversity of products – responding to national and international demands – is enormous: from Yemen’s silver jewelry to Morocco’s pottery and ceramics, from Iranian carpets to Egypt’s stone carvings, from tree-roots wood daily use objects to the splendor of silk and cotton multicolored tissues, from leather items to artistic or utilitarian glass-blown objects, from gleaming brass pots to reconstructed traditional musical instruments

¹ Although contemporary acts are not an object of the present review, it is important to remember that throughout the MNA regional traditions, folk arts, music, handicrafts (see further) are an inexhaustible source of vitality and inspiration for the modern arts. Much of the modern arts find deep inspiration and resources of creativity in the genuine motives and symbols embodied in, and conveyed by, the heritage. Preservation of heritage is as well a premise for contemporary arts to flourish.

or to architectural and masonry unique decorations. These products reach often very high levels of refinement and craftsmanship¹. Through the hands and spirit of uncounted generations of craftsmen, many creations of the past continue to be also creations of the present. They have a strong chance to be perpetuated in the future, if this part of the inherited cultural popular treasure survives the competition with modern techniques and is helped to coexist with serial production on conveyor bands.

52. Living traditional arts and crafts are vitally important, however, not just as parts of the countries' cultural heritage, but also as a large industry within which millions and millions, grouped in small enterprises and workshops, are earning their daily living. In Morocco alone, for instance, about 2 million people are working now in the artisanal subsector. They represent about 12 percent of Morocco's active population and contribute some 10 percent of its GDP. About 33 percent of Morocco's artisanal exports are carpets and some 20 percent are pottery. The producers of traditional carpets and kilims in the countries of Muslim culture both perpetuate and develop the heritage, by introducing continuous changes in design and in their applied improved techniques². The potential for increasing the overall volume of such exports is far from being fully used. Strategies that would support overall heritage preservation in the MENA countries could help re-position handicraft activities from their current "Cinderella status" into the core of development. The benefits would be far reaching for both the cultural heritage and the economy.

53. To sum up a domain that defies any summarizing attempt, the inherited treasures that form MENA's cultural patrimony are of incalculable value and of incontrovertible importance for the present and future of these countries. In the simplest possible terms, it is this incalculable value and this enormous importance that together justify full attention and exploration of their role in development.

¹ See *Awards of the First International Islamic artisans at Work Festival*, Islamabad, October 1994.

² See *First International Seminar on Traditional Carpets and Kilims in the Muslim World. Past, Present, and Future Prospects for Developing the Heritage*, November 1999, Tunisia.

Chapter 3

The Challenge: Destruction and Constraints

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CHAPTER 3

THE CHALLENGE: DESTRUCTION AND CONSTRAINTS

"The destruction of heritage art during the last four decades represents a cultural disaster probably unmatched at any time in history, which has accelerated in the last ten years".

Souren Melikian

The Destruction of Art and History in Iran and Afghanistan.

1. A major challenge confronts the nations of the Middle East and North Africa region: the extraordinary cultural patrimony of which they are so proud, particularly the material heritage, stands at risk of accelerated deterioration, surreptitious loss, and inadequate management.

2. Understanding the **major causes** of deterioration and destruction and the gravity of their effects is indispensable for strategic counter-action. In the perspective of the MENA region's work, this chapter first analyzes four types of causes that result in destruction of CH: *natural, economic, social and institutional*. These causes act both separately and together, in perverse combinations, and reinforce each other. Ascertaining these causes is indispensable for MENA's program definition. This analysis logically leads to asking what has been done, and is being done, to stem the trends of deterioration and loss. In this vein, the chapter concludes with an evaluation of the Bank's limited assistance to MENA countries during the previous 20 years (1975-1995) for heritage preservation in these countries.

3.1. The Causes of Patrimony Loss

3. Cultural heritage is under threat. Under the impact of relentless natural factors and of even worse damages induced by men-caused processes, much is being lost forever. This is the biggest, most complex problem facing the heritage patrimony, a problem that requires in-depth understanding and commensurate concerted responses.

4. True enough, the loss of material heritage is not a novel occurrence. What is new, however, is that recent economic circumstances combine dangerously in accelerating the magnitude and pace of this destruction, with irreparable consequences for present and future generations. The inherited material patrimony is a "non-renewable" public good. This is why states are highly responsible for preserving this non-renewable resource. It is therefore sobering that today many national governments, civil societies, and the international community at large express growing concerns with the current state and prospects of the heritage.

5. The governments of MENA countries, as well as UNESCO, have long and repeatedly sounded the alarm bell about this deteriorating situation. Because the “*development perspective*” advocates a role for the patrimony as a resource for development, it is incumbent upon it to also internalize and address the formidable problems of stemming the loss of patrimony.

6. **Perishability of Patrimony Assets**. Synthesizing data from many case accounts and country documents about patrimony deterioration, sheer theft or wanton destruction, etc., it appears that four clusters of causes are at work:

- (a) natural causes;
- (b) economic causes;
- (c) social causes; and
- (d) institutional weaknesses.

7. **Natural Causes** have been known for long. Yet the protective action does not match by far the level of acquired knowledge about necessary preventative actions. Natural disasters such as earthquakes, flooding, major storms, landslides, as well as regular natural processes – time itself and its merciless effects, rainfall, wind, temperature changes – sap the resilience of ancient physical monuments or buildings, increase vulnerability, and destroy them during dramatic events.

8. A particular characteristic of MENA countries’ built heritage assets is their physical *concentration in coastal areas* along the Mediterranean shores, which entails increased exposure to coastal erosion and high humidity. Erosion may be part natural and part man-caused through coastal zone development. Seismic vulnerability of high buildings represents another serious threat, that is particularly consequential for the tall minarets that dot the MENA landscape everywhere. (A special study was undertaken in Egypt, with Italian cooperation, on seismic risks to minarets¹). Considerable built heritage of MENA countries has been devastated by disastrous earthquakes² over the centuries (see Box 3.1). Raising water tables, combined with expansion of domestic water supply and poor drainage, increase humidity, decay and accelerate the crumbling of historic buildings.

¹ Giorgio Crocci, *Studies on Seismic Vulnerability of Minarets in Cairo and Criteria to Improving their Safety*, Universita degli Studi di Roma, December 1997.

² D.B. Abouseif, *Reconnaissance Report of Damages to Historic Monuments in Egypt*, following the 1992 Dashour earthquake, SUNY Buffalo, 1994.

Box 3.1. Earthquake Disasters and the Built Heritage

Irreplaceable losses have been inflicted throughout the centuries to the MENA countries' cultural patrimony by earthquakes, floods, and other natural calamities, as some famous examples below show. Risk of further damage from earthquakes require preventive reinforcement of the most endangered historic buildings and monuments, to help them withstand future calamities.

- **Agadir** city, Morocco's western port to the Atlantic Ocean, was devastated in 1960 by two consecutive earthquakes; about 15,000 people died. Rebuilding of the city began shortly thereafter but most of the historic monuments cannot be reconstructed. Large parts of the city and its historic monuments were completely leveled.
- **Algeria's** major urban center, Orleansville (renamed El-Asnam and then Chleff) which had been affected by earthquakes in 1905, 1922, 1928, was again destroyed in 1954 and then in 1980 by major earthquakes. Many unprotected important historic and religious buildings were lost particularly during the last two earthquakes.
- **Beirut** and its famous Law School were destroyed by the great earthquake of the 6th Century AD, which also badly damaged the great temples in Baalbek.
- In **Egypt** more than 30 earthquakes were listed between years 796-1500 AD. In 1847 a single earthquake destroyed 42 mosques in El Fayoum. During the 1992 Dahshour earthquake, most affected were schools, Coptic church, and the Coptic Museum in old Cairo. In Cairo itself, 140 monuments were severely damaged and remain currently in danger of collapse^V

^V *Natural hazards*, 10 (261-74, 1994).

9. **Economic Causes.** Compounding adverse natural effects, economic growth itself unleashes a set of economic causes of patrimony deterioration, such as:

- *Infrastructural construction:* Much loss occurs during the building of highways, roads, railways and airports, hydropower dams and reservoirs, new towns and industrial estates, and mines. Infrastructure required for urban expansion accounts for major losses in Cairo, Carthage, Sana'a and many other old cities.
- *Economic and technological changes* have inevitably pushed out many traditional crafts and wares from old Medinas and Souks, modifying production patterns and sites, rendering old warehouses obsolete, and depriving historic cities of much of their technical, economic and commercial basis. The cities and souks of Zabid and Old Shibban in Yemen, both on the World Heritage List, are eloquent examples of dying monuments.
- *Agricultural expansion*, together with the expansion of irrigation systems and the competition for land, results in the encroachment of numerous sites with important archaeological remains.

- *Air pollution*: As a result of industrialization, the increase of acidic pollutants such as sulfur oxides has emerged over recent decades as one of the most corrosive factors to old built structures¹.

10. **Social Causes**. Under the social causes, the adverse factors considered most typical are:

- *Population densities* have increased mostly in urban settlements (e.g., in Medinas with cultural value) and accelerate manifold the wear-and-tear of historic buildings. Demographic growth generates high amounts of solid and liquid waste, decreases maintenance, triggers illegal constructions, illegal demolitions, and accelerates the shrinkage of the built heritage. High levels of rural-urban migration continue to increase densities in towns and coastal areas. Demographic projections indicate that Mediterranean coastal areas population will grow from 82 million in 1990 to 150-170 million in 2025, thus increasing competition for land, industrialization, pollution factors, etc.
- *Tourism itself*, which is intended to celebrate the historic patrimony and may contribute to saving it, has also counter protective effects when it is commercialized beyond normal carrying capacities. It brings pollution, waste, and sometimes vandalism.
- *Looting*. One of the most vicious forms of heritage loss occurs through the looting of cultural remains, illegal excavations, theft from archaeological sites, repositories, museums. While “grave diggers” are an old breed of patrimony enemies, experts warn now that the pace and scale of looting have much accelerated due to the use of modern techniques (powerful metal detectors which can reveal caches of bronzes, silver, gold, use of explosives for rapid access, etc.) and also due to the “incentives” provided by instant information on prices at international art auctions. By definition, most of such destruction through looting goes unreported. When civil wars and political upheavals occur, controls breakdown completely and vast areas become lootlands. According to the assessment of an international expert “*the destruction of heritage art during the last four decades represents a cultural disaster probably unmatched at any time in history, which has accelerated in the last ten years.*”² Illegal excavations and theft of assets go together with the loss of historical documentation that any site properly excavated and recorded provides.
- *Neglect and Ignorance*. Last but not least, lack of awareness of what is priceless heritage and why it must be preserved causes also much loss. Many

¹ Susanna Mourato, *Effects of Air Pollution on Cultural Heritage: A Survey of Economic Valuation Studies*, CSERGE, University College, London. Report prepared for the UN Economic Commission for Europe, 1997.

² Souren Melikian, *The Destruction of Art and History in Iran and Afghanistan*, paper presented at the Symposium on the Anthropology of Cultural Heritages, School of American Research, Santa Fe, 1997.

people actually “live in” buildings that are part of the cultural patrimony, without being aware of it and of the sensitivity of buildings to particular conditions, damaging them unwittingly. Education about the importance of CH is provided unevenly in MENA countries and Museums play a limited role in rising public awareness.

11. **Institutional Weaknesses as Aggravating Factor.** Since natural, economic and social factors coalesce in their corrosive action and amplify each other, the combined effects are highly detrimental to the built patrimony. For some assets, they are directly lethal and these assets become lost forever. Unfortunately, such effects are further aggravated by fully avoidable institutional weaknesses and by lack of coordinated responses from the social actors and institutions responsible for patrimony safeguarding. Current patterns of patrimony governance are often inefficient and unable to stem the impacts summarized above.

12. Chronic weaknesses characterize the three constitutive elements of patrimony governance: policy, institutions, and financing. Targeted reforms are necessary to address these weaknesses and thus counteract the multiple causes of patrimony shrinkage and loss.

- *Policy Vacuums.* Despite the high importance of the CH sector, few countries in MENA have adopted comprehensive policies and legal frameworks focused explicitly on patrimony preservation and management. When such policies exist, as in the case of Egypt or of Tunisia’s pioneering *Code du Patrimoine*, the positive impacts are obvious. In some MENA countries certain policies or legal provisions still survive from pre-independence times, partly modified, but respond little to the complex challenges and needs of preservation and development. The lack of national CH policies substantially undercuts not only the coordinated action for patrimony losses but also the establishment of cross-sectoral linkages for better management. Legal provisions and regulations for protecting assets against encroachments, destruction, theft, etc. are not consolidated and backed up by transparent systems of incentives and penalties. The adoption of national CH policies and more effective legal frameworks is therefore a priority.
- *Institutional and Organizational Weaknesses.* Government structures differ widely among MENA countries in terms of the ministerial body in which patrimony management is vested. Maghreb countries have all Ministries of Culture that are distinct from the Ministries of Tourism¹. In Mashreq countries, however, there is more than one pattern, and patrimony management is sometimes included in the Ministry of Tourism rather than in

¹ The Ministry of Culture usually includes within its structure a Department of Antiquities, in charge with material heritage matters – mainly conservation, inventorying, excavations – but not with the “*mise en valeur*”, the use by and access of the public to patrimony assets.

the Ministry of Culture¹. With degree variations from country to country, *weak institutional and management capacity is a common characteristic*². At the center, Ministries of Culture tend to be under-staffed and under-financed. Cross-sectoral cooperation in safeguarding and development planning with other sectors and Ministries is sporadic, piecemeal rather than strategic. This is weakening non-cultural sectors as well, not only the cultural sector. Furthermore, the management of CH assets cannot be carried out from the capital city only, yet *decentralization* to regional and municipal authorities is only incipient now, at best. Indeed, much of the material patrimony is located in the perimeter of small- or medium-size localities, which by themselves do not possess yet the resources required for the maintenance and management of major heritage assets. This, in turn, deprives the national institutions of organizational depth. With some country variations, they tend to be center-heavy and periphery-thin (or absent). Institutions typical for CH preservation and public education such as the Museums are notoriously under extreme constraints, and lacking basic amenities. Some countries (e.g., Morocco) lack a National Museum of the patrimony and even a National Library.

Institutional weakness also results from the *absence of a "social contract"* between government structures and the structures of the civil society, for participation of the latter in CH management and in fighting the natural, economic and social causes of patrimony loss. The vast reservoirs of energy and initiative of the population at large and of the private business sector, are still to be activated and motivated towards regular and dynamic civic engagement in CH preservation and management.

- *Financing Constraints.* In almost all MENA countries the share of the Ministry of Culture in the national budget is currently below 1 percent and in some countries below 0.5 percent. The size of these allocations requires reexamination in light of the growing understanding of the economic worth and management needs of the patrimony sector³. Low allocations make it very difficult to mount effective mitigatory actions against the natural and economic causes of patrimony loss. In addition, this review has found that over the last 10-15 years, financial support from some UN bodies for CH preservation projects has been, by necessity, limited. Being made available in rather small average amounts per project, these grants could meet immediate

¹ In Yemen, for instance, culture and tourism are under one Ministry, with the Department of Antiquities in the cultural part of the Ministry; Egypt has two different ministries: Culture and Tourism; in Jordan, however, the Department of Antiquities is attached not to the Ministry of Culture but to the Ministry of Tourism and Antiquities (MOTA), while the other cultural departments are in the Ministry of Education. The Palestine Authority has grouped these activities still differently: the Ministry of Tourism includes Archaeology as well, separate from the Ministry of Culture.

² It is noteworthy that, during consultations held for preparing the present review, country governments agreed with this assessment, in fact often started by volunteering it, signaling capacity constraints and asking for Bank assistance in CH institution building.

³ A significant step was made in Tunisia in year 2000 by raising the sector's share to one percent of the budget.

emergency needs, but were not designed for comprehensive, larger scale interventions.

13. Adequate patrimony governance requires adequate financing. Increased financing for “seed investments” in protection and management is necessary. But the prevailing scarcity of resources demands also more energetic mobilization of non-government funds, such as voluntary contributions from the civil society and the private sector, as well as international grants in-aid. For a sound long-term strategy, the need for reforming the current financing system for CH must be considered, including market-informed re-pricing of access fees and other services, and husbanding better the sector’s own capacities for self-financing.

3.2. Safeguarding: A National Challenge

14. In sum, the contrast is stark between the luminous image of MENA’s patrimony and the composite image of its losses and destruction through natural, economic and social factors. This is a vast national challenge to the custodians of this heritage – MENA states, governments and societies. Given the cultural pressures of globalization processes and the uniforming impacts of imported cultural models, it is even more important today to reinforce the sustainability of the national cultural heritage.

15. **The “Conflict” is Solvable.** The adverse impacts of factors such as infrastructure construction, agricultural expansion and others – which, however, are indispensable for MENA countries’ development – inevitably point to a potential conflict between development objectives and patrimony conservation, in a way comparable to the development-environment dilemmas or to the development-population resettlement debate. This potential conflict, however, is not unsolvable. It can be addressed through policies and special programs, and can be effectively mitigated and limited. If the CH sector is to be incorporated into mainstream development policies and programs, it is *incumbent upon the latter to mount credible and effective counteraction against the multiple causes of patrimony loss, including the causes embedded in the nature of development itself.*

16. **Overcoming Governance Weaknesses.** For this to succeed in both the short and the long term, however, piecemeal actions are not enough. The challenge is a national one. It dictates the introduction of *major improvements in the governance of the patrimony.* The challenge is also an international one and it calls for help from the international community which has a stake in patrimony preservations. The World Bank is part of this international community and it is incumbent upon it to critically examine its response to date and its contribution in the future.

17. Poor restoration work has inflicted virtually irreparable damage to historic monuments, documented by researchers¹

¹ “From a restoration perspective, writes Ali Amahan, the monuments of the city of Fez have known a very tragic period during the 1960s and beginning 1970s. Many monuments have been disfigured

3.3. Bank/IDA Support to Heritage Preservation in MENA (1975-1995)

18. The question comes up naturally: have Bank-assisted programs in MENA responded in the recent past to the heritage deterioration described in the previous sections? This section briefly examines the contribution of the Bank's MENA (formerly EMENA) regional office to cultural heritage conservation in the Middle East and North Africa during the two decades prior to 1995.

19. The sector review of the entire 1975-1995 regional project portfolio found that this contribution was very modest. The record of activities in this area up to the mid-1990s is limited and suggests that the Bank, in common with most official bilateral donors and member governments in the region, tended until recently not to consider work related to heritage conservation to be a significant area for development lending or development-related non-lending assistance. Therefore, borrowing countries did not regard the Bank as a possible source of resources for cultural heritage protection. With rare exceptions, they did not submit to the Bank their requests and project ideas for financial and technical assistance in this domain. Some internal organizational measures taken in 1978 and 1987 may also have contributed to the absence until recently of significant support for heritage conservation. In addition, the EMENA region's policy statements, strategy papers, and country and sector work, with few exceptions, did not address the issues of protecting and managing cultural property, and did not explore the links between this sector and general poverty reduction strategies. The 1986 *Operational Policy Note (OPN 11.03)* on Cultural Property in Bank-Financed Projects, which affirmed the Bank's position of not financing projects that might damage cultural heritage assets, was an important step of a "do not harm" nature, but did not prompt pro-active MENA financing and support for cultural heritage.

20. The activities that did in fact take place in MENA region during the two decades up to the mid-1990s took the following forms (investment lending and some non-lending assistance): (a) a very small number of lending operations for heritage conservation, or

through catastrophic restoration operations. A large part of the beautiful Attarin Madrasa has been reconstructed in cement; the wooden and stucco parts, as well as the Zellij of the Madrasa Bou Inaniya have been altered through egregiously incompetent restoration; the same happened to the Sahrij Madrasa. In Meknes, the misdeeds are even more numerous and more frequent: the restructuring of the Lhdime square and its surroundings, including one of Morocco's most beautiful urban gates, the monumental Bab El-Mansour gate, has been a real massacre. Local municipalities engage in works for which they are unequipped, such as at Riad Zouitina in Meknes – and a standard municipal buildings has been erected on the ruins of the Al-Anouar mosque, while other historic building have been demolished; the Bab Al-Anouar gate has been affected as well, and the careless construction of a road has caused the collapse of an important section of the Bab Tizimmi's ramparts. Town administrative authorities often decide to build "penetrating roads", cutting through historic architectural contexts. Because of the lack of cooperation between the Ministry of Culture and the Ministry of the Habous and Islamic Affairs, the restoration works at some major monuments (e.g., the Grand Mosque of Salé, the Grand Nejjarin Mosque of Meknes) was carried out without any specialized oversight from the Ministry of Culture. In rural environments, infringements of protective regulations are even more frequent than in urban contexts and the rural architectural patrimony, with its Ksours and Kasbahs is shrinking rapidly also because of neglect and abandonment" (From a paper by Ali Amahan, commissioned in preparation of the present Sector Study).

with tourism-related cultural components; (b) some attention to heritage conservation in the context of elaborating Bank-wide environmental and social policies, evaluation of possible risks to archaeological sites in a few infrastructure projects and consequential mitigating action; and (c) brief discussions of heritage preservation was included in several country Environmental Action Plans (EAPs) or similar documents.

21. **Project Lending.** Between 1976 and 1993, Bank/IDA financing related to heritage conservation was provided only to three countries, Egypt, Tunisia and Jordan, under four operations: Jordan Tourism I (1976), Egypt Luxor Tourism (1979), Tunisia Urban Development III (1982), and Egypt Private Sector Tourism Infrastructure and Environmental Management (1993). Basic coordinates of these projects are reflected in Table 3.1.

Table 3.1. MENA Operations in 1975-1995 with Cultural Heritage Tourism Components

Country	Project Title	Bank/ IDA Ln/Cr#	Approval Date	Effective-ness Date	Closing Date	Total Cost (\$M)	Ln/Cr Amount (\$M)
Jordan	Tourism	Cr. 06390	6/8/76	7/15/77	3/31/83	12.1	6.0
Egypt	Luxor Tourism	Cr. 09090	5/17/79	3/26/80	12/30/89	59.0	32.5
Tunisia	Urban III	Ln. 22230/s	12/16/82	9/8/83	6/30/93	60.1	25.0 <u>a/</u>

a/ For the rehabilitation of historic neighborhood the percentage of loan base cost was 22.8.

22. In the 1976 Jordan Tourism project, a credit of \$6 million supported "the development of antiquities based tourism," focusing on two locations: the World Heritage site of Petra and the remarkably preserved Roman city of Jerash. At Petra, project-supported items included a combination of tourist facilities and direct provisions for patrimony preservations and managed use. These were: hotel expansion and upgrading, infrastructure provision, on-site visitor services and flood protection for monuments, together with technical assistance for monument preservation and "a modest amount" of excavation work. At Jerash, the project supported visitor facilities, a small site museum, development of a *Son et Lumière* program, site protection, and equipment, tools, and technical assistance for "a program of archaeological work designed to preserve, protect and enhance the historical assets of Jerash". The Project Completion Report (PCR) noted that the operation was highly innovative, very rapidly prepared, and successful in implementing physical works and increasing archeological site attractiveness to tourists. On the other hand, however, the project suffered from very large cost over-runs, (...) and had a negative economic rate of return (partly because entry fees had not been charged at the levels envisaged during project design). At the time of PCR writing the government had not taken follow-up action to "ensure efficient management and upkeep of the project sites."

23. In Egypt, the 1979 Luxor Tourism project provided a credit of for \$32.5 million to a range of works at "the most important archeological site in Egypt". The project design also included small amounts of financing for access to and accommodation at Abu Simbel, and for repairs and renovation at the Egyptian Museum in Cairo. But Luxor was

its main focus. Over 70 percent of the IDA credit's base costs (\$24.4 million) went to service infrastructure and hotel development at Luxor, while only a small proportion (about 4 percent of base costs) was allocated to Luxor archaeological sites. About half of this latter amount was intended for protective measures at the seven pharaonic tombs most seriously at risk of damage as a result of prospective increases in visitor numbers.

24. Institutional weaknesses on the borrower's side, however, particularly weak capacity in the Egyptian cultural agencies responsible for the protection of archaeological sites, undermined the effectiveness and the expected accomplishments of this project. Work was completed on only one out of the seven pharaonic tombs, and the renovation work at Cairo's Egyptian Museum, (about 12 percent of base costs) was canceled--reflecting, as the PCR for the project concluded, "the indecision and lack of commitment of the EAO" (the Egyptian Antiquities Organization). More generally, the PCR highlighted the unevenness between tourist and cultural components in performance: while the project (which was completed five years late and had disbursed only about 70 percent of the IDA credit) had "substantially achieved its main objectives" with respect to Luxor infrastructure and hotel building, it had fallen short of its objective to protect the pharaonic tombs and to renovate the Egyptian Museum. The PCR identified undue complexity and lack of coordination as contributory factors to problems met in implementation.

25. In Tunisia the 1982 Urban Development III project financed through a loan of \$25.0 million was unique in that one of its four components was the revitalization of a historic area in the Tunis Medina (that is included in the World Heritage list) -- the Hafsia neighborhood. In addition to infrastructure, services and some new construction, the Hafsia component incorporated an innovative self-financing loan scheme for existing households to upgrade traditional dwelling units. The component thus involved residents and the local private sector in renovating an old neighborhood with historic significance. In total, the Bank's contribution to the Hafsia component accounted for about 23 percent of the Bank loan's base costs.

26. The PCR for the project considered that the operation as a whole had on balance been satisfactory, but that the Hafsia component specifically "was considered successful by both professionals and the general public". It noted that "the project has largely demonstrated that it is possible to succeed in operations as complex and ambitious as... the revitalization/conservation of parts of...historic cities". What was remarkable in the case of Tunisia's Urban III project was its deliberate and explicit orientation to include historic preservation in an urban context, as opposed to other urban projects of the same time period which did not use their similar potential for comparable activities. For instance, the 1987 Jordan National Urban Development Project, although it financed activities in Old Aqaba and in Salt, did not attempt to rehabilitate historic structures or areas.

27. In Egypt, the 1993 Private Sector Tourism Infrastructure and Environmental Management Project, which is still under implementation, focuses mainly on resort tourism. The overall project does however include a component (about 10 percent of the

total Bank loan amount of \$139 million,) for improving the convenience and safety of tourists' access to important sites along the Nile, from Aswan to Dandara, through the construction of additional berthing facilities for Nile cruise boats, upgrading access roads to sites and improving facilities such as restrooms and food and beverage services. The special feature of this project is the leveraging of Bank money for mobilizing considerable private sector financing: the private sector equity and the financing by commercial Banks totaled over \$600 million. The Bank's most recent summary of "Status of Bank/IDA Projects in Execution" indicates that project performance is satisfactory.

28. **Environmentally-Driven Heritage Support.** Since the mid-1980s, the Bank has increasingly deepened and formalized its approach to environmental protection. This work sometimes included also protecting cultural heritage as a component of member countries' broader environmental heritage. Action was initiated to encourage member governments to take a strategic view of their environmental objectives, policies and needs, including the environmental protection of cultural assets, through the comprehensive national Environmental Action Plans (EAPs). In most countries, such plans were to be prepared for the first time. Bank assistance to governments for preparing EAPs was made available, if requested. Detailed guidance explicitly included cultural heritage as one of the topics for potential coverage, depending on local circumstances. Such MENA countries have led to archaeological surveys that produced new information about sites and/or led to mitigatory action designed to protect them. Examples include the Morocco Water [Resources Management] project (the survey led to detection of previously unknown archeological sites); the Jordan Third Highway project (survey identified five sites in need of protective measures); and the Yemen Marib-Safir Road project (archaeological site protection plan proposed in connection with new road construction).

29. *Environmental Action Plans* or similar documents were developed for Algeria (1993), Egypt (1992), Iran (1995), Jordan (1993), Lebanon (1996), Tunisia (1989), and Yemen (1994). These documents were prepared by the respective countries, with MENA support as part of the Bank's non-lending assistance. They provide a broad perspective on cultural heritage issues. But several go into some depth, including identification and analysis of issues, and in some cases, making detailed policy recommendations.

30. Problems identified in EAPs regarding the preservation of cultural heritage assets fall into three main categories:

- (i) those caused by natural conditions (including earthquakes, floods, and weathering without adequate protection);
- (ii) those caused by human agency (including air pollution, insensitive infrastructure development, haphazard, urban settlement and development, undue tourism pressure, illegal excavation, and war); and
- (iii) those caused by legal or regulatory shortcomings (including inadequate land use planning and zoning legislation/regulations, lack of preservation legislation, lack of a heritage "inventory", and inadequate enforcement of

existing antiquities legislation). Some documents also mention funding problems.

31. Most documents proposed remedial activity--some at a relatively basic level, but others (most notably those for Iran, Tunisia, and Egypt) in more depth. For instance, the Iran report offers nine major recommendations, including broad-based institutional/regulatory strengthening and inventorying, as well as management and technical recommendations, e.g., to improve building controls and zoning in urban areas; evaluate sulfur dioxide and vehicle emissions to determine their effects and potential abatement measures; develop earthquake protection measures to develop proposals for financing heritage protection, possibly including higher visitor fees to sites; and initiate work on national and regional strategies for heritage protection and rehabilitation.

32. Finally, the Bank, along with the United Nations Development Programme (UNDP) and the United Nations Environment Program (UNEP), is an implementing agency for the *Global Environmental Facility*, originally set up in 1991. GEF has supported some activities that have contributed to cultural heritage conservation. An example in the MENA region is the GEF Dana Wildlands project in Jordan, which included evaluation of archeological and historical resources in the project area and provision for restoration of one or two sites (Nabatean and Roman copper mines or Roman aqueducts).

33. **Conclusion.** The main conclusion from this summary overview¹ of MENA region's cultural heritage work prior to 1995 is that *activity was sporadic and very limited* in terms of both lending and non-lending assistance. The lending support provided by the Bank *was not commensurate* either with the importance of the regions cultural heritage described in Chapter 2, or with the vast economic potential of its heritage assets to contribute to the countries' development agenda (analyzed in the next chapter). *The Bank overlooked the magnitude and urgency of the problems and development needs in this sector.*

34. In terms of policy, there were in fact no obstacles for the Bank to do much more along the lines pursued in the few projects described above. Yet the concepts that governed lending programs and project designs left the cultural domain out of development financing. Neither the Bank itself nor most borrowing governments connected the investments for cultural heritage to the country's overall development program. In hindsight, those were rather happenstance investments responsive to occasional initiatives, rather than steps in a systematically implemented strategy. It must be said that investigation would probably result in similar pictures for other regional offices and areas of the developing world.

35. In the early '90s, however, the Bank's commitment to social impact and environmental protection led to an increasing awareness of cultural heritage issues. Starting in 1996, improved levels of social and cultural information about the region's archaeological and built heritage, particularly through NEAPs, created premises for

¹ For more details on these MENA activities during 1975-1995, see Annex 1.

increasing Bank involvement in this domain as well. This has materialized in larger scale activities which continue to date and are analyzed further in this sector review (Chapters 5-9). Assisting in the preservation of MENA's extraordinary cultural heritage is a task integral, not peripheral, to the region's sustainable development strategy. The question for MENA for the coming years how to further build upon the beginnings of its work in this area.

Chapter 4

Economic Benefits, Poverty Reduction and CH Investments

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CHAPTER 4

ECONOMIC BENEFITS, POVERTY REDUCTION AND CH INVESTMENTS

1. The economic importance of cultural assets is certainly not a new subject, and patrimony assets play already an important role in the overall economy of the MENA region. Yet the economic articulation of explicit CH development strategies has not yet reflected this role in full.
2. This chapter addresses some key aspects of the economics of investing in CH preservation and management (see also Chapter 1); in addition, the treatment of economic aspects is complemented by the examination of financing issues in MENA region's CH projects (see Chapter 8).
3. The principal economic questions in providing Bank assistance to patrimony management is: what kind of benefits for the society at large – both economic and non-economic – can be expected to result from such investments? And do these benefits justify the investments? Further, given the main policy focus of the Bank's development assistance – poverty alleviation – it is important to examine whether both the investments in CH, and the gains from them, can be so channeled as to also contribute to reducing poverty, improving living standards, and creating useful jobs for people kept in poverty because of unemployment.

4.1. Economic and Non-Economic Benefits

4. **Public Goods – National and Global.** The rationale for investing public resources in CH preservation and management by both governments and development agencies is grounded in the well-known economic theory of public goods. There is much similarity in this respect between CH and biodiversity, or other environmental assets and goods. Cultural patrimony assets are public goods which provide benefits that are non-rival and non-excludable, benefits that are both intra-generational and inter-generational. As a body of goods, they have numerous positive externalities and provide unsubstitutable services, cultural and economic.
5. Because heritage assets are public goods of national importance, they need – and justify – public expenditures for their upkeep and for maintaining their ability to satisfy specific social needs of present and future generation. It is well recognized that markets do not function efficiently for setting the use-value of patrimony goods and services at optimal levels. The general interest requires the public sector's intervention for correcting such market inefficiencies, while assuring access and benefits for all potential "users". The social "wants" related to patrimony use cannot be satisfied, or *fully* satisfied, just through market processes and must be provided for through complementing the market with the role of the state and the budget mechanisms. This is why

governments strive to maintain and make accessible various CH public goods to their citizens in both present and future generations, and in the case of valuable *cultural* patrimony -- accessible also to humanity at large.

6. The case for providing public financial support to patrimony assets as public goods is being currently strengthened by the expanding debate about the global nature of certain public goods, - either environmental or cultural - and about the definition of “*global* public goods”. While not all cultural patrimony assets have universal significance, some do (indisputably, for example, those already on UNESCO’s World Heritage List), and their benefits are transnational. The recognized universal value of some patrimony goods has important financial implications and justifies the need for international aid and economic development cooperation, including new forms of financial assistance to developing countries, in support of the preservation, sustainable “supply”, and management of these often fragile and endangered global cultural goods. In the environmental domain, the recognition that certain goods (for instance, biodiversity) have global, not only national, value, and that preserving them is in the interest of humankind, has led to international agreements, such as the establishment in the early ‘90s of a Global Environmental Fund (GEF). While all these implications are not discussed here, it is important nonetheless to point to this expanding international discussion and evolving new concepts¹.

7. In addition to their “existence value” for current and future generations, which economic analysis strives to measure, patrimony assets can yield immediate, distinct, and incremental benefits if good preservation and improved management are provided. The specific economic and non-economic benefits and impacts that can be pursued throughout development-oriented patrimony management, are:

A. Economic impacts:

- impacts on poverty reduction;
- impacts on national employment levels;
- impacts on total outputs and revenue levels from cultural industries and service industries; and
- impacts on foreign exchange earnings.

B. Non-economic impacts:

- impacts on educational levels and identity formation;
- impacts on societal cohesion, inclusion and social capital development;
- impacts on continuously enlarging the nations’ cultural patrimony; and
- impacts on safeguarding and sustainably transferring the heritage to future generations.

¹ See, in this respect, an important UNDP volume on the economics, sociology and politics of “global” public goods: Inge Kaul, I. Grunberg and F.A. Stern (eds) *Global Public Goods: International Cooperation in the 21st Century*, UNDP, Oxford University Press, 1999.

8. Ways of achieving these impacts are outlined in this chapter and are further analyzed in detail in the following five chapters of this regional sector review. This chapter will discuss: (a) poverty reduction goals and the contribution of the CH sector to them; (b) employment questions; and (c) the issues of scarcity of budgetary resources available for CH investments.

9. **Bank Policy and the Patrimony's Economic Value.** By definition, the patrimony represents a vast collection of assets of cultural value, but also have a huge economic value. This economic value includes both use and non-use values, such as: direct use values – those directly related to the actual use of cultural goods (e.g., visits, re-use of buildings, etc.); indirect use values – those related to the benefits derived indirectly from patrimony assets (e.g., induced business opportunities, employment in services, etc.); option value – the value of securing a possible future personal use of a cultural asset; and non-use value – the value unrelated to personal use of assets, resulting for the desire to bequest the cultural goods (e.g., bequest to future generations).

10. According to the emerging consensus among economists, markets recognize only imperfectly these forms of economic values, particularly given the absence of sufficient information and inadequate pricing mechanisms. Noteworthy, the *economic* value of the patrimony's endowments has been recognized *much later* and *much less* than the patrimony's *cultural* significance. True enough, some of the values and services embedded in CH are not easily captured in the economic calculus, but that does not mean that they are not real and important. Largely because of this limited recognition, and partly because of the difficulty to measure, planners and policy makers in developing countries have been little concerned, and little able, to activate and harvest the patrimony's economic values. In recent years, Bank policy has come to unambiguously recognize these values and to maintain that the patrimony can become an auxiliary engine for growth enhancement and development.

4.2. Employment Creation and Poverty Reduction

11. The Bank's assistance to CH management aims to find ways for channeling, to the extent possible, the patrimony's economic benefits towards poverty reduction objectives. Poverty-related impacts result when investments in CH diversify income generation, create new jobs, and improve the standards of living of the poor, primarily around heritage sites. The orientation towards poverty alleviation is one of the distinct policy perspectives that the Bank brings to bear on the CH domain, compared to agencies whose primary purpose is different, for instance - technical conservation, artistic restoration or heritage research.

12. **CH and the Geography of Poverty.** The question is sometimes asked whether the poverty orientation isn't an objective incongruous with patrimony preservation, artificially forced upon it by the "development perspective". Realities on the ground provide the best answer to the contrary.

13. The geography of poverty in MENA countries shows that most historic Medinas (Fez, Algiers, Tunis, Kairouan, Tyr, Shibam, Aleppo, Damascus, Meknes, and others) contain large urban populations segments living below poverty thresholds in the midst of areas of former historic splendor. In Fez, for instance, the pre-project socio-economic survey found that 52,700 people (36 percent of Fez Medina's population of 150,000 inhabitants) live below the poverty level. This concentration is much higher than average poverty proportions in Morocco¹. In turn, many rural poor areas, often rich in historic monuments, are also pockets of entrenched poverty.

14. Urban over-crowdedness, crumbling infrastructure, decaying buildings, poor sanitation, condemn many Medina inhabitants to low living standards and preempt new business incubation. This eliminates sizeable quarters from tourism circuits and associated chances to economic revitalization. Thus, the very geography of poverty reveals the natural compatibility between CH preservation and poverty reduction.

15. **New Employment Creation.** The case for activating through seed investments the patrimony's latent economic values relies also on the ability and stringent need of inducing incremental job creation. MENA countries face many common critical problems. "Perhaps the greatest single issues facing the economies of the Middle East and North Africa is the challenge of employing its people...The problem of job creation in the MENA region is staggering"². Unemployment rates are well above 10 percent in virtually every country in the region, and between 1999 and 2003 there will be about 17 million new entrants to the labor force. The search for expanding employment compels attention to CH opportunities as well. It is estimated, for instance, that the Fez-Medina project, will create about 10,000 new jobs, and additional small businesses³.

16. **Employment Gains through Tourism Intermediation.** Massive economic benefits creditable to the patrimony's existence accrue through the intermediation of tourism, international and domestic, although tourism is by far not the only economic argument for investing in CH preservation, as some still think. Within the tourism sector itself, the domain in which most MENA countries hold comparative advantage is cultural tourism. Expanding it depends largely on investments in CH safeguarding and management. Morocco, for instance, derives about 7 percent of its GDP from the general (including cultural) tourism sector⁴; the amount of foreign currency from tourism is the second most important after remittances from Moroccans working abroad. Yet compared with global averages, the share of tourism in Morocco's GDP is about 50 percent lower, and about 2.4 times smaller than the share of tourism in the GDP of Greece. The country

¹ F. Navez, *Projet de Sauvegarde de la Medina de Fez*, April 1995, processed; also Naima Lahbil Tagemouati, *La Medina de Fez a-t-elle une valeur d'échange?* Processed.

² Willem van Eeghen and Jennifer Keller, *Workers in Crisis in the MENA Region: An Analysis of Labor Markets Outcomes and Prospects for the Future*, MNSSED, July 1999, processed. See also: *The Employment Crisis in MENA Region*. MNSSED, June 10, 2000, draft, processed.

³ World Bank, *Morocco Fez-Medina Rehabilitation Project*, Project Appraisal Document 1999.

⁴ The World Bank Tourism Organization (WTO), and individual countries, do not generally disaggregate tourism data by categories of tourism (e.g., "beach tourism" or "cultural tourism"; some tourists may do both); but informally tourism specialists in each country have estimates for each category.

aims at increasing two fold the number of incoming tourists from 2 million by end 90s to about 4 million by 2010; according to some specialists estimates, the number can be as much as quadrupled, with priority emphasis on showcasing the cultural patrimony. Yet this cannot be accomplished without increased investments in improving CH management.

17. Direct employment occurs *inside and outside the sites* as a result of expenditures for site preservation and returns from the use of site and support facilities – linking cultural services and related services. In England, for instance, studies have confirmed the effectiveness of using cultural sites as poles of attraction in a “policy for depressed regions” and “in areas of high unemployment”¹. In Tunisia, employment created per hotel bed cumulates initially 2.8 person-year from construction, plus recurrently afterwards between 1.37 and 1.80 person-year annually per hotel bed, depending on hotel occupancy rates (see Box 4.1). These are averages for general tourism, and increasing, yet not definitive, evidence suggests that expenditures made by cultural tourists are higher than those of beach tourists.

¹ Johnson, Peter and Barry Thomas. Measuring the Local Employment Impact of a Tourism Attraction; an Empirical Study, *Regional Studies*, 24, 1990, pp 395-403.

Box 4.1. Tunisia: Additional Employment Creation per Hotel Bed

Empirical evidence shows that the potential for employment creation through developing a "CH/CT compact" (cultural heritage plus cultural tourism) is very substantial.

An economic survey in Tunisia provides a quantification of the incremental person-years of employment per hotel bed per year, broken down at three levels: construction, services, and indirect activities.

- (a) investments in the construction of tourism hotels and other tourism-related infrastructure: totaling 2.8 person-year per hotel bed, of which in the construction industries proper - a total of 1.3 person-year per hotel bed (this consists of 0.9 person-year from the initial investment; 0.1 person-year from renovations; and 0.3 person-year from other infrastructure); in other infrastructure industries related to hotel construction, a total of 1.5 person-year;
- (b) direct employment in services for the use of one hotel bed per year: 0.88 person-year at a hotel occupancy rate of 40 percent, and 1.12 person-year at an occupancy rate of 56 percent; and
- (c) indirect employment created in agriculture and other indirect activities per one hotel bed per year: 0.59 person-year at an occupancy rate of 40 percent and 0.78 person-year at a hotel occupancy rate of 56 percent.

Employment gains in (a) occur in one round; gains in (b) and (c) are recurrent, and may increase each year with occupancy rates higher than 40 percent or 56 percent. They may also decrease or increase with lower or higher amounts of expenditures per tourist. The trend in international tourism has been, and continues to be, of significant increases in the expenditure per tourist, thus leading to more employment per unit of tourist or hotel bed.

(Francis H. Mitchell, SETEC Economie, *Etude de l'aide de l'Etat au secteur touristique*. Tunisian National Tourist Office, three volumes, 1995).

18. To conclude, evidence is still sporadic, but growing, that employment in the CH and in related cultural tourism services is one of the most promising policies for absorbing a significant segment of the unemployed. Direct services to tourists and handicraft production/sale are labor intensive activities. Governments in the region generally accept employment generation as an explicit reason and objective of public funding for tourism projects. What is not equally and consistently taken into account is that, ultimately, one basic component of general tourism, namely the cultural tourism, directly depends on the state of the CH sites.

19. Through selectivity and adequate investment orientation, these types of employment impacts can be channeled primarily, although not exclusively, towards geographic poverty pockets and the poor. Operational modalities for such channeling are numerous. Using them with priority depends both on targeted policies and on skilled craftsmanship in project selection and design. It is precisely this kind of *focused investing in CH management* that can derive increased benefits on the one hand for safeguarding the patrimony for the future, and on the other hand for immediate poverty reduction in the present.

20. **Bank Policy and the Patrimony's Educational Value.** The Bank's policy emphatically recognizes that the patrimony also has *intrinsic non-economic value* – spiritual and intellectual, moral and political, and aesthetic not in the last order. These non-economic values are solid grounds for investment in the patrimony's preservation, economic benefits notwithstanding. Cultural patrimony assets are not just “commodities” . Their *educational capability is unsubstitutable*. The patrimony is essential for human capital formation and for inculcating national identity. It can contribute to fostering bonds inside and across borders and to forming social capital. Each of these attributes fully *justify financial investments on strictly cultural reasons* as well.

21. The educational value of the cultural heritage becomes even more manifest in light of the currently growing globalization trends. Heritage awareness is not inherent, it requires targeted education. If active management is indispensable for harvesting the patrimony's economic values, systematic awareness raising is similarly indispensable for realizing the patrimony's intrinsic educational capacities. Heritage preservation is more than glorifying physical objects; it is acquiring meanings about history and identity. Cultural heritage is the collective memory of nations. It irreplaceably contributes to answering the proverbial question the human groups ask about themselves: “*Who were we? who are we? and who are we going to become?*”. Contemporary globalization trends only make the cultural answers to these questions more and more important to each nation.

22. As economic globalization processes advance everywhere, cultural identity and diversity are better affirmed and safeguarded through patrimony preservation. Stronger cultural identities can in turn enable societies to participate with more contributions, and with more rather than with less gains for themselves in the positive effects of globalization trends, while fending off culturally uniformizing influences. Thus, from multiple perspectives, full incorporation of heritage management in development strategies is thus no less beneficial on educational grounds than because of its economic returns.

23. **Economic Research.** Translating the “possible” into the “actual” requires also economic research on CH issues. There are not ready-made postulates for “capturing” the potential economic gains from CH, but rather a number of premises, hypotheses and – most importantly – a growing body of on-the-ground - but still little studied - experiences. Economic and social research are badly needed. Such research has only started to produce analytical and evaluative evidence, and work in the new field of cultural economics¹ is expanding, including Bank-supported research. MENA's work on CH assistance can gain much from the recently initiated DEC and PREM research program on the poverty reduction potential impacts of improvements in patrimony

¹ Stefano Pagiola, *Economic Analysis of Investments in Cultural Heritage: Insights from Environmental Economics*, World Bank, processed June 1996; John Dixon and assoc., *The Economic Analysis of Environmental Impacts*, London: Earthsons, 1994; David Pearce and Susanna Mourato, *The Economic and Financial Analysis for Cultural Heritage Projects*, CSERGE, University College London, 1998.

endowments' management¹. Macroeconomic and financial research, and particularly field research and impact evaluation needs to be developed more in MENA countries themselves. Research on public finance for culture and on marketing is also indispensable. Such research will also help maintain a lucid awareness of *resource scarcity* for CH and also help reveal ways to overcome and compensate for this scarcity.

4.3. Scarcity of Resources for CH Investments

24. Within country contexts characterized by many competing demands for the same scarce financial resources, there hardly are “free resources” available to shift towards the patrimony's preservation. Scarcity of budgetary resources is one of the arguments used *against* state investments in CH preservation and it is a realistic argument that must be taken seriously. This argument maintains that the resources needed by the patrimony sector can be used to do other things that may also bear on poverty, with same or better results.

25. Indeed, alternative uses are always possible. Prudent management must weigh alternatives and their likely returns. But emerging economic assessments document that many CH investments can hold their own in terms of overall returns when compared to competing demands for limited resources.

26. **Why Scarcity Must be Overcome: Four Basic Reasons.** The following four reasons show why, even under conditions of budgetary scarcity circumstances, alternative investments do not necessarily outbid the patrimony off the investment agenda.

First, the cornerstone economic reason for the cultural patrimony case is that a vast *body of valuable assets* is available. Yet much of it lingers relatively dormant and possible gains are foregone. There is an opportunity cost of not using the patrimony's potential that also must be accounted for in decision making. A broad consensus is emerging that, despite some recent progress, the economic value of the patrimony is significantly underused. Without the clear-sighted will to make the seed investments necessary, the endowments of the patrimony will under-produce and will lose value through deterioration.

Second, beyond the strictly economic dimension, there is a major national interest for states to preserve the patrimony for future generations, and this too must be factored in when scarcity influences decisions. The reasoning in the CH case is comparable, *mutatis mutandis*, with the reasoning in the case of the national interest for investing in security or in clean air.

¹ In April 2000, DEC, ESSD and PREMPO have launched a research program on the relationship between culture and the Bank's core mandate of sustainable poverty reduction (Michel Walton, *Culture and Poverty: Call for Research Issues from Operations*, Office Memorandum, April 2000; see also Sabina Alkire, Vijayendra Rao and Michael Woolcock, *Culture and Development: From Theory to Operational Relevance*, PREMPO, August 1999, processed).

Third, knowledge about capturing the potential of the patrimony is only incipient. Learning how to do this must be facilitated through prudent investments, rather than preempted by denying the needed seed resources. Macroeconomic research in USA has shown that benefits from CH can significantly exceed benefits from some other industries, including manufacturing (see further, Box 4.2). Developing countries need to search for innovative ways of using the patrimony's endowments, and thus derive new types and levels of benefits, still unsuspected and untapped.

And *fourth*, the scarcity argument tends to overlook the *additionality* of non-economic and economic benefits. Although some immediate benefits of CH sites do not enter markets, they are nonetheless benefits, real and incremental. The educational, moral, cultural and political benefits from CH are the kind of immediate public benefits that cannot be purchased through other investments. They are of great importance for the bigger purposes of development, even if they cannot be subjected to monetary measurements. The limitation of economic methods should not be imputed to the intrinsic or derived value of culture.

27. **Governments' Decisions.** Governments are the first to be aware of the scarcity of their available resources. Therefore, it remains a fundamental *point of policy* for the MENA region, as for the Bank at large, that *how much or how little each country will invest in CH preservation is a decision of the country government itself*. This decision should be based on its own policies, assessment of needs, priorities, and desired impacts. Governments and civil societies alike in Maghreb and Mashreq countries express serious concerns regarding the current state of their cultural patrimony, and the participation – or rather very insufficient participation – of this sector in national growth-enhancing strategies. It is this realization that has triggered already several government requests to the Bank for project assistance to the CH sector.

28. **Pursuing Impact-Multipliers.** Given existing scarcities, investments in heritage management may be justified only when they become an *impact-multiplier* by generating many economic and non-economic types of benefits – primary, secondary and tertiary – with direct bearing on reducing poverty *within* and *around* the heritage sites and on creating new jobs even far *away* from the heritage sites proper. Notwithstanding its readiness to provide financial assistance when justified, the MENA region itself emphasizes in its policy dialogue with governments that *scarcity of resources is, and will remain, an important issue* that should be recognized, not underestimated. In-depth policy and planning consideration are required to realistically cope with resource scarcities for balanced investment-decision making. The Bank carefully considers ways to address this scarcity when it defines Country Assistance Strategies (CASS), pursuing impact maximization approaches.

Box 4.2. Economic Benefits of Historic Preservation

The data quoted below come from an econometric model developed by the Bureau of Economic Analysis of the US Department of Commerce to measure the local impact of output from a variety of economic activities. 528 types of activities were evaluated for this econometric model and then consolidated into 39 industry groups. As performance indicators, three fundamental input-output multipliers were established to quantify the impact of production of these 39 groups. These are: (a) number of jobs created; (b) increase in household income; and (3) total impact on the rest of the economy.

Data were compiled on a state-by-state level; the table below reflects present value data for the state of California, and the "relationship between variables would be similar throughout the United States". Since it is often assumed that manufacturing activities have the greatest economic impact, the comparison in the table below is made between rehabilitation of buildings and the average of the 17 principal manufacturing categories out of the 39 groups.

Table 1. Input-Output Multipliers in US Industries

Indicators	Benefits from \$1 mil. invested in:	
	Manufacturing Industries	Building Rehabilitation
Additional Jobs	21.3	31.3
Additional Household Income	\$553,700	\$833,500
Value-added to the Economy's Output	\$1,109,665	\$1,402,800

The column of "manufacturing industries" in the above table provides an *average* for 17 industry groups. The researchers thought that it is legitimate to ask: how many of these 17 industries, taken *individually*, have higher multipliers than building rehabilitation? The answer was: none. Using the same unit of investment, not even one of these 17 manufacturing sectors was found to exceed the input-output multipliers of the building rehabilitation sector.

(cf. D.D. Rypkema, *Preservation as Economic Generator in the U.S. Cultural Resource Preservation and Economic Development*, USPS, 1998)

Box 4.3. Economic Analyses in the Fez-Medina Project

The number of economic analytical tests to which the investments in the Fez-Medina project were subjected significantly exceeds the usual level of project economic analysis.

First, an initial cost-benefit analysis was done on investments for improved Medina access, resulting in an ERR of 17 percent; a related economic analysis was done on congestion costs and proposed solutions.

Further, a specific cost-benefit analysis was conducted, in two stages, for the proposed tourism development program. The result was an ERR of 17.3 percent. Additionally, an overall economic assessment of the project was done to estimate the mobilization of private resources as a result of investments by the public sector: the result was a robust leverage ratio of 1:3 after 15 years post project-start, increasing to 1:5 in subsequent years.

The increased land values due to new tourist itineraries were found to be sufficient to fully recover costs in only a 10-year period with a 10 percent discount rate, even with a cost increase of 20 percent.

Finally, a contingent value (CV) study was undertaken among tourists visiting Fez, another one among tourists visiting Morocco but not Fez, and a Delphi exercise was conducted in Europe among potential tourists. All resulting estimates, termed in the project as "extremely conservative", resulted in very high economic benefits.

Cost effectiveness analysis can also be used when benefits are deemed difficult to measure. As research in the economics of culture advances, new analytical and assessment procedures are developed to put investments in CH on a sound economic and financial basis.

29. **Policy Options for Overcoming Scarcity.** If scarce resources are to be used for maintaining CH public goods and satisfying public needs and uses, the argument for expenditure-making cannot be separated from the approach to expenditure-financing. Resource scarcity can and must be pragmatically addressed in other ways than taking the line of least resistance, ranking CH low on the investment totem pole, and reducing its allocations. The policy alternative is to *amplify financial resource supply from alternative sources*. The Bank's principle is that public funds should not be regarded under any strategy as *the lone* financing source for CH. More stakeholders than the state alone, both domestic and international, are interested in preservation and *all have the responsibility and incentives to contribute*.

30. The Bank's policy: (a) calls for the co-participation of the private business sector in CH assistance; (b) encourages civil society voluntary contributions in various forms; and (e) requires Bank staff to actively assist governments in mobilizing grant aid co-financing from other bilateral and international donors. Due to the patrimony's *universal* cultural value, and with World Bank support, seed domestic investments can be leveraged (often easier than investments in other sectors) into "magnets" for attracting other donors' grant-aid, as well as for stimulating the customary local *Mecenat*.

31. **Self-financing is Essential.** The scarcity of resources can be alleviated also through policy and institutional reform for *increasing the sector's self-financing*. Best

practices show that incremental self-financing can be attained in MENA countries through more efficient pricing of assets and services, differential visitor charges that maximize net revenue, changes in tax laws, new incentive levers and more systematic involvement of local communities. Provided supportive policy environments, the patrimony's own capacity for pivotal self-financing only begins now to be imaginatively explored.

32. **Quantifying Economic Benefits.** Going beyond the analysis of MENA region proper, this review has also researched the economic evidence available on actual benefits from historic preservation. Such analyses, carried out more in developed than in developing countries, have produced relevant findings. One recent econometric research in the US has compared returns to investments in historic building rehabilitation with investment returns in 17 manufacturing industries, along three indicators of input-output multipliers. The study concluded (see Box 4.3) that "in all three categories – job creation, household income, and total impact – building rehabilitation consistently outperforms the manufacturing sector"¹.

33. Furthermore, the same macroeconomic study identified seven different ways in which cultural historic preservation performs as a powerful "economic generator". These seven ways are: 1. employment creation; 2. stimulation of heritage tourism; 3. small business incubation; 4. downtown revitalization in large cities; 5. small town economic revitalization; 6. neighborhood stabilization; and 7. neighborhood diversity. Some of these ways may work less in developing countries' contexts, but others – and particularly the first three – are likely to have stronger impacts in developing economies than in advanced industrial economies such as the US.

34. **Capturing Benefits at Project Level.** Is it possible to capture the economic values of patrimony assets through investment projects as development vehicles? The answer to this question is given by the economic and financial analysis at the project level. The Morocco Fez-Medina project, for instance, has applied a full battery of economic analytical techniques, both conventional and novel, for assessing benefits (see Box 4.3). Each analysis consistently found an ERR of 17 percent, or more. When the Fez project estimated the use and non-use values of the heritage with contingent valuation techniques beyond the traditional cost benefit analysis, the economic benefits appeared considerably higher. Project implementation will provide additional data. The methodology of project economic analysis for this category of investments is being further refined from one project to another.

¹ Rypkema, Donovan D., *Preservation as Economic Generator in the US. Cultural Resource Preservation and Economic Development*, USPS, September 1998.

Chapter 5

MENA's CH Project Portfolio: Lending and Non-Lending Assistance (1996-2000)

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PART II

CHAPTER 5

MENA'S CH PROJECT PORTFOLIO: LENDING AND NON-LENDING ASSISTANCE (1996-2000)

1. Part II of this sector study is dedicated to analyzing current and future operational work. It starts with an overall image of MENA's lending and non-lending assistance between 1996-2000 in support of CH preservation.
2. The short period 1995-2000 has witnessed a demand-driven new generation of CH projects. They enrich and diversify MENA's prior interventions in this domain (see Chapter 3 and Annex 1), and display an array of innovative approaches. Most new projects link culture support to another "traditional" sector – urban infrastructure, tourism assistance, post-conflict reconstruction – and thus *employ inherent project opportunities left unused in the past*. The sector review found that many initiatives taken in preparing these projects can be seen as Bank "best practices" and deserve emulation.
3. At the same time, the sector study identified a number of weaknesses, indications of ad hoc approaches in the absence of a regional strategy and absence of back-up sector work. Some of these are the typical "growing pains" of accessing a relatively new domain, and provide important lessons for improving future work.
4. Specifically, this chapter: (a) defines the region's orientation towards mainstreaming culture in development and outlines MENA's current portfolio of CH projects; (b) examines forms of non-lending assistance; (c) places MENA's cultural portfolio within the Bank's overall lending for culture operations; and (d) explores complementarities between Bank/IDA lending and IFC's private sector investments for tourism development in MENA.
5. The next four chapters of Part II expand the in-depth portfolio analysis issue by issue. They compare designs and institutional arrangements; examine CH project financing and identify the sector-level financial constraints, needs, and possible solutions; signal specific risks in CH projects and ways to prevent/mitigate them; and synthesize the strategic and operational priorities into a coherent regional framework for action.

5.1. Mainstreaming Culture: the Two-Pronged Approach

6. During the last five years, the MENA region has considerably deepened its commitment to its fundamental goals - social development and poverty-reduction -, as has the World Bank at large. Central to this orientation is the effort to mainstream the recognition of development's socio-cultural dimensions. This implies taking them into

account *throughout* the development agenda, beyond the cultural sector itself and its heritage domain.

7. The sector review found, as stated earlier as well, that accounting for and incorporating culture in MENA's mainstream assistance proceeds along a two-pronged approach:

- (a) first, the MENA region works to address the socio-cultural dimensions of development *at the level of every project* intervention in all sectors (agriculture, infrastructure, health, etc.) or major non-lending activity; and
- (b) second, the MENA region turned recently, more than in the past, to providing also direct financial support for some special projects focused on the culture sector *per se*.

8. Portfolio analysis shows that, in terms of staff efforts and material resources, the former –incorporation of cultural dimensions throughout the portfolio – prevails by far over the latter –financial investments in distinct cultural project components – within MENA's overall work. This strategic balance is justified and should be continued.

9. The *increasing* consideration of the socio-cultural variables intrinsic to all development interventions is illustrated by a variety of MENA activities and approaches and has created a propitious context for considering the more specific patrimony issues as well. Among the most notable advances by MENA's CMUs and SUs on the general social dimensions of development operations are:

- The increasing use of social analysis in MENA project preparation, through social assessments, and its integration with economic, technical and environmental analysis;
- The proportionally increased weight of MENA lending for social development sectors, human resources, social funds and social protection;
- The efforts to involve the civil society in actively defining development priorities and programs;
- The enhanced emphasis on incorporating participation mechanisms in the majority of MENA projects;
- The identification of gender implications and promotion of "action plans" for women's involvement; and

10. Numerous MENA studies on poverty in the region's countries, on indigenous people, social protection, education, the environment, post-conflict reconstruction, etc. as well as regular country and sector work, address systematically the social variables as

part and parcel of the issues under consideration¹. The "mainstreaming" of these dimensions is gradually improving the suitability and effectiveness of project interventions. The quality of the efforts for mainstreaming is not always even, and occasionally has been found to be unsatisfactory in some projects appraisal documents (PADs), triggering corrective measures. But the guidance given by the Bank's Board and Management on mainstreaming is applied with increasingly good results. MENA's work along these lines advances through both lending and non-lending activities.

5.2. MENA Cultural Heritage Projects: 1996-2000

11. As part of this mainstreaming, and in order to maximize program effectiveness, the MENA region recognizes *the rich potential of the cultural sector per se to contribute, convergently with the other sectors, to achieving the fundamental growth enhancement and poverty reduction goals of each country.* The treatment of socio-cultural implications in all "non-culture" sectors would be incomplete and would not be carried out logically, without incorporating direct financial support to the cultural sector itself. These are two sides of the same orientation. Convergently, they achieve synergy and result in more "development mileage" from the same investments.

12. To promote such convergence, MENA prepared and financed several recent projects that provide direct investments in cultural infrastructure and activities. These projects are described below.

**Table 5.1. MENA Ongoing Operations with Cultural Heritage Components
1996-2000**

Country	Project Title	Project ID	Approval Date	Effectiveness	Closing	Total cost	LN/CR amount (\$M)	% of Ln/Cr for CH
Jordan	Second Tourism Development	PA 35997	1997	1997	2002	44 m	32 m	72%
Morocco	Fez-Medina Rehabilitation	PE 5524	1999	1999	2003	27.6 m	14 m	
West Bank Gaza	Bethlehem 2000	SF 53985	1998	1999	2002	25 m	25 m	100%

* Initial amount, at appraisal; reduced during implementation to US\$78m.

13. Three projects with substantive investments in culture-oriented components have been approved during 1997-1999: *Jordan: Second Tourism Development Project*, which includes cultural heritage preservation and management; *Morocco: Fez-Medina*

¹ See, for instance: M.A. Ben-Achour, J.K. Rennie, C. del Castillo, *Indigenous People in the MNA Region*, review paper for the OP on indigenous people, processed; Willem van Eeghen, *Poverty in the Middle East and North Africa*, 1995, processed; W. Van Eeghen and Jennifer Keller, *The Employment Crisis in the MENA Region*, MNSD, June 2000, processed; Kouassi Soman, *The Geography of Poverty: Disparities in Living Conditions*, July 1999, processed.

Rehabilitation Project, an urban development and rehabilitation operation with considerable support for CH conservation; and the *West Bank and Gaza: Bethlehem 2000 project*, occasioned by the need to assist the Palestinian Authority (PA) in preparing and hosting the millennium celebrations.

14. Table 5.1 provides information on the basic parameters of these projects. In total, the MENA region has committed to these three new projects about US\$71 mil. Of this, about US\$30 mil. or 42 percent is allocated directly¹ for cultural heritage protection, management and enhancement². In addition to these three new projects, implementation continues in the earlier (1993) *Egypt: Private Sector Tourism Infrastructure Project*, which has a small component (total cost US\$27.3 m., of which the Bank provides US\$18.6 m.) that is explicitly designed to facilitate cultural tourism in Egypt's Upper Nile heritage area.

15. It has to be noted, however, that these project interventions were prepared without the benefit of broader sector analysis and knowledge of cultural patrimony issues, yet they were nevertheless oriented towards CH because the very logic of the given intervention required it. Background studies and full sets of information were not available. This inevitably increased the difficulties faced by project staff and country officials, the length and/or the costs of project preparation work, and also precluded the inclusion of some broader project provisions addressing sector issues at large.

16. Compared to the total MENA lending over FY1996-1999, the lending for these three projects is still a relative modest commitment. Yet, its significance is higher than the amount of financing *per se*, because it has also opened up the policy dialogue on CH issues between the MENA region and borrowing countries, and it initiated on-the-ground work with a set of new institutional partners and new local actors within the civil society. MENA is also developing its practical cooperation in cultural heritage matters with bilateral donors (see (Box 5.1) and UNESCO).

¹ In fact, in a case like *Jordan: Second Tourism Development Project*, it is difficult to rigidly separate the "cultural" component and the "tourism" component. Financing to promote either must often undistinguishingly support both rehabilitation of cultural patrimony assets *and* facilities for sustainable tourism.

² In addition to these three new projects, implementation continued in an earlier (1993) large-scale tourism project in Egypt (*the Private Sector Tourism Infrastructure Project*), which included a limited component (total cost US\$27.3 m., of which the Bank provides US\$18.6 m.) explicitly designed to facilitate cultural tourism in Egypt's Upper Nile heritage area.

Box 5.1. MENA and Development Cooperation in the CH Domain

Within the partnerships it promotes, and in addition to its cooperation with UNESCO, the Bank's MENA region pursues expanding collaboration with bilateral donor agencies of several OECD countries, such as France, Germany, Italy, Japan, The Netherlands, U.K. and others.

To provide one example, the joint initiatives with Italy are most significant. Italy's Law for Aid to Development, adopted in 1987, provides a generous framework for support to CH preservation as well. Assistance to countries in the Mediterranean basin are among Italy's priorities.

In this context, Italy has provided both grant co-financing and Italian cultural experts for the preparation of Tunisia's forthcoming National Cultural Heritage Management Project to be financed by the Bank. Similarly, Italy offered a grant for a CH inventory in Yemen, a project to be executed under Bank MENA supervision starting in 2000. Consultations have taken place about other projects as well and in autumn 1999 Italy and the Bank, with UNESCO's cooperation, cosponsored a large International Conference on the Economics of Culture in Sustainable Development, hosted in Florence ^{1/}.

Overall, the portfolio of CH assistance activities of Italy's General Directorate for Development Cooperation has included 17 initiatives in the Middle East countries and 9 in the Maghreb countries ^{2/}. Eight such activities have been implemented through World Bank Trust Funds, granted by Italy, with participation in implementation by Bank staff and Italian cultural specialists. A new Italian Trust Fund of about \$2.5 mil. is being negotiated in year 2000 to be used by the Bank primarily in MENA/Mediterranean countries for technical assistance, investment preparation, dissemination and training in the CH domain.

^{1/} See Vol: *Culture Counts. Financing, Resources, and the Economics of Culture in Sustainable Development*. Proceedings of Conference, Florence, 2000.

^{2/} Fabrizio Ago, *Cultural Heritage and the Policy of the Italian Cooperation*, Cooperazione Italiana, Rome, 1999 February.

17. In addition, two other countries in MENA region – Tunisia and Lebanon – are currently engaged in advanced preparation of two projects in the cultural sector to be financed by the Bank and very likely by bilateral donors as well. These are: the *Lebanon Cultural Heritage and Tourism Development* (CHTD) project; and the *Tunisia Cultural Heritage Management and Development* project. Further, in January 2000 the Government of Morocco has submitted a new request to the Bank for financing a heritage protection urban project in Meknes, a historic imperial city on the World Heritage List. For another country, Yemen, the Bank is engaged in an important non-lending assistance initiative for developing an inventory of the country's material patrimony, financed by Italy, and cultural sector strategy preparation. This inventory will in turn facilitate the selection and prioritizing of operational interventions for preservation and management.

18. In Lebanon, the imperative of post-conflict reconstruction requires immediate decision-making about heritage of inestimable universal value located in the damaged areas. Therefore, the Government and the Bank regard the project as a high priority within the country's current "reconstruction with development" strategy. Tunisia is

embarking on a national program for capacity building and physical improvements in cultural heritage, for which it has asked support from the Bank and bilateral donors.

19. The broad parameters of these projects are reflected in Table 5.2. Comparable interventions are also contemplated on a preliminary basis within some of MENA's Country Assistance Strategies (CAS), now under preparation, such as the Jordan CAS and the Morocco CAS. Such operations will emerge only if the CDF/CAS related work concludes that they are part of the country priorities.

Table 5.2. MENA Operations Under Preparation to support Cultural Heritage 1997-2000

Country	Project title	Expected pre-appraisal	Expected appraisal	Preliminary total cost ^{1/}	Preliminary Bank (Ln/Cr)	% of Loan for CH Management
Tunisia	National CH Management & Developmt.	April 00	Sept. 00	30 m	20 m	100%
Lebanon	Cultural Heritage and Tourism Dev.	April 01	Nov. 00	50 m	30 ^{2/}	60%
Morocco	Meknes Cult. Herit. & Urban Devt.	2001	2001			
Yemen	Non-Lending assist: Country CH Inventory and Strategy				Italian Grant fund assistance	

^{1/} Typically, preliminary project cost estimates are subjected to many revisions, up and down

^{2/} Includes Bank (30 m) and Donor co-financing (10 m) (based on PCD, May 1999)

20. Not every MENA cultural project preparation effort, however, has been successful. An attempt was initiated in Yemen in 1997 to prepare a national cultural heritage project encompassing country strategy preparation, institutional build-up and large CH rehabilitation works in Yemen's three historic sites on the World Monument List – Sana'a, Shibam and Zabid. However, the outline for project preparation was not well thought-through, not selective enough and prioritized. It soon became obvious that a country-wide project would be overextended, given existing institutional weaknesses and limited implementation capabilities. The preparation process was also inadequately monitored and the consultant team did not prepare in time any sub-project for bidding and commencing work. Therefore, the CMU decided to stop preparation in mid-way. This experience taught the lesson that indeed country-wide programs through stand-alone projects can be realistically undertaken only when the preliminary conditions are created. The CMU is taking steps now to support selected small-scale CH activities through the Yemen Social Fund II project (1999) by defining eligibility criteria to qualify those activities for Social Fund grants¹.

¹ Gianni Brizzi, *Note on Eligibility Criteria for CH Investment Projects Under the Social Fund for Development*, Office Memorandum, april 2000. The Bank's Country Office in Sana'a is also exploring the feasibility of creating a national trust fund for CH preservation works.

5.3. MENA Region in the Context of Bank-wide Cultural Operations

21. How do MENA operations relate to the Bank's overall CH portfolio, as well as to related investments in the MENA region itself by other entities of the Bank Group, primarily the Investment Financing Corporation (IFC)?

22. The Bank's overall program in the CH domain is a work in progress, still modest in size, geared towards enhancing the Bank's general development effectiveness. The actual lending volume to date is limited. Compared to the Bank at large, the three projects already approved in the MENA region are the largest in the Bank in this domain, together with the *China: Yunnan Earthquake Reconstruction project*. The regional distribution of projects is reflected in Table 5.3.

Table 5.3. Regional Distribution of Bank-Assisted Cultural Heritage Projects

Region	Projects		
	Total	Under Implementation	Under Preparation (FY00 and FY01)
MENA	7	3	4
Africa	5	2	3
ECA	8	5	3
East Asia	8	3	5
South Asia	1	0	1
LAC	7	3	4
Total Bank	36	16	20

Source: Figures provided by the Cultural Assets for Poverty Reduction Team, SDV/ESSD, based on regional reports. This table is being currently updated by SDV for FY2001.

23. By their content, the total 36 Bank operations thus far fall into three broad categories:

- (a) projects focused on the conservation of the built cultural heritage, mostly in urban environments, such as the projects in Georgia and Romania that support restoration of important monuments;
- (b) community-based projects, that include support for indigenous people's culture, such as the Peru Indigenous Cultural Heritage project, and others in Latin America¹, providing micro-credits to artisans and small craftsmen (or the Ethiopia's cultural heritage LIL, under preparation, focused on preserving ancient craft traditions as a part of the national economy); and
- (c) education activities.

¹ Shelton H. Davis, *Bringing Culture into the Development Paradigm*, paper presented at the International Congress of Anthropology and Ethnological Sciences, July 1998.

24. An example of the later is a project under preparation in the Africa region that will help record the region's oral culture – stories, poems, songs – and publish it in books using vernacular languages, while also sponsoring oral history transcription and conservation. Other ongoing initiatives consider support for small community museums and cultural centers.

25. In addition, the Bank has used its own grant window, providing limited financial support for CH project preparation, including heritage protection legislation, through IDF (Institutional Development Funds) grants and the Development Grant Facility (DGF). Where local capacity is limited, such grants, although only between US\$100,000-400,000, significantly help countries carrying out feasibility and institutional studies.

26. Most of the operations summarized above explicitly include the objectives of poverty reduction, job creation, and broad-based social capital development, in ways intimately related to the nature of patrimony related work. They open new awareness for community-based cultural resource conservation and income generation activities and enhance the local relevance of large-scale program.

27. Compared with other Bank projects, MENA projects share some of the same characteristics. Yet on average they provide much larger financial support on a per project basis, allowing for broader scale, larger impact operations. The new lending vehicles – LILs or APLs – have not been used to date in MENA, primarily because the governments that have requested support expressed preference for larger outlays than those typical for LILs. The Maghreb CMU is working on preparing an APL in Tunisia, and options for assistance to patrimony assets preservation under transport projects are also explored. The region's education projects, however, have not yet used the available opportunities for explicit, distinct support to the protection and use of cultural heritage through education programs.

5.4. IFC Tourism Investments in MENA

28. Support by the Bank group to MENA countries for CH comes also, in part, through some IFC investments in MENA, particularly in tourism. In addition to the projects that provide IBRD or IDA support for tourism (e.g., the Jordan project, the Egypt project, and the West Bank Bethlehem project), the Bank group also supports tourism to MENA countries through IFC investments for building private sector hotels and related amenities. IFC contributions are either loans or direct equity shares.

29. Between 1990-1999, IFC has approved 11 private hotel investment projects in Middle East countries (Egypt, Jordan, West Bank Gaza, Lebanon). Other investments are under preparation. IFC support goes primarily to private local business groups, and also to some international shareholders. Funding is on terms and maturities otherwise not available. The investments contribute significantly to sustainable employment creation, and to higher foreign currency flows into the economy. IFC complementary with Bank/IDA operations is sometimes very direct: for instance, while IDA resources are provided to the Palestinian Authority as concessional financing for the Bethlehem 2000

cultural heritage project, the IFC has provided an investment in the construction of a modern hotel in Bethlehem (250 rooms) co-financed by private Palestinian and Jordanian shareholders.

**Table 5.4. IFC Investments in the Hotel Industry in MENA countries
(Million US\$)**

Country	Year	Project Title	Total Cost	IFC Contribution		Private Sector		Observations
				Loan	Equity	Loan	Equity	
Egypt	1990	Victoria United Hotels Co.	19	5.3	0.5	8.6	4.6	
Egypt	1990	Egyptian Tourism Investment Co.			2.5			
Egypt	1991	Serena Beach Hotel Co.	\$19.1	7.5	1.2		10.4	
Egypt	1993	Investment in Abu Soma Development Co. Hotel	75	DM15	3.4		20.3	
Egypt	1997	Orascom Projects and Tourism Development	57	20	5		1.2	IFC mobilization of additional \$100 million in investment
Jordan	1996	Zara Investment (Holding) Co. Limited	102.128	15	3		39.7	
Jordan	1997	JHTC-Jordan InterContinental Hotel Project	38.8	10			13.1	
Jordan	1997	Business Tourism Co. Ltd.	2.5	4	1		20.1	
Jordan	1998	Arab International Hotels Co.	19		3.2			
Lebanon	1998	Idarat Investment Corporation, and Société Hotelière Da Vinci	37.6	13	1.5		10	
West Bank and Gaza	1999	Palestine Tourism Investment Co. Ltd.	48	8.0	1.35		16.4	

30. Increasing hotel capacity for general tourism and business purposes considerably expands visitors' flows at heritage sites as well. However, IFC's investments in hotels do not manifestly address the needs of heritage preservation. While they amplify tourists' flows and increase country capacity to realize the economic potential of the cultural heritage, they may help create also adverse externalities if the "tourist carrying capacity" of the heritage sites is exceeded (see further, Chapter 8 on risks in CH projects). There is clearly a need for increased coordination and complementarity between IFC and the Bank in this area.

5.5. Non-lending Assistance for Cultural Heritage in MENA

31. In addition to lending, the MENA region provides also non-lending assistance to some countries in the cultural heritage field. Non-lending assistance may take many forms, but, at this time, activities of this kind are only in their beginning stage. They serve the countries' needs in tangible ways and at the same time help the Bank test various options of providing more client-required services.

32. Non-lending assistance is suitable particularly for activities such as: strategy development; institutional support; capacity formation; study programs and knowledge development; management of expert services needed by borrowing countries; or special initiatives such as support for establishing a “Virtual Souk” as a web site for marketing traditional artisanal products (see Box 5.2). Examples include also MENA region’s assistance to Egypt in resuming the construction program for the New Egyptian Museum (NEM); assistance/participation in some multi-country programs in the Mediterranean basin for mitigating pollution, with direct or indirect relevance for the heritage domains; and other comparable activities.

Box 5.2. The Virtual Souk: An NGO-World Bank Initiative

How can small handicraft producers break through the physical limits of their local markets and gain access to new customers?

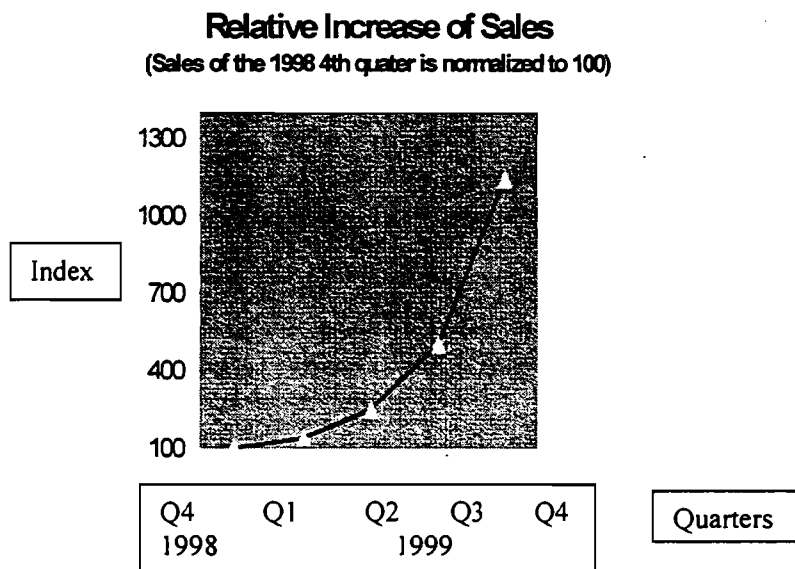
One creative solution was developed in 1998 by NGOs in Tunisia and Morocco, with support from the World Bank Institute (WBI). To assist Maghreb artisans to use the internet for selling internationally, they created *The Virtual Souk* as a website about North Africa and its culture (www.elsouk.com). This website offers traditional handcrafted products from Morocco and Tunisia to international buyers.

Local artisans, who otherwise have little access to the international market, now can offer pottery, carpets, wood, glass, and metal products to the world at large, can state their prices and become more competitive. In turn, buyers' opportunities have expanded as well: they can bargain, communicate with the artists, make suggestions, and benefit from organized quality control.

The benefits from the *Virtual Souk* are:

- **Income maximization for artisans.** The network of NGOs which manage the website passes on all net income from sales directly to the artisans.
- **Decentralization to the cultural grass roots.** Outstanding local cultural products are identified and promoted. Traditional arts and productive activities are revived and preserved at the grass roots, through market incentives.
- **Organizational capacity-building.** International NGOs provide technical and commercial support to the local NGOs and artisans. WBI provides training in micro-enterprise management to local NGO personnel, who then train the artisans.

The first 50 participating artisans have now grown to over 1,000 (see graph). Many of these producers have earned twice the incomes they did before. Sales have spiraled exponentially, due to the Souk's vast international reach: Australia, Canada, France, Finland, Japan, Italy, South Africa, UK, USA. MENA region assists in expanding the *Virtual Souk* to include artisans from the rest of the MENA countries.



(Invitation: Every reader of this box is hereby encouraged to go to her/his computer and click on: www.elsouk.com).

33. Following Bank request, several countries have prepared National Environmental Action Plans (NEAPs). The NEAPs, as well as project focused Environmental Assessments, have often entailed archaeological surveys that produced new information about sites or led to mitigatory action designed to protect them. Examples include the Morocco Water Resources Management project (the survey led to detection of previously unknown archeological sites); the Jordan Third Highway project (survey identified five sites in need of protective measures); and the Yemen Marib-Safir Road project (archaeological site protection plan proposed in connection with new road construction).

34. **Egypt.** In 1998 the World Bank was approached by the Government of Egypt to assist in the development and implementation of a project for the New Egyptian Museum (NEM), to be located on the Giza Pyramids Plateau (a World Heritage Site itself). The Bank has agreed to review the preparation studies produced to date and to make recommendations for the advancement of the project.

35. The experience of past efforts at launching a new national museum in Egypt has been unsatisfactory. The main causes were organizational weaknesses, insufficient consideration for the substance of the process, and lack of funding commensurate with the scale of the project announced. The Bank proposed the creation of a partnership coalition including UNDP, UNESCO, ICOMOS and other specialized organizations and the creation of an international Financial Support Group (FSG) to prepare the right blend of grant, equity and loan funds needed to implement the NEP project. The Bank also recommended the creation of a well-staffed, if small, Project Implementation Unit (PIU) in Cairo, entrusted with an adequate mandate to negotiate with the relevant parties to advance the implementation of the project. A preliminary timetable for the first stage preparation of the project (1999/2001) was proposed by the Bank to the Egyptian Government, which is preparing the necessary decisions.

36. **Yemen.** Despite various conservation efforts by the Government of Yemen, UNESCO and the international community, the integrity and sustainability of Yemen's cultural heritage are under severe threats. A comprehensive national registry of monuments and sites does not yet exist in Yemen and its absence makes it difficult for the government and international donors to define a CH strategy and master plan.

37. The Government of Italy has offered a \$500,000 grant fund for developing a national inventory of priority sites and GOY has asked the Bank to assist in managing its execution by a team of international and Yemeni specialists, with UNESCO guidance. By beginning 2000, the international competitive bidding for selecting appropriate experts was completed under Bank supervision¹. The inventory work has started and the first registry is expected to be completed and usable during year 2001 (see Box 5.3).

¹ Maryse Gautier, *Cultural Heritage Inventory for Yemen*. Office Memorandum, January 2000.

Box 5.3. The Benefits of Heritage Inventories

Yemen's inventory of priority CH sites would enable the Government to:

- Know the location and evaluate the scope and importance of key CH assets;
- Monitor developments which threaten the urban and rural environment and help define additional means of CH protection through land-use planning, development planning and economic instruments;
- Allow more efficient intervention designed to safeguard the most well-known sites that are immediately endangered by construction or other risks;
- Provide decision-makers, researchers, and the public with up-to-date information on the value, significance, and condition of the major sites in the country; and
- Designate historic cities, historic sites and buildings of historical significance that need to be included with priority in a long-term national protection program.

38. The actual effectiveness of the CH registry will depend on using it subsequently for physical and land planning work, thus integrating CH preservation within Yemen's broader development programs. Ideally, the inventory should become a key input into the preparation of a structured *national master plan* for the medium- and long-term preservation and management of Yemen's cultural heritage. The inventory will provide information on heritage sites for administrators and planners at national, regional, and local levels. It will also increase the awareness of private developers to the presence of cultural resources within or adjacent to new construction projects. This will help reduce damaging impacts of construction works on the built heritage.

39. **Morocco.** The ongoing initiative of MENA's Country Management Unit for the Maghreb, which (for the first time in the Bank) included the cultural sector of a country as a distinct sector in the analytical work for the Morocco CDF/CAS – deserves support and emulation. A special Cultural Sector Study (ESW paper), exploring also intra- and inter-sectoral linkages with tourism, urban, artisanal, education and other sectors, has been initiated for Morocco. The inclusion of the Cultural Sector in the CDF preparation and country dialogue yields not only knowledge gains for Morocco itself and CMU's work, but is also a "good practice" example for forthcoming CDF and CAS work in other countries as well. Such cultural sector assessments can become the platform upon which countries and the Bank can design priority investment operations, as well as medium- and long-term programs.

40. **West Bank-Gaza.** Technical assistance services provided by MENA in the fields of culture and cultural tourism are well illustrated by the work in West Bank-Gaza under the Technical Assistance Trust Fund (TATF). MENA has played an important role in mobilizing grant resources from 12 donor countries¹, totaling about US\$23 million consolidated into a "trust fund" that the Bank was invited to manage and implement. The Bank itself does not contribute financially to this fund, making it for the Bank a "non-lending" support activity, but does contribute considerable staff resources in administering, managing and supervising the multiple activities scheduled under this package of technical assistance.

¹ These are: Austria, Canada, Denmark, Finland, Italy, Japan, the Netherlands, Norway, Sweden, Switzerland, United Kingdom and USA.

41. Among the projects carried out under TATF, many of which produce studies, surveys, and feasibility reports apt to bring about larger scale subsequent operations, at least two are of a directly cultural significance. One is a tourism sector development project (financed through about US\$1 million grant) that consists of infra-structural studies, site studies, and strategy preparation: much of its outcomes will help increase international cultural tourism to WBG. The other is a Cultural Resources Management Project (financed through a US\$750,000 grant) designed to determine the locations of archaeological and historical sites, as well as building of special vernacular architecture, and to create easily accessible map oriented database available to both public and private sectors¹. Research under the project will estimate the benefits to social and economic development of conserving cultural resources. The project aims to create awareness about the importance of Palestinian cultural heritage and to increase the cooperation between the decision making ministries on the issue of the protection of cultural heritage. Among the expected outputs of this project are: (a) Cultural Resources Management inventories and surveys, documented and prepared; (b) improved quality of cultural resources management on a national level; and (c) the creation of a data resources information unit.

42. The use of modern survey technologies and GIS under this project has made possible the discovery of some cultural sites and assets previously unknown. They are also a learning ground for the PA Ministries in assuming responsibilities for studying and protecting an increasingly known patrimony.

43. **Syria and Algeria.** Considerable non-lending technical assistance is given by MENA staff to countries currently preparing their National Environmental Action Plans (NEAP) such as Syria and Algeria². The Bank encourages borrowers to incorporate the "thinking about cultural heritage physical resources" into NEAPs, considering them in connection with safeguarding the country's natural resources. The Syria NEAP, for instance, completed in 1999, with assistance from MENA's Environmental Unit, provides a specific discussion of the "causes of degradation of cultural heritage", highlighting among others: soil erosion that destabilizes the foundation of archeological structures; inadequate maintenance and repairs as "the most widespread cause of decay in all the historic cities of Syria, particularly acute in Damascus and Aleppo"; urban expansion that swallows up historic buildings, as in Ragga; extension of agriculture into archeological area, and others. It calls on Syria's policy makers to pay heed to the irreversible costs and losses incurred by the country's heritage³.

¹ Imam Nader Saca and A. Naseer Arafat, *Cultural Resources Management Project (TC 1211) Interim Report II*, January-March 1999.

² Other MNA region countries have prepared NEAPs in earlier years (see Annex 2)

³ *Natural Environmental Action Plan for the Arab Republic of Syria*, prepared by Ministry of State for Environmental Affairs, Syria, UNDP and The World Bank. with the assistance of ERM. January 1999.

44. Algeria, in turn, is also preparing its NEAP with assistance from MENA staff, at the very time this review is being written¹. Other *Environmental Action Plans* or similar documents have been prepared for Iran (1995), and Lebanon (1996).

45. The sector review found that NEAP documents are uneven in their coverage of CH, but several go into some depth. Problems identified in NEAPs regarding the cultural heritage assets fall into three main categories: (i) those caused by natural conditions (including earthquakes, floods, changes in sea and groundwater levels, and weathering without adequate protection); (ii) those caused by human agency (including air pollution, insensitive infrastructure development, haphazard, uncontrolled urban settlement and development, undue tourism pressure, illegal excavation, looting, and war); and (iii) those caused by legal or regulatory shortcomings (including inadequate land use planning and zoning legislation/regulations, poor urban planning, lack of preservation legislation, lack of a heritage "inventory"). When they identify important issues, such NEAP documents tend to become the precursors of projects for mitigatory activities on the ground.

5.6. Weaknesses and In-House Difficulties in CH Work

46. Besides revealing accomplishments, the sector analysis of the project portfolio also identified several important weaknesses or avoidable difficulties in MENA's CH activities. The principal ones are summarized below. They can be regarded as a compass for needed changes and improvements.

47. *Lack of Strategy Framework.* Recent lending for CH in MENA during 1996-2000 has taken place without the benefit of a specific regional strategy articulated in advance for the sector. Project initiatives have been taken as a result of country requests and have evolved more due to the creativity of project staff and government officials than due to the benefit of a pre-existing framework. The Fez-Medina project, for instance, started as a conventional urban infrastructure project and was re-oriented ad hoc during preparation toward deliberate CH preservation. It is a tribute to the staff working on preparation, design, and appraisal in projects such as tourism in Jordan or post-conflict reconstruction in Lebanon that many implications for and linkages with CH were understood in mid-term preparation and incorporated in the design of projects. Yet future lending needs to be guided systematically by cross sectoral strategy considerations and sector work, preceding project work.

48. *Insufficient Knowledge.* The ongoing MENA CH projects did not benefit from preliminary country economic and sector work (ESW) on the status and management of the cultural patrimony. The project-based interventions stepped ahead of the CAS papers of the respective years, which had not envisaged these innovative interventions. The sector study found that even now patrimony endowments are still absent from some Country Assistance Strategy papers. Lack of holistic sector perspectives had to be at

¹ *Rapport sur l'Etat de l'Environnement en Algérie*, Secretariat d'État Chargé de l'Environnement, Algeria, February 1999.

least partly compensated in recent years through more than usual project work, but it constrained the sure-footedness and scope of the CH components. A step forward was made in the Tunisia case, where the production of a sectoral strategy was undertaken as part of the project preparation process. Identification of priorities is necessary in the future through country-by-country ESW work on the patrimony, preceding project work.

49. *Unused Lending Vehicles.* The sector review also shows that not all vehicles available for Bank lending or non-lending assistance have been employed to date in the MENA region. Existing additional opportunities can be activated. The region has not employed so far the Learning and Innovation Loan (LIL) vehicle, which enables very focused assistance in emergency or highly experimental situations and permits quicker processing than usual projects. MENA also has significant potential for "Adaptive Program Lending" (APLs), a lending vehicle suitable for phased approaches over longer terms. As the first cohort of ongoing projects will yield additional lessons, APLs will be adequate for replicating tested approaches from one site to another, while significantly decreasing transaction costs for the countries and for the Bank.

50. *Weaknesses in Country Data.* While descriptive reports on the patrimony's deterioration and needs exist in abundance in every country, analytical studies on its economic potential – e.g., for poverty reduction in site surrounding areas, job creation options, etc. – are rare or inexistent. Weakness of available country data and information gaps have been a characteristic constraint and, with few and late exceptions, MENA has not commissioned specialized research.

51. *Limited Policy Dialogue with Borrowing Agencies.* In the absence of ESW, the dialogue with borrowing countries centered more on project issues, while broader policy dialogue has been insufficient. At operational levels, interaction between Bank and country staff was a rather "new territory" for both sides, and resulted sometimes in inordinate delays and unnecessary higher transaction costs.

52. *Little Use of Grant Windows.* In the absence of in-house coordination at the regional level, some Bank instruments adequate for the tasks at hand have never been used in MENA's CH work. Particularly conspicuous is that throughout the analyzed 1996-2000 period MENA has not used the Bank's IDF grant window, even though country institutional build-up would have provided a crucial improvement for project preparation. Other Bank regions have employed successfully the IDF and DGF mechanism. Using these instruments in MENA as well would multiply the regions' ways of assisting country agencies and enhance the "quality at entry" of future CH projects.

53. *Overlooked Educational Implications.* Content-wise, MENA interventions to date have addressed predominantly the infrastructural dimensions but have under-treated the educational aspects of CH safeguarding and management. Strikingly, none of the education investment projects processed between 1996-2000 in the MENA region contain provisions focused explicitly on supporting the CH contribution to education, social cohesion, identity formation, pluralism, etc. through school programs or other means. The issues of education in indigenous languages were hardly addressed. Provisions about

awareness raising, information and communication are sporadic in the ongoing CH interventions.

54. *Unevenness Between Sectors.* Opportunities to support CH explicitly were overlooked in several sectors and projects (e.g., agriculture and rural development projects, environment projects). The Social Fund for Development I project in Yemen, for instance, although eminently suited to support, among others, community driven initiatives for local patrimony assets safeguarding and management did not provide this option (this limitation is being corrected in the recent Social Fund Development II project in Yemen).

55. *Insufficient Mobilization of Donor Financing.* While the MENA region achieved a major success in aid coordination for the funding of the Bethlehem 2000 project, there has been insufficient mobilization of donor financing for other projects (e.g., Fez-Medina project); for some of the projects under review, this lacunae can still can be corrected.

56. *Staffing.* The expected addition or reassignment of some specialists in patrimony management/cultural tourism to MENA staff (sociologists, economists, public finance specialists, etc. with experience in CH work), part-time or full-time, has not materialized yet. The continuously changing composition of staff/consultant teams employed to carry out preparation/appraisal/supervision work on CH projects has led to lack of continuity and ad hoc solutions, as well as to weaker review and analytical work. An organizational focal point/staffing location in MENA for CH activities has not been established either, which weakens regional coordination and accountability.

57. *Training.* The MENA region has not offered training opportunities on CH issues to its staff working directly or indirectly on these issues, and the occasional seminars organized by the Bank's central (SDV) group on culture and development, though very useful, have not been well attended. The WBI has not yet developed specialized training modules for staff in this field.

58. **Conclusions.** Despite these "growth-weaknesses", major progress in this new domain is indisputable. Most of the accomplishments described in this chapter have been achieved against very difficult odds. These weaknesses themselves, once recognized, become pregnant with suggestions as to what needs to be done.

59. The emerging CH portfolio in the MENA region, though still modest, is a *distinct new element in the region's activities* compared to the early 90s or the '80s. It responds to a *new kind of demands* from borrowers. Comparative analysis shows that quantitative terms (lending amounts to date) it is the *strongest regional CH program* of the World Bank at large. It provides "models in the neighborhood" to other countries in both the Middle East and North Africa, includes creative approaches and embodies the region's strategy in action, "on the ground". The analysis of its quality will continue in more depth in the next chapters to distill lessons that can guide the region's future operations.

Chapter 6

Design Alternatives and Innovations in CH Projects Employed in MENA

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CHAPTER 6

DESIGN ALTERNATIVES AND INNOVATIONS IN CH PROJECTS EMPLOYED IN MENA

1. Each project described in the prior chapter represents an innovation in terms of its cultural component, because the design of each project has virtually no precedent in previous Bank assistance to the given country or sector. This chapter is therefore devoted to the analysis of how these innovations emerged. Learning how these path-opening projects were prepared and designed offers new options and ideas for those preparing future programs.

2. This chapter will first examine the basic choice faced by governments and the Bank between including CH *components* in projects "belonging" to other sectors, versus the possibility of *designing full fledged stand alone* CH support projects. Second, the chapter will identify and discuss the range of creative *design alternatives* employed in MENA during 1996-2000, as follows:

- the *urban improvement* alternative for CH assistance, as employed in the Morocco Fez-Medina project;
- the *tourism* option in the Jordan Petra-Wadi Rum project approach;
- the *post-conflict reconstruction* option in the Lebanon reconstruction project;
- the *capacity creation* program in the West Bank Bethlehem project; and
- the *national* CH program option in the Tunisian project under preparation.

6.1. Cultural Components or Self-Standing Culture Projects?

3. Designing an investment in cultural heritage raises many new questions for government officials and World Bank specialists alike, because this domain has been little touched before the last several years. As forthcoming projects will face choices of their own, such questions will re-appear. However, to date MENA experiences already include several sector-by-sector specific options. These options are in themselves an important storehouse of accumulated knowledge about what can or can not be done.¹ They form a "menu of possibilities" which will enable future MENA operations to build upon approaches that currently undergo the exacting tests of implementation. The next challenge, however, is not to copy mechanically, but to select from the available options the one which fits best and re-tailor it with adjustments to the given country and sector. The following sections take stock, in turn, of these "best practices". Undoubtedly, further work will bring additional design innovations responsive to country needs and circumstances.

¹ Some of these projects have maintained unusually detailed records and various assessment reports (see, for instance, the files on Fez-Medina preparation, which convey useful know-how and methods).

4. The initial strategy choice faced in project lending is among two possible routes: either to design fully dedicated, self standing cultural patrimony projects, or to design limited cultural components to be included in development projects assisting other, “non-cultural” sectors.

5. **Two Routes in MENA’s Projects.** Region-wide, both routes are currently employed¹. Projects in Jordan, Morocco and Lebanon have taken the component route; on the contrary, the project in Tunisia has taken the full-scale project route. The West Bank-Gaza Bethlehem 2000 project is a combination between the two.

6. The component approach is able to capture the synergy between sectors, such as between urban development and cultural heritage, or between tourism facilitation and heritage conservation. Moreover, when institutional capacity in the country’s cultural sector is weak, starting with a geographically limited component may prudently build up capacity and models for subsequent larger scale operations. Bank assistance is on firmer grounds when it builds up from sectors in which the Bank has worked in the given country before.

7. Worthy of notice also is *what was avoided* in the MENA region's approaches: *enclave projects*, that would focus only on one or several isolated monuments taken separately from their context and outside inter-sectoral linkages and opportunities. The Bank’s Board has expressed reservations vis-à-vis such enclave-projects when governments (outside MENA region) have requested them.

8. When the country’s institutional framework in the cultural sector is stronger, there is justification to consider a full fledged project. That is the case in Tunisia, where a large scale preparation study encompassing the nation’s built heritage, together with a strategy preparation effort, are underway (with support from Italian grant assistance and consultants). This type of project requires a more complex preparation, as will be shown further.

9. A comparable comprehensive approach was taken in Yemen for the preparation of a national cultural heritage project encompassing Yemen’s three historic cities on the World Monuments List. Yet in this case the route taken did not succeed. It became soon obvious that a country-wide project would be overextended given very weak institutions, whose capacity can not be improved too quickly. The project preparation process was therefore discontinued by the CMU in mid-way. Work was re-oriented towards first preparing a country strategy paper and a heritage inventory. This experience brought back the lesson that indeed country-wide programs through stand-alone projects can be realistically undertaken only when the preliminary conditions are created². It also

¹ It appears in retrospect that, faced with different country circumstances, MENA staff have based the choices on the merit of each case. The criteria to decide which route to take have been: (a) the nature of the country’s request to the Bank, (b) available objective opportunities, and (c) institutional strength in the cultural sector.

² The Bank will also provide some non-lending assistance to Yemen’s cultural sector by encouraging interventions by bilateral donors in specific historic areas.

appeared that much closer guidance and supervision should have been exercised over the consulting company hired to prepare this project.

10. Which are the specific project design options actually chosen by MENA countries and MENA region staff so far? We have found an array of such options and these will be described and analyzed one by one below.

6.2. Morocco: Options in Urban Development Projects

11. Because MENA's heritage assets are mostly located in urban settlements and often in poor and now depressed urban zones, links with urban infrastructure projects are indispensable. The Fez-Medina Rehabilitation project is to date the centerpiece in exploring the "space for linkage" between the two sectors. Valuable lessons are promised also by the forthcoming Lebanon CHTD project.

12. Interestingly, at pre-identification stage the Fez urban project started in a conventional way, with little intention to support heritage preservation, and with no consideration for how the Fez population itself regards the city's heritage¹. In fact, the initial project planners technocratically perceived the historic Fez-Medina less than a resource and more as a bottleneck to modern urbanism, which lacks access roads for emergencies (ambulances, fire trucks, police) and for services (garbage disposal, deliveries). Almost one quarter of Fez el Bali was inaccessible to motorized vehicles, while other parts badly lacked parking. Heavily polluting industries nestled in the vicinity of dense residential areas caused health hazards, increased waste production, and deteriorated the housing stock².

13. The engineering consulting company hired to do the project feasibility study submitted a technical design that proposed cutting large transportation crossroads through historic districts. It also involved demolishing some cultural assets. The general design was insensitive to the cultural value of the Medina. UNESCO, which in 1976 placed Fez on the World Heritage List, communicated to the World Bank its strong objections against the technical solutions proposed.

14. The Bank and the Government of Morocco set aside the consultants' technical proposals, and placed the project preparation work on different principles, re-starting it virtually anew. The new principles put the *cultural value* of the Medina, and the goal of *reducing poverty among its inhabitants*, at the center of the project's new concept and design. The new approach, more refined socially and technically, explicitly addressed the problem of combining preservation with response to modern needs. It found trade-offs and proposed original solutions. The result is the project design currently under implementation.

¹ F. Navez, *Projet de Sauvegarde de la Medina de Fez, Evaluation Sociale*, Avril 1995, processed.

² Earlier, a UNDP study in 1991-92, titled "*The First Conservation Project for the Fez-Medina*", identified these as critical problems that need to be addressed with priority.

15. **Reducing Urban Poverty.** In particular, the *poverty reduction orientation* of the Fez approach to patrimony conservation deserves highlighting, and its key features are outlined here (full details are given in Annex 3 – Case Study on the Fez project’s preparation, design and content; see also the Staff Appraisal Report). Fez-Medina is not only a World Heritage celebrated site: it is also a pocket of concentrated, abject mass poverty. The pre-project survey¹ found that 52,700 people (36 percent of Fez Medina’s population of 150,000 inhabitants) live below the poverty threshold. This is a far higher proportion than the national poverty average for urban (10.4 percent) and for rural (28.7 percent). Housing occupancy density far exceeds acceptable levels. Half of the Medina housing stock is decayed.

16. The option retained under the new design is characterized by a three-fold combination: it integrates harmoniously (a) basic *urban improvements* (in roads, type of transportation, vehicles, services) with (b) *preservation and enhancement of historic cultural assets* and of the Medina’s distinctive characteristics, bringing both (a plus b) within a program geared to (c) *reduce poverty* in the Medina, improve quality of living, and make Fez more accessible to worldwide visitors.

17. Targeting primarily the population that lives below poverty levels, the project will help create some 10,000 jobs over fifteen years, channel benefits to artisanal groups working in the Medina, and improve living standards through better communal services.

18. Another poverty reduction initiative under the Fez project is the organization of emergency assistance to historic dwellings inhabited by the poorest people which are at high risk of collapsing: a monitoring system, relying on agents recruited among the poor inhabitants, will promptly signal to project management the buildings that start showing signs of imminent collapse. This monitoring will enable the project to intervene rapidly, reinforce the at-risk buildings, protect the inhabitants’ lives and dwellings, and reduce the costs of ulterior reconstruction.

19. **Overcoming Routine with Development Solutions.** As the first large urban-cum-cultural-heritage project in Morocco, Fez has involved, in addition to technical and cultural choices, a host of non-routine solutions for its institutional, financing, and implementation arrangements (see further, Chapters. 7 and 8 on financing and risks). The Fez project has some similarities with another Bank-assisted operation in an Asian historic city – the Lahore Urban Development Project in Pakistan² – and has benefited from the region’s experience with the earlier MENA project in the Hafsia area of the Tunis-Medina^{3,4}, carried out in the ‘80s (see Box 6.1). Yet, it has much enriched the analytical methodologies and solutions employed in those earlier operations.

¹ F. Navez, *Projet de Sauvegarde de la Medina de Fez*, Avril 1995, processed; see also Naima Lahbil Tagemouati, *La Medina de Fez a-t-elle une valeur d’échange?* Processed.

² Donald Hankey, *Case Study: Lahore, Pakistan Conservation of the Walled City*, The World Bank, 1999.

³ Ismail Serageldin, *Very Special Places*. The World Bank. Washington, D.C., 1999.

⁴ Harvard University and Association Sauvegarde de la Medina de Tunis, *The Rehabilitation of the Hafsia Quarter of the Medina of Tunis*, Project Assessment, 1994.

Box 6.1. The Successful Rehabilitation of Hafsia

Tunis offers an early and successful example of how to incorporate a Historic City rehabilitation program as a component into a "regular" urban development project. The Tunisia Urban III development project, approved in 1982 (total cost US\$60 million) included a rehabilitating component for the Hafsia Quarter II in the town center of the Old Tunis Medina. The project rehabilitated buildings and recreated the old covered *souk* that relinks now the two parts of the old city. "The key questions raised at the time were whether a second phase would be able to do more than just promote a physical implant of a few new houses. The response over the past 10 years has been spectacular. The second phase has not only confounded the skeptics with its success, it also won the unique distinction of a second Aga Khan Award for Architecture in 1995. The Municipality of Tunis, the Association pour la Sauvegarde de la Medina (ASM) and the Agence de Réhabilitation et Rénovation Urbaine (ARRU) have succeeded in reducing the high population densities in the old *wekalas*... Rehabilitation of the structures through credit schemes have worked extremely well in all but the rent-controlled, non-owner occupied structures. The success of the project in 1995 in nudging the government to finally remove the rent control law effectively lifted the remaining obstacle to commercially financed rehabilitation of these non-owner occupied rental units^{1/}.

The second phase of the project, Hafsia II, is a financial, economic and institutional success. Cross-subsidies have made the project as a whole financially viable. Rates of return on public investment have been high. The multiplier effect of private to public funds has been of the order of three to one^{2/}. All of this has been accompanied by a sensitive treatment of the urban texture, and an integration of the old city with its surrounding metropolis."

The results of the ex-post financial analysis of revitalization efforts at Hafsia are very encouraging. The overall project was financially profitable, thanks largely to the revenue generated from land sales, housing and shop sales by the project implementing agency (ARRU) and despite relatively high resettlement costs. A recent study carried out by a Harvard University team^{3/} found the internal rate of return (ex post) to be about 11 percent.

^{1/} Harvard University GSD (1994).

^{2/} Harvard University GSD (1994).

^{3/} Harvard University GSD (1994).

(cf. Ismail Serageldin, "Very Special Places. The Architecture and Economics of Intervening in Historic Times", The World Bank, Washington, DC, May 1999).

20. Compared to average processing standards, the Fez project was one of MENA's most complicated and exacting to prepare. It involved breaking new grounds in preparation work and avoiding distinct risks of a heritage related nature (see Ch. 9, on risks to heritage). Its institutional and financial arrangements took a long time to negotiate and clear within the government's apparatus. During interviews for the present review, the staff involved termed some of these delays as "very frustrating". The CMU and urban staff, with personal support from the Bank's most senior managers and high-level officials in central Ministries, had to devote more than the usual effort to bring this project to effectiveness. They had to overcome the inexperience with such innovative projects of the country's agencies, as well as some conceptual and bureaucratic rigidities. But this project also opened a new chapter in the Bank's urban practice and knowledge.

21. Given these difficulties, it is legitimate to ask: should the Bank's MENA region engage in such complex projects at all? or instead should it stay away from time-consuming project preparation processes?

22. Surely, pioneer projects take more time to prepare and process than routine ones. Time pressures on Bank staff work against such projects. Yet if MENA would decline such projects, it would not only forego new learning and fall back on carbon copy, indeed misguided, approaches to complex problems: it would also fail to respond to member governments' requests.

23. The decay of Fez has been a problem long growing from bad to worse, despite Fez placement on the World Heritage List in 1976 and despite an international safeguarding campaign launched by UNESCO in 1980. The campaign raised intellectual awareness about Fez, but failed sadly to generate the financial support required for significant rehabilitation works. It is for this reason that, counting on the Bank's comparative advantage, the Government of Morocco asked the Bank to help "*break the long standing deadlock which has deterred any comprehensive rehabilitation project in Fez*"¹ and requested a loan to finance the Fez project. The Bank's intervention helps mobilize for the next four years more resources that have accrued to Fez over almost 20 years since it was placed on the WHL. In addition, the Government of Morocco also counts on the Bank's comparative advantage in promoting donors' interagency coordination and in mobilizing supplementary grant aid, over and above the borrowed financing.

24. **Lessons about Inter-sectoral Linkages.** What lessons, if any, can be derived from the strenuous effort of MENA's Maghreb CMU and infrastructure SU for preparing and processing this project?

25. Before Fez, the Bank itself didn't have ready-made solutions to technical and cultural problems in typical Medina contexts. Thus, the Bank had to pay a price in terms of time to learn how to avoid known and unknown pitfalls. But it succeeded to "break the long-standing deadlock" in Fez. The Bank itself climbed an upward learning curve, which now pays off even beyond the Fez project itself. Thus the *process* that led to this project's design and poverty orientation yields wider policy and strategy messages about how to *deliberately link* cultural heritage, urban development, and poverty reduction.

26. In essence, these valuable messages are:

- Cultural heritage conservation and rehabilitation within large urban infrastructure renewal projects is a valid design option. Conservation and infrastructure renewal are both feasible *within the same* development project.
- Modernization and infrastructure upgrading in old towns, however needed, is *not* a license for insensitive and wholesale "clearing" of historic areas.

¹ Fez-Medina Rehabilitation Project, World Bank, Project Appraisal Document, October 7, 1998.

- Infrastructure that is technically *appropriate* to cultural and topographic requirements, and even new, custom-made urban mechanical equipments, can be creatively re-designed to make modern amenities *compatible* with the retention and preservation of the original social fabric.
- Projects like Fez that combine the objectives of both sectors, urban and cultural, can offer *additional routes for reaching basic development economic goals: poverty reduction and additional employment generation*. They much enhance overall development effectiveness.
- Addressing the urban built heritage as a coherent continuum within its *social context* can prevent the pitfalls of monumentalism and of salvaging physical structures at the expense of the surrounding *socio-cultural fabric*.
- Not every urban project in old towns must necessarily contain major cultural heritage preservation components to be justified. But when opportunities do exist, not exploiting the inter-sectoral synergy between infrastructure and culture foregoes important benefits.
- Projects that link the urban and culture sectors tend to *????* more preparation time and costs than conventional urban projects. They demand more coordination efforts between sets of institutions. But the lessons learned to date may optimize the "critical path" for preparing future comparable projects. The Bank's Adaptive Program Lending (APL) approach may save significant time in such situations.

27. Lessons from Fez are already being transferred to other projects in MENA region and elsewhere in Bank-assisted projects. In Lebanon, for instance, the towns of Saida, Tripoli, and Tyre (a recently declared World Heritage site), will be assisted under an urban/cultural/tourism project nearing appraisal, in which culturally sensitive urban infrastructural improvements will receive project support (see next section). In Yemen, studies contemplated for the conservation of vernacular architecture in historic cities will follow the same principles as in the Fez project. In Morocco itself, given the country's large number of historic Medinas, the Fez-Medina project may become the forerunner of a series of urban/cultural interventions with great benefits for the country's poor and the general population, and with rewards to the universal community. (In fact, in January 2000, the Government of Morocco has already submitted a request to the Bank's MENA office for a comparable CH investment project in the historic city of Meknes).

28. Urban sector projects have considerable potential to support the preservation and *sustainability* of the built heritage *even when they do not manifestly include cultural heritage* components. We call this the "*indirect support*" potential inherent in urban projects. This issue is discussed further in Section 6.7 of this chapter.

6.3. Jordan: Options in Tourism Expansion Projects

29. Projects in the tourism sector provide another set of options for incorporating cultural components because of the inherent link between major heritage assets and economically thriving tourism.

30. The 1978 decision of the Bank's Board to cease lending for tourism – a decision that some questioned even at the time¹ - was in recent years reversed. Nonetheless, for the MENA region, the 1978 decision has resulted in a long hiatus in the Bank's financial support for the budding general tourist sector in North Africa and Middle East countries, including for cultural tourism. Both the effectiveness of MENA region's poverty reduction strategy and its support to culture during the subsequent two decades were negatively affected.

31. In Jordan, the recent Second Tourism Project (1997) reversed the two-decade stagnation that followed the first Bank-assisted tourism project in Jordan (1976). During these 20 years the Bank financed in Jordan four urban development projects² providing loans totaling above \$105 m. However, none contained explicit heritage-oriented provisions, although the potential for such provisions existed. With hindsight, it can be said that important development opportunities were missed in these 4 projects because of inattention to cultural heritage.

32. The new project started from three basic premises: (a) tourism is Jordan's second largest source of foreign exchange revenues (above 10 percent); (b) the main motivation for tourism to Jordan are the country's cultural built heritage and ecological sites, not its very limited beaches; and (c) the peace process opened up vast additional tourism development and cultural opportunities. To capture these opportunities would require Jordan to develop tourism multi-sidedly across the country, which implies *improving in parallel* patrimony maintenance and management.

33. **Integrating Tourism with Patrimony Support.** How does the Jordan project employ its options to incorporate support for cultural heritage conservation within the design of a tourist operation?

34. Tourists come to Jordan (1.1 million in 1996) primarily to visit Petra, a World Heritage site, Jerash and Karak. Increasing tourist flows, however, entail hazards together with benefits. Predicating tourism growth on intensified visitation of heritage sites demands safeguards against risks to patrimony assets. Therefore, the criteria and objectives pursued in project preparation were:

¹ Minutes of the Meeting of the Bank Executive Directions, Staff Notes, November 1978.

² Those were: The Urban Development Project (1980-1987, \$21m. loan); Second Urban Development (1985-1993, \$28m. loan); Third Urban Development Project (1987-1995, \$26.4m. loan); and Amman Transport and Municipal Development Project (1985-1993, \$30 m. loan). In addition, the Bank has assisted two other projects focused on municipal banking in Jordan.

- (a) physical works for enhancing the sustainability of heritage sites, subject to a coherent tourism and cultural preservation strategy;
- (b) selectivity (identifying most promising priority sites from among multiple “candidates” seeking support);
- (c) integration of heritage into contextual community development, with built-in incentives to the local population for heritage protection;
- (d) balanced management of tourist flows over valuable heritage spaces; and
- (e) maximization of local--not only overall--benefits from limited investments.

35. The project team was struck by the discrepancy between how much Jordan could offer for tourism and the absence of a coherent tourism strategy¹. Foremost on the minds of the project team was to *combine development with safeguarding* heritage – that is, to ensure long-term sustainability that responds to cultural, environmental, and physical criteria. The 1997 Bank-assisted tourism project, specifically its Petra component, made it its goal to address the problems highlighted by UNESCO in its study (1994-1995) about overcrowding at Petra Sanctuary and the need for access management plans. Other problems identified by UNESCO in the archeological sanctuary, such as uncontrolled urbanization and asset management deficiencies, are also explicitly addressed in the Jordan Second Tourism Project.

¹ The following excerpt from a public presentation made by the project preparation team leader, Tufan Kolan, vividly describes the country situation and the team’s reasoning:

“When we first got into this project, we realized that Jordan did not have a coherent tourism strategy. There was little appreciation of tourism as a business, as an industry, as a sector with its own merit, and inadequate appreciation of the potential and needs of the country’s cultural heritage. The Department of Archeology was working with some 19 donors, supporting excavations here and there, with great dispersion among numerous sites.

The value added by the Bank resulted primarily from placing the focus on a coherent strategy for developmental tourism. I am referring to a three-pronged strategy which combines tourism development, cultural heritage enhancement, and urban regeneration. We suggested that a longer time frame would be necessary, thinking about the Bank’s involvement over a ten-year period rather than preparing just a sporadic operation, and that we would favor phased investments starting with the highest priority and moving onward. Within such a coherent strategy, we must have policies that support the private sector in tourism and we must have the right institutions. On the investment side, the ten-year sector strategy should be accompanied by an investment program which makes the investments in stages. And the third step was to link policy, institutions and investments in determining the priority sites.

Where was the Bank’s attention to go in the first phase? Petra, with 3,000 visitors on a peak day, was certainly one place. For the second site, we made a less conventional choice. There were many competing options, in the North and in the South. Our combined criteria led us to decide on Wadi Ram, a site that required the most urgent attention, as the threat of destruction was growing rapidly. Even though Wadi Ram may not be the highest source for immediate revenue generation, we took into account also a cultural, non-financial criterion and made a decision based on preserving the ecology and integrity of the site”.

36. Particularly, the project report emphasizes the need to preempt the increased risks to heritage from expected growth in tourist flows. As noted elsewhere in this study, this concern would have been legitimate in the IFC reports about hotel investments in Jordan, made in the same period, investments which increased considerably the country's hotel capacity. Yet such protective concerns were not stated explicitly. Without specific consideration of "carrying capacity" issues at the cultural heritage sites, excessively increased tourists flows may become detrimental to heritage preservation.

37. More specifically, the Tourism project finances also infrastructure works convergent with the project's objectives: among these are 60 km road rehabilitation in the Petra region; urban spine roads; Wadi Musa town center improvement; flood control measures; urban regeneration provisions; land use planning; solid waste management and other measures. Every one of these components would not only provide additional (direct or indirect) protection to the monuments, and improve the experience for tourists, but also would create *new employment* and improve the quality of life of the local population. By integrating tourism facilitation and the protection of cultural sites into the development of their surrounding urban contexts, the project's package is a convincing demonstration of how local communities can benefit from the "tourist dividend".

38. **Tourism Diversification: Rehabilitating "New" Sites.** Relevant to the project approach's replication value in future operations is the sense of balance and discerning selectivity with which the government and the Bank made the investment choices among the many sites in need of assistance. To maximize investments for the sake of both tourism and culture, the project seeks to bring into the circuit heritage "new" old sites previously neglected.

39. Jordan has numerous towns and villages with potential for heritage tourism that were unevenly treated in the past, and choosing among them is not a simple matter. The project's files contain descriptions of numerous sites considered for possible investments, including Azrak, Qasr Amra, Qasr El-Hallabat, Pella, Hemmeh, villages at the Dead Sea, Wadi Rum, Jerash, Mount Nebo, Karak, Madaba, Aqaba, Um Qais, Petra, and others. After carefully pondering investment alternatives, the project team made some unconventional decisions and selectively retained two sites – Petra and Wadi Rum – for immediate project works. Giving priority to Wadi Rum over other much better known tourist destinations was an unusual but well reasoned decision. An additional two sites – Jerash and Karak – were selected for a pilot program and for carrying out feasibility studies towards future project preparation, thus setting during the first phase the foundations for longer term support and subsequent projects.

40. By bringing into the first-phase project the relatively small Wadi Rum site, in addition to historic Petra, the project enables the Jordanian authorities to experiment simultaneously two models for the sector: on the one hand, to concentrate investments on a major site of world fame for developing its full potential and enhancing its sustainability; on the other hand, to bring into the universal circuit many others of Jordan's less known smaller and medium-level sites, of which Wadi Rum is typical. The second model carves out new room for grass-roots entrepreneurial initiatives, channeling

generous economic and social benefits to the inhabitants of areas surrounding heritage sites. Wadi Rum's selection was also justified by its location close to Aqaba, Jordan's main site for non-heritage tourism. Due to the project, Wadi Rum would become more attractive for international tourism and in time add a cultural side to what now is mostly the area's beach tourism. (For a more detailed description of the Jordan tourism project, see the special case study in Annex No. 3).

41. The broader sectoral rationale of the project is expressed also in other specific provisions for institutional capacity strengthening, to benefit both sectors – tourism and culture – and promote synergy. For instance, the project supports sector development studies to empower the Minister of Tourism and Antiquities (MOTA). A long-term tourism strategy is to be prepared under this project, including institutional restructuring and regulatory reform, and will be reviewed by the Bank. The MENA region committed itself to the Government of Jordan that, once adapted, this strategy will be further supported through Bank operational follow-up.

6.4. Lebanon: The Post-conflict Reconstruction Option

42. The validity of the Jordan tourism-cum-heritage option is tested currently during its implementation, yet already a new project in the Middle East, the Lebanon Cultural Heritage and Tourism Development project (CHTD), currently close to appraisal, finds considerable inspiration in the Jordan project.

43. Post-conflict reconstruction creates many opportunities for either (a) incorporating CH components in various investments required by reconstruction in all domains; or (b) consolidating CH activities into a unified project, distinctly addressing specific needs of the built heritage. The strategy choice was made in Lebanon through MENA-Government of Lebanon dialogue, and it revolves around the first option. But given that the current phase is only the first in Lebanon's reconstruction¹, this project also opens the opportunity for a subsequent longer term program of an APL (adaptive program lending) nature, suitable for mobilizing specialized institutions, experiences and resources over time upon the country's numerous heritage assets.

44. **Wrong Conventional Wisdom.** It is often held that in a post-war situation immediate needs are so many and pressing, while resources are so stretched, that hardly any attention could be paid to culture and heritage. Lebanon proves this conventional wisdom to be wrong. Decision makers with vision, as opposed to decision makers with blinkers, tend to take a macroeconomic and long-term view to reconstruction, and program it to endure for future generations.

45. Reconstruction of urban or transportation infrastructure after the calamities of war and civil war requires allocative and technical decisions about geographic areas that may host enormously important heritage. Ignoring heritage is a sure recipe for making the

¹ Daniela Gressani and John Page, *Reconstruction in Lebanon. Challenges for Macroeconomic Management*, MNSD Working Papers Series nr.16, April 1999.

wrong reconstruction decisions, soon to be regretted and sure to be challenged later for what they overlooked or for the damage they inflicted. Therefore, post-war reconstruction, indispensable anyway, must be also seen as *an opportunity* to address intrinsic heritage preservation needs in the respective areas.

46. This rationale is embodied in the request of the Government of Lebanon to the Bank to provide assistance for a major reconstruction effort that would *explicitly include, not avoid, heritage preservation investments*. This rationale could be seen as valid in a broader MENA regional perspective, for other countries as well, which are in a comparable situation.

47. Certainly, the reconstruction of Lebanon is advancing now on a much larger scale than the upcoming Bank-financed project covers. But the Government intends concentrate now on several key urban settings that heavily involve precious heritage rehabilitation. This orientation is also expected to increase financial resources, available to the country, as the Bank's involvement is likely to catalyze also financing from other donors for cultural heritage rehabilitation.

48. **Modernization and Respect for History.** Lebanon's government aims to use the pressing needs for repairing the conflict caused destruction to towns into an opportunity for modernizing Lebanon's urban centers, their major routes, equipments and services. This modernization is guided by respect for history and heritage. The approach taken is, in fact, to reconstruct in a way that will create better architectonic contexts to the historic buildings. The challenge to the project is to underscore the cultural value of the urban patrimony while also enhancing its economic potentials.

49. Specifically, the Lebanon Cultural Heritage and Tourism project will specifically incorporate direct support to the rehabilitation of such major archeological sites and cultural assets like the Imperial City of Tyre (included in the World Monuments List); the Sea Castle in Saida; the Citadel St. Gilles, the Old Town and the Tawba mosque in Tripoli; the Temples and the Umayyad Mosque in Baalbeck (Baalbeck is also on the World Heritage list).

50. The developmental perspective taken during project preparation consists in planning with a view towards the future use of the rehabilitated sites for reviving Lebanon's status as a major tourist destination, which it lost because of long years of conflict. The heritage sites are not treated in the project in themselves, but integrated in the surrounding urban socio-economic fabric, with consideration of population flow patterns, traffic, hotels, mix of commercial and social activities, etc. The anticipated benefits from tourism, which otherwise would be largely foregone given the locations' current dismal state, would go a long way towards recovering the project's investments. The salvaged (in fact, enhanced) spiritual and educational value of the heritage would thus, virtually, "come for free". Overall, the project includes a balanced combination of historic building rehabilitation, regeneration of old town centers (Saida and Tripoli), conservation of archaeological sites, visitors' center construction (four locations), and improvement in urban services infrastructure.

51. In addition, and with a view to future CH needs, the project will budget technical assistance for further CH planning and for formulating a country heritage preservation strategy. This will lead to the next stages of heritage protection and possibly to a master plan or national program for cultural heritage preservation and management in Lebanon.

52. Certainly, as development perspectives would improve for other post-conflict countries of the MENA region, such as Yemen, Algeria and Iran, the options employed in Lebanon will offer a valuable body of knowledge adjustable to the circumstances of these countries.

6.5. West Bank: Capacity Building During Restoration

53. A distinct experience with heritage management is embodied in the West Bank Gaza Bethlehem 2000 project. The project is relevant in many respects, but probably most of all as a case in which MENA helps to *build institutional and management capacity from ground up* in the cultural sector. To one or another degree, as shown previously, institutional strengthening is a feature of every Bank-assisted project. Yet the West Bank Bethlehem case is emblematic.

54. The project itself is a response to both a local and international urgent call: a request to the World Bank from the young Palestinian Authority (PA) of West Bank-Gaza and from the international community at large to take a leading role in preparing Bethlehem and its surroundings for the Millennium celebrations. The actual project was prepared and appraised in record time, and embodies an extraordinary model of partnership and Bank cooperation not only with the PA, but also with UNESCO, the Vatican, the Italian government and many other governments, universities and scholars, directly interested in this unique task.

55. **Institutional Weaknesses.** Institutional capacity building emerged from the very start as the project's make or break challenge, by far more difficult than the intensive civil works required in the project. The Bank had previously started a Municipal Infrastructure Development Project in West Bank, which could have been an obvious point of departure. But it was quickly realized that the incipient municipal structures were much too fragile to undertake the task and require time to mature. The "Bethlehem 2000 Steering Committee", initially established by the PA to prepare for the celebration, was encountering major problems of its own – and indeed, it soon had to be replaced. Furthermore, no other bilateral or international donor was prepared to confront the institution building challenge. UNESCO, in turn, while ready to provide rehabilitation and artistic advice, could not offer the institution building and the financial support needed. Some donors declared willingness to provide grants for individual infrastructure and cultural components, yet none was in a position *to integrate* the immediate work with the West Bank's long-term program. In short, the institutional bottleneck was such that the entire effort could be still born or be limited only to brick-and-mortar.

56. The key question was: how to turn the preparations for this one-time event into an opportunity for addressing also long-term development needs? As all options were reviewed, the World Bank emerged as the agency best placed to help the PA to capitalize on this short-duration project for the long term, to establish the institutional, financial and programmatic framework needed immediately for the celebration, and to be the indispensable partner to UNESCO's crucial role in this program.

57. **Choosing Among Alternatives.** The MENA region recognized that the celebration, while religious in content, has also strategic development potential for the West Bank's cultural and tourism sectors. It also realized that at stake in this project are major cultural preservation issues, and that its risks - political, economic and technical - are increased by the need to complete the project in a very short time. Therefore, in searching for an adequate project design, *five alternatives were considered*. These ranged from a "minimalist" scenario, with a narrow focus on infrastructure rehabilitation only, to the "maximalist" case, incorporating long-term tourism and private sector development. The former was clearly insufficient, given the significance of the occasion. The maximalist option was clearly beyond the local capacity and the Bank's own capacity to prepare in short time a maximum scenario project, given various budget and staff constraints. The PA and the Bank selected an alternative between the two extremes, on grounds of needs and realistic feasibility.

58. **Unusually High Institutional Financing.** As a result, the final Bethlehem 2000 project includes an *unusually high 40 percent of total cost allocated to institutional and capacity building support*, plus technical assistance. This includes direct assistance to area municipalities (mainly for reforming their managerial, financial, and accounting systems, undertaking studies, etc.), to the Ministry of Tourism and Antiquities, to the Ministry of Culture for developing a CH preservation policy in WBG and a corresponding legal framework.

59. The intensive infrastructure and heritage rehabilitation component receives the rest - 60 percent of the Bank funding. This consists of essential infrastructure and adaptive reuse of historical cores of Bethlehem, Beit Jala and Beit Sahor. The project will also improve services: drains, water, sewage, parking.

60. **High Poverty Reduction Targets.** Estimates of potential visitors to the Holy Land for the Millennium celebrations in year 2000 go as high as 4 million people, who will also temporarily benefit from the improved capacities. Therefore, in the most direct sense, the Bethlehem 2000 project is a service to the world, not only to the borrower. But closer to home, the target for poverty reduction goals are some 100,000 persons in the larger Bethlehem area. The local population would benefit directly from the investments in civil works, artisanal production, and service business with tourists.

61. The ongoing Bethlehem project puts MENA's pivotal role in capacity creation to an exacting test. The present review found that both the PA and the project team carefully evaluated the choices, considered trade-offs, and responded to complex dilemmas with detailed problem-resolution approaches. The implementation experience

of the tight three-year execution period is under monitoring. While the PA will come out of the project with a higher capacity platform upon which to build further, the MENA region is positioned to gain unique experiences in emergency response to heritage preservation major demands.

6.6. Tunisia: The National Program Option

62. Cultural components within projects in traditional economic sectors, however, are not the only way of supporting CH preservation. There is also the option of *full-scale* projects dedicated primarily to culture sector activities.

63. Distinct from the approaches taken so far in Morocco, Jordan, Lebanon and West Bank, the CH national project currently under preparation in Tunisia pursues an option not yet taken in any other large-scale project in MENA or the Bank at large. This option consists in developing a comprehensive *country-wide strategy* for cultural heritage preservation, and build capacity for a long-term master plan with step-by-step activities consistent with each other. In this sector, master plans will have to be revised and adapted to emerging needs, new demands from related sectors (international tourism) and resource inflows. Therefore, one objective is also to cultivate in-house competence for monitoring and understanding international markets and respond adequately. The preparation of the Tunisia CH management and development project is the vehicle for generating such a master plan, with preliminary piloting and testing the strategy. This obviously is a more ambitious option than those taken in other projects. Yet at this point Tunisia also has better institutional capacity in this sector than exists in many other MENA countries.

64. The primary reason for adopting this challenging option was the government's preference: Tunisia, the Bank was told, has a long and mixed experience with piecemeal donor support for one or another of its historic monuments. The Government of Tunisia (GoT) felt it in the best interest of the country to take stock and get a comprehensive view of the heritage domain, ascertain its strength and potentials, identify its weaknesses and short- and long-term needs, develop a national inventory of its assets and – based on all this – formulate a coherent long-term strategy for heritage preservation. The Bank has agreed and Japan has offered a grant to support the costs of preparing the national project.

65. Tunisia has a high density of heritage sites countrywide, and faces two common, yet major, problems: (a) accelerated degradation, and (b) inadequate capture of the patrimony's vast economic potential. Degradation is due to well-known (see chapter 3) natural, economic and social causes: weathering, technological and economic change, pressure for land, under-financing, population growth, theft, limited community involvement, and little support from the private sector. So far, tourism has only partially helped harvest the patrimony's economic value. Because tourism in Tunisia is oriented mainly towards coastal destinations, the opportunities for cultural tourism remain underused. Moreover, revenues from tourism on a per capita basis have recently been relatively stagnant. The government has indicated to the Bank that it wishes to reorient its strategy and encourage higher value cultural tourism.

66. **The Need for Prioritizing and Sequencing.** The tasks of a countrywide heritage-focused project are daunting. It has to cover a multitude of sites, to answer a wide range of needs, and to balance a broad spectrum of complex issues. Therefore, the guidance given by MENA management¹ to the preparation team at the PCD meeting was to follow a twofold orientation: (a) to place first on the agenda sectorwide issues that would impact in turn most individual activities, and (b) to pursue a set of immediate “results on the ground” that would demonstrate effectiveness, create momentum, and evolve into models replicable through the longer term strategy.

67. The strategy, currently under advanced preparation, defines three primary goals: institutional capacity building; private sector mobilization, and improved conservation technologies and management approaches.

68. For achieving convincing “results on the ground” early in the project (while the strategic objectives take longer to reach), the preparation team turned to identifying a set of eight priority sites for immediate conservation and management activities. These are expected to pilot and confirm the strategy. Work on the selected sites should provide the operational opportunities to strengthen institutional capacity².

69. The criteria devised by the preparation team for *selecting, prioritizing and sequencing* work on the eight cultural sites. They embody best practice in this project. It was agreed that site selection should closely reflect the diversity of objectives to be met by the project. Each selected site would essentially enable the project to address head on another critical issue and test the response to it. The criteria and the sites under consideration are summarized in the Box 6.2. It is expected, in fact, that each site would also “yield” lessons beyond the main reason for its selection, and considerable in-depth understanding would be gained.

¹ See Christian Delvoie, *Tunisia: Cultural Heritage Management and Valuation Project. ROC Meeting for PCD Review*, memo of September 21, 1998. See also François Amiot, *Tunisia Cultural Heritage Project. ROC Review of the PCD – Decision Memorandum*, October 7, 1998.

² Maryse Gautier, F. Amiot, Y. Taboroff, *Back-to-Office Report*, memo to Sonia Hamman, May 4, 1999.

Box 6.2. Selectivity: Criteria for Identifying Priority Sites

Many country agencies working on CH preservation have asked a similar question: how to identify priorities, when the urgency of the long accumulated needs seems so high that “everything must be done at once”?

A most interesting response to this question was given under the Tunisia project.

To oversee feasibility studies, a project Steering Committee was created at the outset, consisting of three parties: Tunisia’s Government (through the Ministry of Culture, Tourism and Regional Development), the consultant group doing the studies under Italian grant financing, and the Bank. Facing the immensity of the country’s patrimony and the difficulty of choosing “how to begin”, the Committee formulated criteria for selecting the initial sites. These criteria mirror the key objectives intended for the forthcoming project and give priority to the sites most suitable for testing the proposed approaches, as follows:

- To test the recommended policy of site management (proposed site: Cartage and/or Bardo Museum of Mosaics)
- To carry out preservation within difficult urban social contexts, in historic Medinas (proposed site: Kairouan)
- To improve the quality of amenities for tourism in a tourist area with several sites (proposed site: Sousse region)
- To train members of local communities as cultural guides
- To foster linkages between sites, which can benefit from interaction
- To develop partnerships with the private sector and involve the local governments.

Further, the criteria require that the selected sites should be of international reputation, to build upon their attractiveness. The selection will then be expanded also to second level sites where beach tourism is already developed (e.g., the sites of Djerba and Sousse), which have recognized value to allow future expansion. This will enable the agencies to learn what is required for promoting “secondary sites” to “primary” rank level.

Further, another criteria asked that one site should be representative for the problems of “isolated”, far away locations (proposed site: Djerba island), while one site should consist of a “circuit that combines rural archeological remains with urban monuments, a museum, etc., thus exploring local job creation and local economic impact (proposed circuit: Testour, Dougga, Bulla Regia, and Chemtou). Finally, another criteria requires testing ways of increasing participation of local communities: the villages of Southern Tunisia were selected on this basis.

The wisdom of these criteria is evident: they maximize effectiveness of resource-use in the first project phase, while supplying tested solutions for generalization during next stages.

70. Worth highlighting also is that the approach taken offers great *flexibility* to the Government and the Bank as to the final content of the investment project – or projects – that will result from the preparation work. The feasibility studies have already yielded a comprehensive, though preliminary, countrywide report covering multiple possible actions¹. Yet, the countrywide coverage of the preparation study does not compel a

¹ *Rapport Préliminaire: Projet de gestion et de valorisation du Patrimoine Culturel*. (Diraset-Empreinte et Communication – Groupe Huit), February 1999.

countrywide coverage through the immediately resulting investment project. Resources and capacities for tackling everything at once do not exist.

71. Comprehensive preparation allows ranking of what is priority and what is less urgent. It helps sequencing investments in time and space. The final definition of the project package will therefore be able to outline several phases within a longer program time. The challenge will be to select those activities that are *both* addressing CH priorities and contribute strongest to poverty reduction and job creation. Staggered financing will also be easier. The availability of a coherent national master plan will enable the Government and the Bank to mobilize financial support from other donors. Donor agencies are much likelier to respond to the appeal and needs of a master plan than to piecemeal requests.

6.7. Indirect “Costless” Support

72. But are investments indispensable always? All projects analyzed above allocate direct financing for CH support activities. But it is very important to note what can be called “costless” support opportunities as well. Indeed, some types of urban projects in MENA have considerable potential to contribute to the preservation and sustainability of the built heritage *even when they do not manifestly include cultural heritage components*.

73. The ways in which general infrastructure upgrading in old towns is designed and carried out does impact substantially – directly and indirectly – on the built heritage. The link is obvious. The spectacular mud-brick buildings of Sana’a and Shibam, for instance, were constructed on dry soils, for very limited and controlled in-house water husbandry. In recent decades, the advent of piped water exposes such historic buildings to new and severe risks, such as inadequate equipment for public water supply, careless behavior by inhabitants prone to make haphazard connections through uninsulated walls and uninformed about in-house water management. The result are: water leaks, seepage, cracked walls, destabilized foundations, and collapsing historic buildings.

74. A wide range of unrelated reports document that most urban settlements across MENA countries suffer from a range of typical infrastructure and service deficiencies that undermine the durability and sustainability of many historic buildings. Such typical recurrent disfunctionalities are:

- Water supply – defective systems, insufficient capacity, leaking pipes;
- Drainage systems – absent or dysfunctional;
- Surface open sewage systems;
- Unpaved streets, that become mudholes and disease breeding pools in rainy months;
- Absent or insufficient garbage disposal systems, with garbage accumulation;
- Deteriorating maintenance-lacking housing stocks; and
- Tenure complexities and uncertainties over the ownership on land and structures that hamper infrastructure improvement and investments.

75. When public urban infrastructure works undertaken to address these problems under domestic or international aid programs are designed with cultural sensitivity and heritage awareness, their contribution to preservation can be long lasting *even if they do not invest explicitly in historic building restoration*. Of course, some opportunities are missed, but the contribution is still real. This is often a matter of how the project area is determined. It is frequently possible to select for a routine (non-culture oriented) water supply and drainage project a location in which defective or absent systems also put heritage buildings at risk of collapsing. The beneficial impacts of the same project can thus be multiplied with the same investment. Surely such preferential selection presupposes awareness about the existence of heritage at risk. It may involve certain minor trade-offs. However, if such awareness is absent, some potential benefits from infrastructure upgrading may be foregone¹.

76. The implication for MENA region's strategy is that virtually all its urban infrastructure future operations, and not only its flagship urban cultural heritage projects, do *ipso facto*, participate – sometimes directly and often indirectly – in the comprehensive endeavor of sustainably conserving the millenary built heritage of the Middle East and North African countries. *This again shows why the principle of « mainstreaming » the concern for cultural dimensions* is very relevant, as it requires careful consideration of socio-cultural variables and impacts in *all conventional projects* even when direct investments in cultural public goods are NOT envisaged. Nevertheless, adequate cultural information can enable and compel sensitive adjustments in civil works design.

77. The same reasoning as in the case of urban sector projects may apply to projects in other sectors -- irrigation, environment, social funds, etc. -- which, at *no or little cost* but with cultural information and clear-sighted policies, may trigger important incremental benefits in heritage conservation over and above their basic sectoral goals.

6.8. Ways to Implementation: Institutional Designs for CH Projects

78. For the first time in this new generation of projects, MENA staff have had to work on a regular basis with Ministries of Cultures and/or Directorates of Antiquities in the respective countries. If any, contacts with these bodies before had been sporadic. The new projects involved learning to deal with new institutional clients. Different patterns of institutional strengths and weaknesses had to be translated into the design of implementation arrangements. Crafting these arrangements has been and remains an evolving challenge for governments and the MENA region alike.

79. The common denominator of all project files reviewed for this sector study was an assessment made by MENA staff time and over again: *the cultural sector in every country under consideration suffers from weak institutional and management capacity*.

¹ This aspect is distinct from the situations addressed in the Bank's policy (OP 4.11) about safeguarding heritage which warns against "damage by commission" rather than by omission: respectively, the OP 4.11 explicitly warns that infrastructure projects must take safeguarding precautions throughout all their civil works.

We found degree variations from country to country, but the essence was nonetheless similar. Noteworthy, country governments all agreed with this assessment, in fact often started by volunteering it. Governments signaled capacity constraints and limits and asked for Bank assistance in institution building. MENA received the same message from UNESCO, particularly from its Division for Cultural Heritage, that has a long history of work in MENA countries. All assessments amounted to the conclusion that providing support to strengthening institutional capacities from the outset is critical for the overall standing of the sector and for any project the Bank might undertake.

80. Looking in hindsight, this sector study found that the salient characteristic of work done by MENA teams in addressing institutional variables and building implementation capacities can be summed up as one common feature: *building upon natural cross-sectoral and inter-ministries complementarities and promoting partnerships*. Perhaps surprisingly, but very significantly, in none of the approved projects, or of the projects under advanced preparation, are implementation responsibilities vested only in the Ministry of Culture. Every time, MENA staff have asked the governments to build bridges across administrative and bureaucratic divides and to establish organic partnership between institutional actors with complementary skills, interests and objectives.

81. Some outcomes of this approach are embodied in the new organizational patterns for project implementation (Chart 2) discussed further.

82. Certainly, this is not because such reform is not needed; in fact many MENA staff and country officials clearly state that broader reform is necessary, and this review will elaborate on this later (see Chapter 9). But for the starting steps, two considerations prevailed. First, that MENA has to gain more in-depth understanding of the current state of the cultural sector, of its dynamics and bottlenecks, its actual and potential partners, before it is prudent to engage in reform recommendations sector-wide, with their inter-sectoral implications. Second, project implementation itself is a way of building up institutional capacity by doing, if the design of implementation arrangements is right. The important provisions for institutional strengthening incorporated in the projects in Jordan, Morocco, West Bank Gaza, and Lebanon are a good example of such approaches.

83. **Central and Inter-ministerial Responsibilities.** Building upon the natural (but often not yet actual) complementarity between various ministries, the projects under review clearly attempt to bring together all the relevant central institutions into a joint endeavor. The Bank is generally in a better position than many other international organizations to leverage aid for activating such complementarity in the service of the patrimony sector, as it has done successfully for other sectors. The MENA region has put this comparative advantage to work, and this is one important dimension of the "value added" through Bank support in MENA countries.

84. Two organizational charts depicting implementation arrangements (Chart 2 – Lebanon; the chart used in the Jordan project is largely similar) reflect what can be perhaps described as a new reality for the cultural sectors of these countries: joint

involvement of a number of non-cultural ministries with the Antiquities Departments in charge of the material heritage of those countries. This is expressed first in the higher level council/committees established, often following MENA proposals, to oversee and coordinate related project-supported activities.

**CHART 1: MOROCCO MINISTRY OF CULTURE
CULTURAL PATRIMONY DIRECTION
ORGANIZATION CHART**

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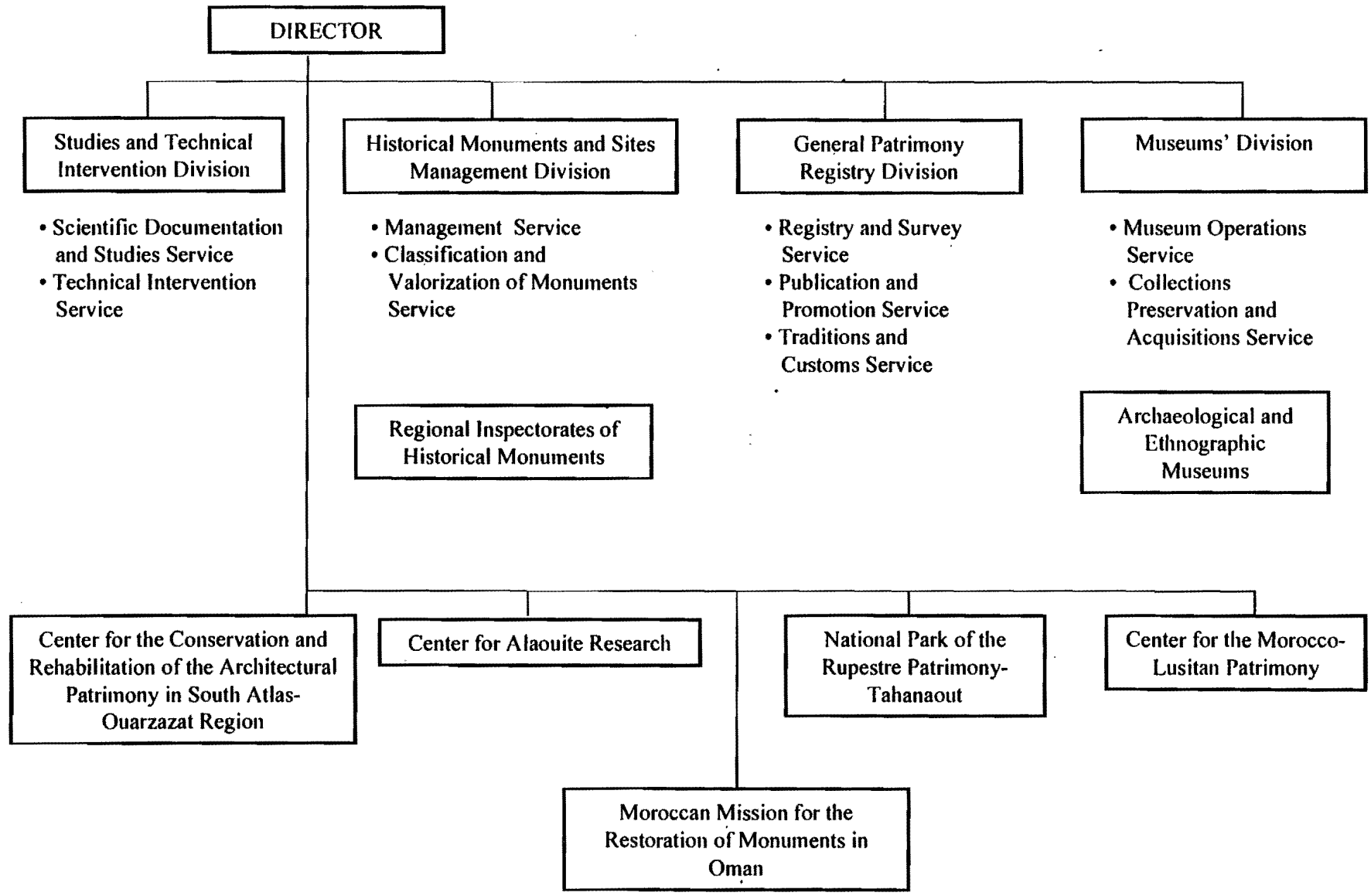
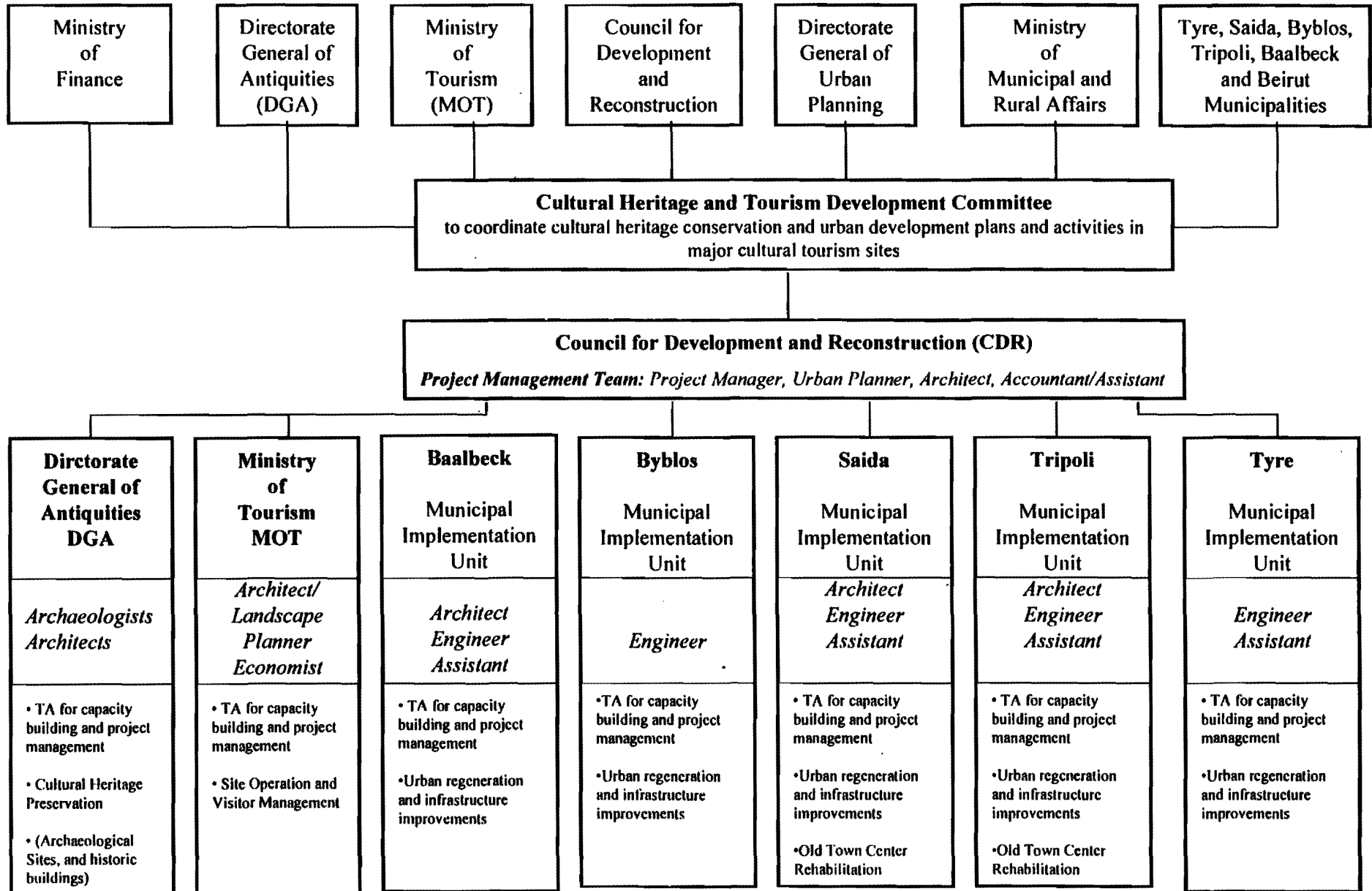


CHART 2: MANAGEMENT CHART: LEBANON CULTURAL HERITAGE AND TOURISM PROJECT

Proposed Implementation Arrangements



85. In doing so, MENA staff have faced – and will continue to encounter – country government structures that widely differ in terms of the ministerial body in which the management of the cultural patrimony is vested.

86. In the Maghreb, all countries have all Ministries of Culture that are separate from the Ministries of Tourism. The Ministry of Culture usually includes within its structure a Department of Antiquities, in charge with material heritage matters. Chart 1 reflects the structure of the Cultural Heritage Directions within the country's Ministry of Culture.

87. In the Mashreq countries, however, there is more than one pattern: Yemen, for instance, has both culture and tourism under the same Ministry, with the Department of Antiquities located in the cultural part of the Ministry; Egypt has two different ministries: culture and tourism; in Jordan, however, the Department of Antiquities is attached not to the Ministry of Culture but to the Ministry of Tourism and Antiquities (MOTA), while the other cultural departments are in the Ministry of Education. The Palestine Authority has grouped these activities still differently: the Ministry of Tourism includes Archaeology as well, separate from the Ministry of Culture. In both Maghreb and Mashreq, countries have also powerful Ministries of religious affairs which have authority over vast segments of the built patrimony.

88. Adjusting for such institutional differences, the MENA-assisted projects bring together those entities whose participation is indispensable for project implementation. For instance in Jordan the project provided for the creation of a Higher Council specifically to oversee project implementation. It includes, in addition to the Ministry of Tourism and Antiquities which is the pivotal organization, several other technical "line ministries" that otherwise might have not cooperated: the Ministry of Water and Irrigation; the Ministry of Public Works and Housing; and the Ministry of Municipalities, Rural Affairs, and the Environment. Each has a well-defined share of work, a distinct responsibility and accountability. In Lebanon, where the implementation arrangements are obviously learning from the model set in Jordan, a similar "Committee for Cultural Heritage Conservation and Cultural Tourism Development" is envisaged (see Chart 2), including representatives of several central ministries, of local municipalities, and of the country's all encompassing and powerful Council for Development and Reconstruction.

89. Learning also from the difficulties of another MENA project (Morocco Fez-Medina) how critical the role of the Finance Ministry can become, the Lebanon project preparation team has advocated the inclusion of the Ministry of Finance into the Committee as well. The Committee is not itself the project execution unit, but rather represents a powerful "godfathering" institutional arrangement, able to summon political power when necessary, and to mobilize the operational muscle in the service of the project. Its overall functions will be general guidance, major problem resolution, project policy decisions for risk mitigation, arbitration when needed and overall accountability to the international co-sponsors of the project. The day-to-day responsibility for implementation is vested in a Project Management Team.

90. The workability of these implementation arrangements is still to be verified in practice. In Jordan, project supervision concluded that the results to date validate the adequacy of the arrangements. For the countries involved, these arrangements are a testing and learning ground, a stepping stone towards further capacity development and gradual elimination of the institutional weaknesses still characteristic for their cultural sectors.

91. **Decentralization: Municipalities' Role in Implementation.** Management of many cultural heritage sites cannot be done from the capital city. Decentralization to local communities, municipalities, and regions is essential. Accordingly, MENA-assisted projects attempt to promote increased involvement of municipalities in implementation and management as is reflected in the Chart 2 and in the arrangements for the Fez-Medina project.

92. However, in doing so, MENA projects are running head on into the gap described earlier as "*big heritage, small community*". Indeed, much of the region's important heritage is located in the perimeters of many small- or medium-size localities, which by themselves do not possess the resources required by the maintenance and management of major heritage assets. Current financing arrangements typically do not provide small local communities with the financial incentives for better asset management. In turn the national institutions in charge with the cultural heritage lack organizational depth: with some country variations, they tend to be center-heavy and periphery-thin (or absent).

93. **Directions Taken in Institutional Build-up.** Facing such implementation constraints at the ground level, MENA-supported projects attempt a two-pronged response: one is to help create *sub-central entities at the regional horizon*, between the center and the municipalities, vesting in them direct project implementation and management responsibilities. One example is the establishment under the Jordan project of the Petra Regional Council, responsible for implementing the Petra component; in the same project, the Aqaba Regional Authority was entrusted with the implementation of the Wadi Rum component. The risk in this respect is that the lower level municipalities may be dis-empowered by such regional councils. Special care needs to be exercised to maintain clear authority and responsibilities for the lower level community institutions, since civic engagement depends largely on them.

94. The complementary response is to *build up capacity in regular local municipalities*, like in the Fez-Medina project, and to enable them to run the project works for the local historic sites. This may be the best training for municipalities, raising them to the competency needed to exercise in the future site management and maintenance on their own, regularly, not in a special project setting. The key for such enabling approaches is provision of technical assistance. This is illustrated convincingly in Chart 2 – the implementation arrangement for the Lebanon project. Municipal implementation units will be created in Byblos, Baalbeck, Saida, Tripoli, and Tyre, each staffed with an engineer or an engineer and an architect, with periodic support from experts contributed by co-financing donor governments.

95. Decentralized implementation, however, should not be seen as an all-weather solution, free of any risks. MENA experiences signal that land speculators may find it easier to transgress regulations at locality level if the center is not involved as well. Sometimes, local communities themselves tend to overexploit the assets. Uncontrolled growth of improvised tourist accommodations in the areas surrounding Petra has resulted in significant environmental and cultural damage. Local landowners and land speculators raised significant opposition when a ban was placed on issuing new building permits. A firm stand from the Government was necessary to enforce regulations. The Government asked the Bank to help prepare a land-use plan that would ensure well-conceived and heritage-sensitive development of Petra area and the sustainability of prior investments. This land-use plan was indeed prepared and included in the project, and it clearly requires that implementation be monitored by central institutions.

96. **Executing Agencies.** Bringing together engineering, architectural, cultural and management skills into one executing agency for the projects is one of the strongest challenges in designing implementation arrangements. The paucity of qualified contractors or local consulting companies who could support such projects is but one expression of capacity weaknesses in this sector. The creation of special Project Management Units turns out usually to be necessary, rather than rallying on pre-existing entities, and such PMUs have to work with line agencies of different ministries and with private contractors. This option was adapted in the WBG Bethlehem project, in the form of a "project authority" responsible for physical works. In the Jordan project, a Project Management Unit was created in the Ministry of Tourism and Antiquities (MOTA). Because the Lebanon project will encompass several big urban locations, five distinct implementation units are envisaged, all accountable to the central Project Management team (see Chart 2).

97. More complex arrangements were necessary in the Morocco-Fez project, to reconcile the requirements of the several Moroccan institutions that finance project implementation. After rather lengthy negotiations between the two Medinas (Fez-Jdid and Fez-Medina) and three central government ministries (Interior, Finance, and Cultural Affairs) agreement was reached to select ADER Fez ("*Agence pour la Dédensification et Réhabilitation de la Medina de Fez*") as the executive agency for the project. Under this agreement, ADER will execute the components financed by the Central Government, and will assist the Municipality of Fez-Medina on all technical matters to implement its components. ADER will also manage the project's poverty alleviation component under a distinct unit – Unité de Développement Unitaire (UDC). Financing will be managed under two different systems: a treasury account for ADER Fez and a revolving fund. Overall policy and project supervision will be performed by two separate steering committees (PAD, p. 3).

98. These arrangements for implementation, however, appear at first sight quite intricate. The least that can be said at this time is that future urban regeneration and cultural sector operations in Morocco could benefit from more streamlined arrangements.

99. **When is Institutional Reform Timely?** While considerable efforts went into crafting such institutional arrangements, many new in MENA countries, equally significant is what MENA staff and projects have NOT done or attempted at this stage of Bank assistance to the cultural sector: none of the lending operations under this review, and none among MENA's non-lending assistance activities to the sector, has considered it appropriate to begin with proposing to borrowers overall sectoral institutional reform.

100. **Education: the Culture of Heritage Protection.** However, the implementation of CH projects is not only a matter of institutional arrangements and summoning technical skills. Successful implementation and enduring preservation depends largely on the participation of local communities. Attitudes and behavioral patterns are critically important to implementation protection and maintenance.

101. The sector study found, however, that implementation provisions as defined in the projects under review are not explicitly supported by any provisions or components for education. There is hardly a better opportunity than a major project for cultivating in the area population a "culture" of protecting cultural assets. The review found that the designs for implementation focus well on the technical and logistic dimensions. But information to community groups, communication and awareness cultivation are not included. With some exceptions (e.g., Jordan) little has been explicitly provided for substantive involvement of local communities. In the long run, a "caring behavior" is as important as enduring masonry: they complement each other. NGOs, schools and other institutions able to help in awareness raising among surrounding populations have to be built into the scaffolding of project implementation arrangements.

102. **The Need for Monitoring.** The accuracy of the risk-analyses made at project entry must be verified during implementation and supervision. Since all MENA CH projects are in their initial stages, it is too early now to conclude if additional risks, or higher levels of predicted risks, surface during implementation. However, an obvious shortcoming of the reviewed MENA projects is the quasi absence of independent monitoring arrangements built into the projects, tailored to the characteristics of the cultural components and their economic and cultural objectives. Small monitoring units or independent studies must be introduced in the projects currently under preparation. Mid-term project reviews should reinforce and specify further the content and timetable for ongoing evaluation assessments¹. At project completion, it would be necessary and justified to carry out special analyses on how the novel approaches to CH have performed.

¹ One mid-term implementation project review was carried out successfully in 1999 on the Jordan: Second Tourism Development Project. The review found that the project has led to employment creation in three sites of the project, but did not provide quantified employment assessment. The mid-term review has also made several adjustments to the initial project outline and in the design of socio-economic monitoring indicators for the Wadi-rum site (see report to Jean-Claude Villiard from Mohammed Feghoul, December 23, 1999).

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The Financing of Cultural Heritage Preservation

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CHAPTER 7

THE FINANCING OF CULTURAL HERITAGE PRESERVATION

1. A paradox characterizes the discourse about cultural heritage in many countries: the profound discrepancy between the rhetorical heights in affirming the importance of the heritage and the budgetary lows in financing its maintenance. Yet beyond the apparent paradox, both attitudes have an explanation, if taken separately. While it is clear why cultural heritage has paramount national importance and must be financed as a public good, it is also clear that allocation limits are dictated by severe resource scarcities and competing demands. In fact, this dilemma is not confined to the MENA region alone. It is a general contradiction, reflecting the condition of the heritage in virtually all developing regions. But perpetuating this paradox rather than reconciling it is deeply dysfunctional. This is why financing issues must be addressed frontally. Resolving them is at the heart of any policy, strategy and project for cultural heritage preservation.

2. The present chapter will address the financing issues from two perspectives: first, at project level, it will analyze how the financing needs have been addressed in practice and resolved in the ongoing projects in MENA countries; further, at the sector level, the chapter will discuss the broader structural financial issues that go beyond specific projects. These are: self-financing; the private sector's financial contributions; and mobilization of donor/grant resources.

7.1. Do Countries Want to Borrow for Culture?

3. One question asked often is whether developing countries want to borrow, at IBRD rates, for investing in CH preservation. By their very existence, the projects under review provide an answer to this question for the MENA region. But there are also several other critical questions related to the "financial engineering" of CH operations that need clarification, such as: who specifically assumes responsibility in borrowing countries for these investments and their recovery? Towards what purposes should Bank/IDA financing be allocated and used? What is now the business sector's contribution to financing heritage preservation? To what extent are grant resources mobilized? What lessons should the MENA region derive in hindsight, about what to do or what to avoid in the financing of future culture support operations? Available information suggests the outline for answering some of these questions, but for others more explorations are needed, together with macroeconomic research and policy decisions.

4. The evidence on current financing patterns is contained in table 7.1 for the ongoing operations and for the projects under advanced preparation (preliminary data). For comparisons over time, Table 7.2 is included to provide information on the structure of comparable financing plans for the earlier projects completed in MENA (Jordan 1979, Egypt 1976, and Tunisia 1982).

**Table 7.1. Financing of Ongoing Projects Supporting Heritage in MENA
(1995-2000)**

Source of Financing	Jordan Second Tourism Dev. Project (1997)			Morocco Fez Medina Rehab Project (1998)			West Bank-Gaza Bethlehem 2000 Project (1998)			Lebanon Cultural Heritage and Tourism Dev. (2001)*		
	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
Government	12.0	0	12.0	3.08	0	3.08				10		10
Municipalities				3.59	0	3.59						
IDA							13.5	11.5	25.0			
IBRD	11.7	20.3	32.0	5.80	8.20	14.0						
Private Beneficiaries				3.76	2.03	5.79						
Grants				0.59	0.54	1.13						
Cofinancing to Municipalities											10	10
Total Project Cost	23.7	20.3	44.0	16.82	10.77	27.59	13.5	11.5	25.0	10	40	50
IBRD/IDA % in Total Project Cost	49.4%	100%	72.7%	34.5%	76.1%	50.7%	100%	100%	100%		60%	60%

* Under preparation, preliminary data.

5. The cultural sector has been chronically under-financed for decades, and continues to be so. The reasons range on a broad spectrum and touch many variables (some were discussed in Chapter 4): from sheer underestimation to lack of resources to competing priorities to lack of implementation capacity. But contrary to conventional wisdom, governments in MENA countries *are* aware that this sector is severely under-financed¹. These governments are weighing means and exploring opportunities for overcoming current shortages, through: increasing own budgetary allocations; borrowing and raising grant contributions.

6. In this context, Bank financing has been requested and approved for several project situations, as described in Table 7.1. However, these instances have been few so far, compared with the total demand for Bank support. One important reason for this limitation is the fact that the Bank has not been seen as being interested in supporting activities in this sector. Therefore, the latent demand has often not become effective demand. It has lagged much behind the demand for support for the sectors regarded as the main domains of Bank assistance: infrastructure, agriculture, urban development, etc. Recent evidence indicates increasing country demands. At the heart of the countries' interest in Bank's involvement in the sector is not only the expected financing itself, but the broader interest in expanding the Bank's developmental assistance to this sector and in the role the Bank can play to mobilize other donors' contributions.

7. Certainly, the Bank's MENA region, in turn, has not particularly encouraged, for many years, such requests. In one recent case, such financing was considered by the MENA region but then withheld, based on reasons of timeliness and preparedness for Bank assistance, even though the country Government requested it formally, with repeated insistence. This instance clearly indicates that "lending money" is not the driving factor in MENA's support of preservation activities. Rather, the region has had its own reasons in the past for not orienting resources to this domain. One of them was the spectacular failure of the culture component in Egypt's project of the '80s (discussed earlier in this review). That important project, in which specific cultural objectives (restoration of seven pharaonic tombs and support to the Egyptian Museum) were not implemented, has been a major setback to the sector. Credit extended on IDA terms remained unused and had to be cancelled. This has discouraged for a while the region to engage in similar work. Changed circumstances, and the Bank's recent more inclusive orientation towards the social objectives of development, are favoring renewed consideration of the financing needs of the sector.

8. Revealing for whether or not countries are currently interested in borrowing for heritage maintenance is the difference visible by comparing Table 7.1 and Table 7.2.

9. Significantly, the early projects (Table 7.2) relied largely on IDA financing. (56% in the Egypt project (1976) and 50% in the Tunisian (1982) project. Conversely, the recent projects (Table 7.1) reflect countries' much stronger commitment today, in that they all requested borrowing on IBRD terms, less concessionary than IDA terms. The

¹ This awareness has transpired in every consultation held with high level government officials during the preparation of this review.

only current exception is the WBG Bethlehem project which receives the full amount of IDA resources committed by the MENA region. This is due to the special situation of the newly emerging country.

Table 7.2. Financing of Early Projects Supporting Cultural Heritage in MENA (1975-1982)

Source of Financing	Egypt Tourism Project 1979			Jordan Tourism Dev. Project 1976			Tunisia Urban Dev. Project 1982		
	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
IBRD									25.0
IDA	26.5	6.0	32.5			6.0			
Government			26.5			6.1			22.7
Beneficiaries									7.6
Private Developers									4.8
Total Project Cost	26.5	32.5	59.0	5.6	6.5	12.1	35.1	25.0	60.1
IBRD/IDA % in Total Project Cost			55.1%			49.6%			41.6%

10. From MENA region's perspective, the total amount committed recently to cultural heritage has remained nevertheless modest. The total funding for the three FY97-FY99 projects totals \$71 m. (of which IBRD share is \$46 m. and IDA share is \$25 m. to WBG). In strictly financial terms, should increased financing be deemed warranted, the MENA «headroom» is substantial. Even an 100 percent increase over the next three years will amount to only ... percent of its total estimated lending. However, small as it appears on the aggregate, the Bank's financing share on a project-by-project basis is very high: without it, such projects could not have been undertaken at all. The Bank finances 100 percent of costs of the WBG Bethlehem 2000 project, 72.7 percent of the Jordan tourism project and about 50 percent of the Morocco Fez-Medina project (see Table 7.1).

7.2. Complementing Domestic Allocations

11. Considering the broader picture of how countries finance their cultural sector, it appears that, in fact, the domestic financing of the cultural sector truly lies at the bottom of the expenditure investment totem pole.

**Table 7.3. Ratios of Culture Related Expenditures to GDP
(In percent)**

Country	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Bahrain	0.6	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.2	0.5
Egypt	2.8	2.3	2.3	2.3	2.2	2.0	2.0	2.2	2.4	2.2	..	..
Iran	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.6	0.5	0.6	0.8	0.9
Israel	0.4	0.4	0.5	0.4	0.4	0.3	0.5	0.4	0.4	0.4	0.5	0.5
Jordan	0.8	1.1	0.8	0.7	0.6	0.4	0.5	0.6	0.7	0.7	0.8	..
Kuwait	1.1	1.1	1.1	0.9	1.2	0.8	1.2	1.2	1.5	1.3	1.0	1.1
Malta	0.4	0.4	0.8	1.2	0.8	0.7	0.8	0.7	0.7	0.6	0.6	0.9
Morocco	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	..	..
Oman	1.3	1.2	1.0	0.9	0.9	0.9	1.2	1.1	1.1	0.9	0.7	0.6
Syria	0.5	0.4	0.3	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.4	..
Tunisia	0.9	0.8	0.8	0.9	0.8	0.8	0.9	1.1	1.0	0.9	0.9	..
Yemen	..	..	..	..	0.6	0.8	0.8	0.8	0.8	0.6	0.6	0.8
U.A.E.	0.4	0.4	0.4	0.2	0.3	0.4	0.4	0.4	0.4	..	..	..

Notes:

1. Cultural expenditures are taken from Line B8 (Recreational, Cultural and Religious Affairs) of Budgetary Central Government of *Government Financial Statistics*, IMF.
2. GDP are from Live Database as of 06/23/99.

Table 7.4. Culture-Related Expenditures in MENA Region in mil. US Dollars and Ratios to GDP

Country	1986		1990		1992		1994		1995		1996		1997		1998	
	mn \$	%	mn \$	%	mn \$	%	Mn \$	%	mn \$	%	Mn \$	%	mn \$	%	Mn \$	%
Bahrain	20.2	0.6	25.0	0.6	28.7	0.6	26.9	0.5	25.8	0.5	9.8	0.2	27.9	0.5	31.4	..
Egypt	1013.1	2.8	852.6	2.2	978.0	2.0	1394.1	2.4	1540.4	2.2	1653.0	..	1865.6	..	..	..
Iran	670.2	0.3	410.1	0.3	433.3	0.4	388.3	0.5	461.9	0.6	714.8	0.8	880.0	0.9	950.5	..
Israel	123.7	0.4	234.1	0.4	349.7	0.5	324.8	0.4	364.6	0.4	469.0	0.5	455.4	0.5	435.8	..
Jordan	46.8	0.8	22.2	0.6	24.6	0.5	39.9	0.7	45.0	0.7	55.6	0.8	49.8	..	..	..
Kuwait	189.3	1.1	222.2	1.2	245.4	1.2	370.4	1.5	338.5	1.3	307.3	1.0	323.1	1.1	414.5	..
Malta	4.6	0.4	17.9	0.8	21.6	0.8	19.3	0.7	20.3	0.6	20.6	0.6	29.8	0.9	..	..
Morocco	24.8	0.1	42.1	0.2	61.7	0.2	99.5	0.3	100.7	0.3	..	..	..	..	..	..
Oman	97.9	1.3	89.7	0.9	133.9	1.2	125.1	1.1	120.7	0.9	108.2	0.7	92.8	0.6	93.1	..
Syria	67.7	0.5	44.2	0.4	44.5	0.3	58.5	0.4	52.2	0.4	61.3	0.4	62.7	..	..	..
Tunisia	80.6	0.9	99.7	0.8	144.6	0.9	157.4	1.0	165.3	0.9	172.3	0.9	..	..	..	..
Yemen	..	..	27.9	0.6	42.1	0.8	26.9	0.8	21.3	0.6	33.2	0.6	43.7	0.8	51.6	1.0
U.A.E.	95.9	0.4	100.5	0.3	133.8	0.4	135.7	0.4	..	..	..	..	..	..	..	..

Notes:

1. Cultural expenditures are taken from Line B8 (Recreational, Cultural and Religious Affairs) of Budgetary Central Government of *Government Financial Statistics*, IMF.
2. GDP are from Live Database as of 06/23/99.
3. Cultural expenditures in the left-hand side of each column are expressed in millions of US dollars.
4. Ratios of cultural expenditures to GDP in the right-hand side of the column are expressed in percentages.

12. Table 7.3 informs about the ratios of culture related expenditures to GDP expenditures across the MENA region countries. This ratio is very low. Table 7.4 includes the *absolute* amounts spent in each country, in US\$, which vary considerably from country to country even when ratios to GDP are the same, because of major differences in GDP levels.

13. The two tables indicate that, in country after country, the ratios to GDP have been below or around one percent, at times as low as 0.3 percent (Morocco, Syria), 0.4 percent (Jordan), 0.6 percent (Yemen) and so on. A significant exception is Egypt, where between 1986-1995 the ratio of cultural expenditures to GDP has been on average above 2.2 percent. Even in the case of gulf countries, with higher per capita GDP averages, levels have been low reflecting the philosophy guiding the allocation rather than absolute resource scarcity.

14. However, the above tables do not offer yet the full and precise picture, which is even starker. The available GFS statistics consolidate culture expenditures under one joint heading with recreation, sport, culture and religious affairs, in one lump sum. In fact, if these consolidated figures are disaggregated, the ratios of cultural expenditures considered *alone* to total GDP or total expenditures appear in a starker light: they are considerably *less* even than the proportions shown in Tables 7.3 and 7.4. It is obvious that at these low levels of financing the maintenance of the built heritage, in turn a fraction of the total cultural expenditures, is bound to suffer acute shortages and can not stop accelerated dilapidation: in one word, the result is unsustainability.

15. Such low levels of financing reflect often scarcity of resources, but also, at least in some cases, a certain underestimation of the cultural value of the heritage and a lack of ability to mobilize more effectively its inherent economic value. More public finance analysis is necessary, on a country-by-country basis, to break down the aggregate figures in these tables, complement the data base and explore the potential for change. It can be also assumed that, since the capacity of the patrimony sector to generate income and contribute to job creation and poverty reduction has long been insufficiently recognized and used in many countries, the political will for financing and investing in this domain has been less strong than in other domains. There are indications that neither cost recovery nor adequate returns to investments have been considered feasible, at least by some officials. It is also true that, under the outdated patrimony management patterns practiced in many cases, good returns to investments are hard to achieve.

16. By promoting new methods of economic and financial analysis and management, through development projects that include support for CH, the Bank can make an important contribution to *changing mindsets*, not only practices. The economic and financial analysis for the Morocco Fez-Medina project, as shown further, or the Jordan Tourism project, illustrate these improved methods and are predicated on identifying both returns to investments in CH and hidden valuations that reveal the basis for longer term and broader benefits.

7.3. Economic and Financial Analyses

17. The decision to finance the expenditures for CH preservation, particularly when taken under resource constraints, must be based on a careful analysis of needs and estimated returns. As stated earlier, the economic and financial analyses must combine basic development project methodology with innovative analytical procedures tailored to the specific nature of CH. This has been done in some of the reviewed projects and it represents another aspect of the value added to work in the CH domain through Bank assistance.

18. In the Fez project, for instance, in addition to the overall economic assessment, three special economic analyses were performed. First, an initial cost-benefit analysis was done on the Medina access roads component, using standard criteria of transport or circulation analysis to calculate the benefits. The result was an ERR of 17 percent. It provided the key economic justification for improving the Medina access and introducing small motorized vehicles in lieu of donkeys for solid waste collection. Another related economic analysis was done in the Fez project about congestion costs due to inadequate or insufficient parking spaces, and it helped design the solutions for mixing the construction of garages with commercial spaces and a scheme to manage parking lots through concessions or BOT schemes. Third, a specific cost-benefit analysis was conducted, in two stages, for the proposed tourism development program, under the assumption that the proposed program would increase the average number of nights per tourist visiting the Medina from the low ratio of 1.9 to 3.5 by year 2000*. The result was an ERR of 17.3 percent, with an investment level reaching 40.5 million dinars, which included rehabilitation of selected historic buildings to be financed by potential donors.

19. These special analyses were supplemented by the overall economic assessment of the project, that included the effect of public sector investments on mobilizing private sector resources and the increase in value of abutting buildings and lands along improved access routes. The leverage ratio was estimated at 1:3. The internal rate of return (IRR), under conservative calculation, would be on the order of 13.6 percent (or higher, if the benefit would be captured annually). In the later case, a 10-year period is sufficient to fully recover cost with a 10 percent discount rate.

20. Finally, new approaches were explored to better determine the benefits of the proposed project related to the intrinsic value of conserving the cultural heritage of mankind. A Contingent Valuation (CV) study, and a Delphi exercise were undertaken to estimate, first, the direct benefits to foreign tourist visiting Fez and, second, the existence/preservation value to foreign tourists visiting Morocco but not visiting Fez (and also to non-visitors to Morocco). These estimates are expressed in terms of consumer surplus/willingness to pay, and are not captured by conventional cost benefit analysis. The contingent valuation method has been often used to value environmental goods, but

* To validate this assumption, a separate survey was carried out among international and local tourism operators.

it has not been used previously in Bank operations to value cultural heritage sites¹. Once the use and non-use values of the cultural heritage are considered, the economic benefits of the project are captured better and justify the investments much stronger.

7.4. Sharing Responsibility for Borrowing

21. In clarifying whether countries are willing to borrow for investing in heritage preservation, it is important for both governments and the Bank to determine from the outset which agencies would be able to assume borrowing responsibility and what sharing arrangements are feasible. This is essential for drawing a sound financing plan for cultural patrimony projects or components. Governments themselves search for best ways to distribute responsibility and accountability for borrowing, thus increasing "ownership" and the incentives for effective use of resources.

22. Innovative borrowing and financing arrangements were developed for the Medina-Fez project, and are now being prepared for the Lebanon and Tunisia projects. Designing and agreeing on them require considerable work by both MENA staff and country counterparts. In the case of Morocco, for instance, after considerable negotiations between central government agencies and the Fez municipality, and after negotiations *inside* the central Government between two key Ministries (Finance and Interior), consensus was reached that the beneficiary Fez municipalities will also *assume direct borrowing responsibilities* vis-à-vis the World Bank. Thus, the Bank's financing for this project is provided in the form of two simultaneous loans of equal amount, one to the Kingdom of Morocco (40.9 in FRF) and the other to the Municipality of Fez-Medina (in an equal amount of 40.9m FRF). In total, adding local costs, the municipalities will cover a slightly larger share of the total cost (13 percent) than the central government (11 percent).

23. Significantly, the project was considerably larger initially, with a higher total cost, but limitations on investments set by the Government of Morocco reduced the initial project investments from US\$65 million to the current core project costs of about US\$28 million. This was the minimum necessary for launching the rehabilitation process of Fez. In fact, the negotiations inside the government took a longer than usual time precisely because the involved institutions had to sort out among themselves the various implications of this shared financing arrangement, and of the total project cost. Actual implementation and the loan's disbursement schedule must be observed carefully for their value as an innovative financial plan; if successful, this sharing pattern may hold important promise for future replication.

24. The joint - central state budget and municipality - co-financing requires a rationale for defining what activities each entity finances. In the Fez-Morocco case, the logic is clear. State financing is destined for (a) rehabilitation of about 250 historic buildings (domestic and commercial); (b) general tourism and works for preserving the built heritage; and (c) emergency connecting link roads and emergency links to the

¹ The testing of the contingent valuation in the Fez Medina project analysis set the stage for a wider utilization of this method.

Medina. The state will also finance a pilot scheme for inducing private house owners to invest in rehabilitation, by offering a subsidy-grant of 20 percent of the total rehabilitation cost to private owners of historic buildings willing to rehabilitate them. In turn, the municipalities will finance project works *inside* the Medina: (a) a network of roads accessible to motorized vehicles; (b) transfer facilities at Medina gates; (c) parking facilities (with contributions from the private sector); (d) traffic management; (e) solid waste disposal; and (f) a substantial poverty alleviation component. The latter promotes labor intensive jobs in the rehabilitation activities for the Medina's poor and unemployed; it will also give support to small-scale private contractors. Altogether, these arrangements display a much more sophisticated approach to financing than MENA's early generation of projects (1976-1982).

7.5. Financial Management

25. Bank financial involvement in CH support contributes not only additional resources but also helps strengthen local financial management, operational efficiency, and accounting procedures. Through a variety of institutional audits and assessments, the project preparation process in the Fez-Medina involved the local governments and the executing agency ADER-Fez in reexamining and strengthening the financial foundations of administering the historic patrimony of Fez. MENA staff had to assess the soundness of municipalities' finances and applied specific criteria for assessing the borrowing capacity of a municipality. These criteria require, in essence, that the annual payment of the outstanding debt to current revenue ratio should not exceed 40 percent. The Fez-Medina was found to experience constraints, a low yield on the local fiscal base, and a high dependency on central government collection of local business tax and on transfer of value added tax (VAT). That averages 73 percent of municipalities' resources. But the conclusion of the analysis was that the municipality of Fez-Medina "will not only be in a position to fully face its debt burden linked to the project, but will be able to self-invest or to borrow for additional operations"¹.

26. The financial and institutional situation of the project's executing agency, ADER-Fez, was in turn reviewed repeatedly in 1997, 1998, and 1999, at MENA's initiative, by independent international auditors. A number of significant problems had been identified, which required a financial restructuring of ADER-Fez and improvement of its internal organization and management. Technical assistance on the financial side was secured from Harvard University. A new system of financial and operational monitoring was established for project operations, with provisions to reassess financial management as the project is implemented. All together, the innovative and meticulous economic and financial analyses, the arrangements for sharing borrowing responsibilities, and the strengthening of financial and institutional management, have converged in placing this CH urban project on a sound investment and developmental footing.

¹ See also: Harvard University and ADER-Fez: *Rehabilitation of the Fez Medina: Municipal Finance and Affordability*, February 1998

7.6. Sector Needs and Self-Financing

27. Important and innovative as the Bank's loans are, however, they can make only a small dent in the overall financing needs of the CH domain in the MENA countries. The financing provided by the Jordan or Morocco projects discussed above, for instance, will yield specific cultural and economic benefit in their project areas. But Jordan and Morocco *face a larger set of sectoral CH issues and needs* than these localized operations undertook to resolve.

28. MENA's current loans embody a new approach to CH issues, provide a model, but the *sectoral* problems -- financial, institutional, technical -- are much broader. Therefore, a sectoral strategy perspective must embrace other crucial aspects of such as: (a) sectoral self-financing; (b) financing of CH preservation by the private business sector; and (c) the mobilization of donor-offered grant resources. This sector study found that the CH projects reviewed here have addressed relatively little these broader aspects, perhaps because they are initial interventions in this sector. Yet these key sector issues must move to the center stage of governments' strategies in the CH domain, as well as in the forefront of MENA's lending and non-lending assistance.

29. Because of the built CH in MENA countries is enormous, expecting the state to alone shoulder its preservation would be myopic. However major the governments' steps to increase resources for cultural heritage. Either through budgetary allocations or/and project borrowing - the ultimate response to the sector's financial needs *is not state support*. The response consists in building up a *broad constellation of financing sources*. State budgets are only one element in this constellation. Borrowing has, and must observe, certain limits, because it itself is only another form of state contribution. Borrowing helps bridge over some of the resource scarcities, but it is the state which ultimately effects loan repayment.

30. The *pivotal* element of the constellation of financing sources should become the *self-financing* by the sector itself. In addition, a sound strategy conservation should *coalesce* all CH stakeholders to complement sectoral self-financing with their various contributions.

31. Well managed, the built heritage can generate income in several ways, directly and indirectly. The direct sources are: admission charges; services and marketing; subscriptions. Overall revenues from tourism are also due in large proportion to the heritage. There are many ways in which each of these sources could generate more revenues. This may require institutional or legal changes, financial reform in fee collection and redistribution, adjustment in tax provisions, etc.

32. Because current patterns of patrimony management in many countries capture only a fraction of its economic value, self-financing is inevitably limited, far below the levels that can be achieved. Admission charges, for instance, might become a much more important source of self-financing that it is now in many countries. These charges are often set in a happenstance manner, without consideration of market criteria.

International practice provides significant examples of differential fee systems, adjusted to different categories of visitors to historic cultural assets. Nepal, for instance, has introduced a two-tier admissions charges system after the rehabilitation of the historic town of Bakhtapur (a World Heritage site), in which the charge for international tourists is *ten times higher* than the (low) charge for domestic visitors. Surveys carried out afterwards showed that this increase has not reduced whatsoever the visitors' flow, while it increased many fold the generation of revenues. The opposite "procedure" is practiced in Yemen, where historic towns comparable to Bakhtapur, such as Shibam or the old city of Sana'a, charge no admission fee whatsoever to international visitors. Yemen thus forgoes a substantial self-financing opportunity, but not because of a deliberate policy decision but simply because of inadequate administrative capacity to set up and collect fees in an organized manner.

33. Conversely, the temporary waving of admission charges can be used as an incentive. Tunisia, for instance, has introduced a "one-day-a-month" free of charge for local visitors, exempting them even of the low fee payable in other days, a measure that resulted in a considerable increase of visits during that day. Setting admission prices should be part of a wider pricing policy, which would involve making estimates and decisions about what various categories of audiences and visitors might be prepared to pay, what are the consequences of adjusting charges, and how pricing should take into account wider social goals, such as maximizing access to the local public.

34. The same options are available for a range of other retailing and catering operations alongside the location of historic sites, (as it is often done by market-responsive public/private enterprises in developed countries).¹

35. Admission charges are only one element in a comprehensive approach. On the aggregate, such a comprehensive approach is apt to increase self-financing *much above* the level of budget allocations. One convincing example in the region is Tunisia, which a few years ago created a special organization for the valorization of the patrimony and for cultural promotion (ANP)², distinct from (although closely linked to) the National Institute for the Patrimony (INP). While the INP is the main institution responsible for heritage preservation and related scientific research, the ANP is a commercial and industrial public entity, in charge with the administration of main heritage sites: 18 historic monuments, 25 archeological sites, 5 museums of traditional arts and 18 archeological museums. The ANP develops programs to promote cultural tourism and to enhance and capture the sites' potential of increased economic and cultural benefits. The gains in self-financing have been impressive. Year after year, the ANP has transferred to the INP revenues that are 200 to 300 percent higher than the allocations from the central state budget (see Table 7.4). These transfers are in addition to ANP's covering its own personnel and equipment costs, setting aside a reserve revolving capital, providing grants to some NGO's doing preservation work, and paying taxes to the state (4 percent) like any commercial entity. Clearly, for replicating this approach in other MENA countries is

¹ See B. Casey, R. Dunlop and S. Selwood.

² "Agence de mise en valeur du patrimoine et de promotion culturelle: (AMUPPC or ANP).

substantial, as well as the potential for expanding ANP's activities to other sites in Tunisia itself¹.

**Table 7.5: Tunisia: The Financing Sources of the National Institute of the Patrimony
(in T.D. Million)**

Year	Budgetary Allocations	Financing from ANP revenues	Total
1993	1.2	2.7	3.9
1994	1.2	3.9	5.1
1995	1.0	3.6	4.6
1996	1.6	4.6	6.2
1997	1.2	3.4	4.6
Total	6.2	18.2	24.4

36. Self-financing can be vastly increased in all MENA countries through a considerable expansion of service and retailing activities carried out at the sites by the sites' administration or by legal concessions to private entrepreneurs on commission. The need for such services is increasing and the supply is chronically below demand levels. Even in Tunisia, the breakdown of ANP's revenues by sources shows that the sale of promotional items represents less than 5 percent of total revenues, in which the bulk (over 93 percent) results from admission and picture taking charges². This strongly contrasts with the structure of revenues at comparable sites in developed countries (e.g., France, England, USA) where revenues from sales and services reach 50-70 percent of the admission charges. This comparison suggests the order of magnitude for increasing revenues at the site through product diversification and better organization. Moreover, the "invisible" yet direct impacts on employment creation entailed by such expansion might be considerably more important for the national economy than the site revenues themselves.

7.7. Financing by the Private Sector

37. In addition to promoting self-financing approaches, the strategy for CH preservation in MENA countries should aim to *complementing state support with voluntary financing by the private business sector and the civil society*. The sector study has found that in the MENA region this source has been underused thus far, despite some encouraging exceptions (e.g., the Bethlehem project) which confirm its potential.

¹ The 66 sites under current (1997) ANP administration are a fraction only (22 percent) of the 300 state classified sites in Tunisia (the number of unclassified heritage sites exceeds 15.000), but they include the most visited ones. Gradual inclusion of additional sites with high but unrealized potential would in time boost significantly revenue levels, while greatly facilitating the cultural enjoyment of the sites.

² Institut National du Patrimoine – Dirasset, Empreinte et Communication. Groupe Huit, *Projet de gestion et de valorisation du patrimoine culturel. Rapport préliminaire* February 1999.

38. Financing by the private sector can be of two types: (a) *equity investments* in infrastructure that facilitates the use and visitation of patrimony assets, ranging on a broad spectrum from hotels to “son et lumière” arenas or entertainment and archaeological parks; and (b) voluntary *grant* contributions to preservation and restoration activities (including sponsorship of exhibitions, publications, support to cultural industries, training and educational activities, etc.).

39. MENA financing can increase the attractiveness and credibility of operations in this sector, thus encouraging private sector equity investments.

40. An eloquent case is the large-scale Bank-financed project approved in 1993 for Egypt’s tourism sector (which in fact has little for CH) in which the Bank’s massive loan attracted also \$330 m. in private sector equity and \$300m. financing by Egyptian commercial banks. However, not all ongoing projects have pursued this objective. Jordan’s Tourism Second Project, for instance, did not seek to incorporate private sector contributions — possibly a missed opportunity — and relies only on the classic combination between the government (27 percent) and IBRD (73 percent) of total project costs. In the Morocco Fez project, private beneficiaries will provide some \$5.79 m., about 20 percent of project costs. Mobilizing private investment finance for CH remains a current challenge for country governments and for the Bank alike, whenever the structure and content of Bank-assisted projects will create opportunities attractive to the business sector.

41. Voluntary grant contributions by private sector businesses for cultural heritage preservation are still sporadic in most MENA countries. Yet some excellent initiatives suggest ways in which such contributions could be encouraged. Morocco, for instance, has organized a national conference¹, preceded by specially commissioned studies, to explore the role of the “Mecenat”² in providing private cofinancing for patrimony preservation.

¹ Charal Aoucharia, *Etude sur la situation du Mecenat Culturel au Maroc*, Ministère des Affaires Culturelles, Sept. 1997.

² Ariss Aissaoui, *Guide Pratique à l'intention des acteurs culturels et des entreprises, les Journées d'Etudes sur "Culture et Mecenat au Maroc. Elements pratiques de mise en place"*, February, 1998.

Box 7.1. Cultural Museums and Private Initiatives

Museums in developing countries tend to be conventionally regarded as state-owned and budget-supported institutions for preserving and showcasing cultural heritage. Yet some surprising cases suggest that the private sector and resources can play an exceptionally important role, when commitment, awareness, love for cultural heritage, and initiative are present.

The privately created, owned and managed Musée Dar Belghazi in Salé, Morocco, is an eloquent example. The museum hosts an astonishing cultural and ethnographic collection representing primarily Morocco's cultural heritage, ranging from carpets to ceramics, from art objects in metal to wood carvings, from textiles to old manuscripts, from navigation instruments to jewelry, to works in leather, oil lamps, to many cult objects – of a variety and quality hardly assembled anywhere else in the country. What is most significant is that the Museum and its collection are the result of the dedicated efforts and financial contributions of one family of artisans and artists along three generations, who painstakingly amassed these objects and are making them available now to the national and international public for education and enjoyment. This private Museum's buildings total some 7,000 m² of exhibition space, some 5,000 items, rooms for researchers, and much more. The private Dar Belghazi Museum has now the standing of a national and international institution. While it continuously struggles to improve its material facilities ^{1/} and to obtain needed support from the state and relevant international cultural agencies, the large-scale Dar Belghazi Museum is a convincing example of how far the voluntary financial contributions of a private family of artisans and collectors can go in contributing private resources to heritage preservation.

At the other end of the spectrum, field research during the preparation of this sector study has identified a large number of small-scale, community-based museums, born also out of local initiatives, the desire to preserve local history, and sometimes also with commercial purposes as well. This broad-ranging spectrum of private initiatives is one embodiment of the participation of the private business sector and the civil society in CH preservation. They suggest viable alternatives, complementary to budget-financing of traditional Museums. The potential in this respect seems to be considerable indeed.

^{1/} Mohammed Abdelilah Belghazi, *Musée Dar Belghazi-Morocco, Communication de Florence*, in vol. *Culture Counts*, Proceedings of the Florence Conference, 1999, cosponsored by the Government of Italy and the World Bank, in cooperation with UNESCO, Washington, DC, p. 100-101.

42. Higher levels of commitment and involvement of the private sector in CH are a matter of utmost policy and practical importance for all MENA countries. Specific avenues towards this goal are multiple, but the basic pattern should consist of a combination of *fiscal and moral incentives*, including tax incentives. Changes in legislation or regulations may also be necessary to institutionalize such incentives and provide public recognition. Another approach to private resource mobilization is to stimulate volunteer work by various group and organizations of the civil society in the service of CH protection and administrative activities. This too is a form of financing that can save state resources and can have educational benefits as well.

7.8. Financing through International Aid

43. In the constellation of financing sources for CH preservation, *international grant aid from multilateral and bilateral donors is another vital complement to state-allocated*

domestic resources. There is a long tradition of international aid contributions to cultural heritage preservation in MENA region countries. Such contributions recognize the universal importance of the heritage to humanity at large, the need for sizeable financial outlays that surpass the capacities of individual developing countries, and the public good nature of heritage assets. UNESCO, UNDP, the European Union, the governments of many developed countries — e.g., Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, USA, and many others — have provided grant assistance for the restoration of monuments, for heritage inventory development and conservation studies, for national museums and libraries, for traditional art festivals and cultural centers, for reconstruction of artisanal industries, legislation writing, or specialized training.

44. Securing the continuation and increase of international grant aid for CH should remain a *key sectoral concern* in MENA region countries. Grant aid is important, not only financially, because it reaches far beyond the financial realm. It is also as a channel for experience transfer and network linkages building within the international community of institutions, professional experts, and committed civil society organizations that cooperate in the common endeavor of preserving and transmitting the heritage. It is therefore essential to address and resolve the various sectoral issues that affect and may limit the magnitude and the effectiveness of international grant aid.

45. However, while much benefiting from grant aid forms, however, MENA countries have experienced also their downside: piecemeal approaches to reservation, selection of CH assets on happenstance criteria, de-contextualization, absence of strategic coherence. Grant aid is a two-way avenue. Donor countries, in turn, have often expressed concerns improving the ways in which recipient countries use financial grants and technical assistance for CH objectives. Issues raised¹ refer to inefficiencies in the use of grants because of local institutional weaknesses, tenure uncertainties, unavailability of counterparts, lack of overall policies of sectoral strategies, unclear accountability. Recipient organizations do not always know how best they can tap the financial and technical opportunities available through international cooperation. For instance, regarding Tunisia's international cooperation in this area, an evaluation study found that "Institute for the National Patrimony does not exploit in the best ways the opportunities for cooperation offered by various foreign partners, public and private. This situation results from the fact that the Institute is not organized for conducting inquiries and approaches towards maximizing such opportunities: identification of main institutions susceptible of providing assistance, preparation of projects compatible with the strategies of those institutions and the conditions they require for making use of this help, etc."².

¹ Interviews carried out for this review with representatives of both donor and recipient organizations revealed, beyond considerable mutual satisfaction, the presence of many issues in the ways of intensifying cooperation, amplifying financial and technical grant assistance, and diversifying the types of benefits important to each side.

² *Project de gestion et de valorisation du patrimoine culturel. Rapport préliminaire*. Institut National du patrimoine-, Dirasset, Empreinte et Communication. Groupe Huit, February 1999, p.51.

46. One key element of the Bank's comparative advantage in the CH domain refers to its potential role in mobilizing increased grant aid, additional to Bank loan financing. The level of preparation required for Bank-assisted projects, their clear focus, implementation schedules, and accountability, tend to increase the confidence and willingness of other multilateral/bilateral donors to contribute non-reimbursable resources to project financing. Some of MNS's CH projects have built into their designs opportunities for bilateral donors' contributions. Not all of them have been fully used so far. In the WBG Bethlehem 2000 project the IDA credit of \$25m. would cover only 11 percent of the total celebration program costs (estimated at about \$212m.). The balance is to be covered from other donors contributions, the PA, licenses, royalties, etc. Several donors (Italy, Norway, the European Investment Bank) have expressed interest in co-financing jointly or in parallel, but by project approval no agreements have been reached. At the appraisal of the Morocco Fez grant funds from donors were counted upon, but were still unknown. The Jordan Tourism II project, however, did not include any donor's contributions in its financing.

47. For the Bank, assisting countries in mobilizing financial support from other donors emerges as a major strategic goal. This can be pursued at two levels: immediate project opportunities and long-term approaches.

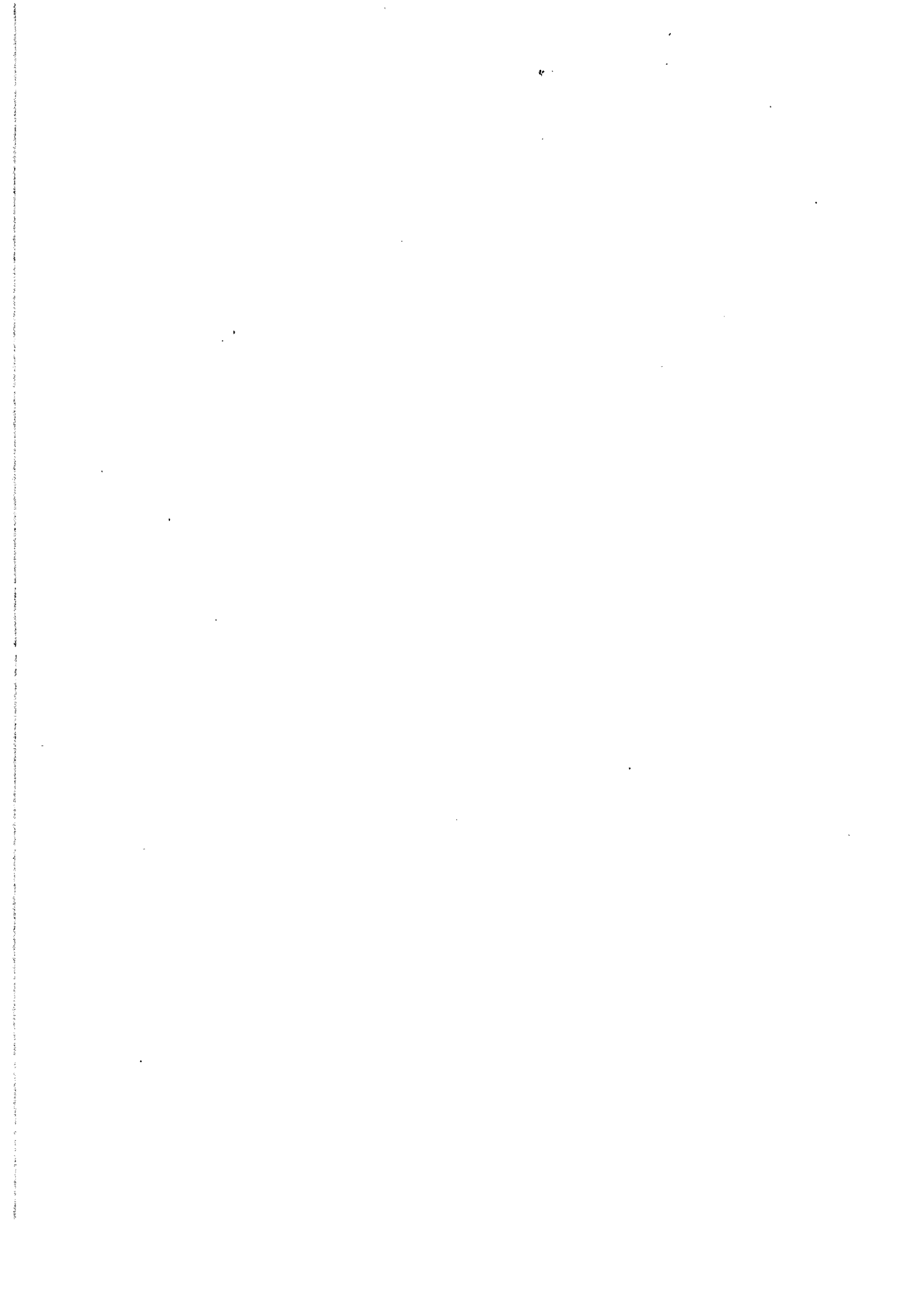
(a) *At specific project levels*, options for the MENA region exist in virtually every operation. The preparation of the Tunisia and Lebanon projects -- each pursuing capacity building with conservation activities on the ground -- is advancing towards the stage when specific negotiations could be initiated in this respect with other donors. The Lebanon PCD estimates \$10m. in donor grant contribution. These opportunities must be fully used. For the Fez-Medina project, the MENA regional office and GoM, in cooperation with UNESCO, plan to take the initiative of convening a donors' conference dedicated to grant funding¹. All expanded program of rehabilitation works with significant employment creation will be presented to the donors' conference with the aim of supplementing the project's base case scenario and financing the Fez Solid components². During this conference, strong emphasis will be put on financing activities that embody directly the project's poverty reduction goals, as well as the rehabilitation of historical buildings or monuments along the six tourism itineraries included in the project. Operations in subsequent years would gain in terms of preparation effectiveness, design, and implementability, if explicit arrangements about grant co-financing would be concluded with prospective donors *ex-ante*, that is rather than *after* project appraisal.

(b) *At the strategy level* the pursuit of grant financing could best be facilitated by the MENA region through its *non-lending assistance* for "framework activities" such as: coherent strategy building and heritage inventories (such as in Yemen) and integration of CH valorization in the countries' overall development programs (Morocco, WBG, Tunisia). Such strategy frameworks would help integrate donor

¹ West Bank Gaza The Bethlehem 2000 Project Appraisal Document, The Bethlehem 2000 project.

² Project Appraisal Document, the Bethlehem 2000.

financing in CH master plans for the medium and long run. It would also help coordinate donor cooperation at the country level and converge to serve country-defined priorities. For a region-wide approach jointly with UNESCO and organizations such as Aga Khan Foundation, the EU, etc., the Bank's MENA region could initiate a high level coordination and mobilization initiative.



Chapter 8

Risks and Risk Mitigation in Cultural Projects

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CHAPTER 8

RISKS AND RISK MITIGATION IN CULTURAL PROJECTS

Development practitioners often face a choice between the risks of action and the risks of no action. "Not undertaking this project would ignore several other risks: (i) environment degradation; (b) destruction of sensitive cultural heritage sites and landscapes; and (c) the irretrievable loss of tourist revenues. Because the project areas are susceptible to permanent damage solely from overuse, one of the certain major consequences of not undertaking the project would be the slow destruction of the very attributes that made these sites attractive in the first place".

(From the Staff Appraisal Report for the Jordan Tourism project supporting the preservation and better management of a Middle East historic site on the World Heritage List).

1. Analysis of risks is a basic requirement for every investment project, and CH projects are no exception. On the contrary, because this is a relatively new domain, exploring still unfamiliar risks is even *more than usually important*. But some government officials and MENA staff, consulted during this sector review, have made a different point: in this domain, they said, we have to beware NOT ONLY the risks of action: there is also a compelling "risk of no action". That was captured well in the language of a MENA staff report, which during the preparation of an investment in CH reached the conclusion quoted above as a *motto* to this chapter.

2. The nature of heritage preservation activities requires sharp concern for identifying, preempting and mitigating *possible risks* inherent in these operations. Risk analysis is part of MENA's strategy in every development sector, and the still incipient experience of the Bank with this category of operations warrants heightened attention to likely risks. Countries' resources are scarce and therefore analytical prudence and risk analysis must be deliberately used for sorting out the true priorities from among the many possible activities that compete for funding. Specifically, therefore, risk consideration in the cultural sector must include both the *general* risks common in development projects as well as the *particular* risks inherent to this domain.

3. In this light, the present chapter will:
 - (a) ascertain if consideration of risks and risk counteractions have been satisfactorily present in the processing of MENA region's CH portfolio to date;
 - (b) examine the content of risks in these operations, their implications, and examine whether other risks must be addressed; and
 - (c) analyze what counter-risk provisions will be typically necessary in future similar situations.
4. The concept of "project risk" is used in this chapter in a more stringent and broader than usual sense, namely not only as risks incurred by investments and by investors, but also as risk to the heritage itself. Among such risks are the risks from the quality of conservation work; risks of over-exploitation of heritage sites by precipitating mass-marked tourism without adequate safeguards; risks of conflicts of interests between stakeholders; the risk of sectarian, biased approaches to heritage that is pluralistic; the risks of exacerbating cultural, political or social conflicts, and the risks of inhibiting economic opportunity, given the typical "tensions" between preservation and modernization needs in certain heritage areas, particularly in urban settings.
5. The following discussion of this cluster of risks is undertaken as a warning *against over-optimistic appraisals* and in order to offer a compass for borrowing agencies and Bank staff in selecting and designing sustainable, not risky, CH investments.

8.1. Identification of General Risks

6. Project appraisal reports in the regional CH portfolio (and other supporting documents available in the files reviewed for this paper) reflect that MENA staff working on preparing/supervising the ongoing cultural projects have paid considerable attention to risk analysis. We noted both concern and ability to "see" and identify the risks, be they general or specific, that tend to occur in this category of operations.
7. In fact, projects in the CH domain face from the outset a high "risk situation". They *start* from the perception of risk. Preservation activities are called for precisely because the given heritage assets are already threatened by multiple risks of deterioration and disappearance. Bank policies have sharpened staff awareness of risks in this domain. The Operational Directive 4.11 (1986) — one of the Bank's basic safeguard policies — has warned for long against inadvertent damage by project works to occasional archeological finds or to above-the-ground cultural assets. The need for risk awareness was re-emphasized also in the recent guidance given by Bank management and Board (see Ch. 1).

8. **Implementation Risks.** Prominent on the agenda of MENA staff are first the typical risks in development projects: those relating to organizational capacity, management, and institutional commitment at various government levels to carry out project objectives. A reversed U-shape curve is noticeable in project files in the discussion of such risks: the signaling of risks is rather muted in the initial stages of project identification and preparation; it reaches a peak at midpoint, after staff become intimately familiar with local circumstances and the condition of CH assets; and decreases again towards the end of preparation work, as calibrated counter-risk provisions are crafted and incorporated in the project's content and design.

9. A cluster of various *implementation* risks is attributed by all projects to the weak project execution capabilities of the still young organizations working in the cultural sector. The projects attempt to decentralize responsibilities to regions and municipalities and sometimes detect risks hidden in the little inclination of central Ministries to support regional authorities (as is the case in the Jordan project, regarding ambivalent central support to Petra Region); there is also the opposite risk of the new regional structures to de-emphasize the role of small communities. The same project subtly distinguishes between the "low/or negligible" risk of insufficient government support for sector and regulatory reform, and the relatively more pronounced ("modest") risk of insufficient government financing for the construction of the infrastructural facilities or for technical assistance.

10. Other risks identified by MENA projects to date are:

- Risks to the long-term sustainability of CH conservation work, resulting from the absence/weakness of environmental legislation or urban regulatory frameworks;
- Risks to on-time execution resulting from the scarcity of competent construction enterprises able to work in Medina-type difficult environments (Dividing civil works into smaller packages appears to work better than large consolidated packages allocated to one or two enterprises only)¹.

11. **Ranking Risk Intensity.** Not all risks are equally severe. In ranking the intensity of risks the Morocco Fez-Medina project used a three level scale — "low, moderate, and high risks". Noticeably, in the Bethlehem 2000 project the three-level risk scale starts from a higher point — "moderate, significant, high": in the given WBG context, the project team was apparently prudent enough to not discount any risk as "low". The Jordan Tourism II project rated risks even more discriminatorily on a five-point scale, from 5 to 1, and considered as main risk-areas the "chances of unsuccessful mitigation", the "magnitude of potential damage" and the "degree of stakeholder concern". Documents for the Lebanon CH project under preparation contain detailed examinations of risks and controversial issues; the subsequent versions of project

¹ However, excessive fragmentation was also perceived as a risk in the Fez Medina project, as it may overburden the capacity of municipalities to manage and coordinate so many rural contractors. This is a managerial risk requiring case by case judgment.

documentation are expected to inform on the outcomes of risk-weighting and define counter risk measures.

12. The risk analysis for the Morocco and Jordan projects also segregate the risks by their place on the projects' critical path of implementation to completion, some being defined as risks to accomplishing overall project objectives, others being risks on the path segment between inputs and outputs.

13. Altogether, the sector study found that PADs are factual and transparent in their general risk analysis. The concern that Bank operations in this domain might possibly not be sensitive enough to risks appear, in light of this review, to not be confirmed.

8.2. Risks Specific to Heritage Projects

14. Knowledge about the type of risks *specific* to the cultural sector is particularly useful as advance warning for future MENA interventions. The quality of preparation and design may gain. Among such specific risks are: political risks; cultural bias risks; artistic risks in conservation or restoration work; population displacement risks; carrying capacity risks; and others. Not all of these risks have manifest present in the several MENA projects under implementation. Yet experiences in comparable non-Bank assisted projects elsewhere suggest that they can surface any time and that preempting them is important.

15. **Political Risks**. Given the domestic or international tensions characteristic to several areas in the MENA region, all reviewed projects have explicitly emphasized **risks of political nature**. The Bethlehem 2000 project sees a "high risk" of possible delays in resolving security and logistical matters, delays due to possible border closures. Such risks could affect timely completion of critical infrastructure sub-projects. The project schedule was designed deliberately to allow sufficient "slack" in construction programs. Provisions are made also for stockpiling key construction materials, to bridge over unforeseeable delays. The Jordan project also listed political stability in the region on its risk list, but at a lower level than in WBG.

16. **Cultural Bias Risks**. A different kind of political risks are involved in what is better known as cultural bias. Such bias, with political implications, is manifest, for instance, when in an area with multicultural heritage belonging to successive cultural layers or to different religions, insufficient information or lack of sensitivity results in biased selectivity, so that only certain heritage elements benefit from project preservation and valuation. Pluralism and respect for diversity are basic tenets of the Bank's approach to assisting heritage preservation.

17. The MENA region is endowed with stratified layers of cultures and religions – pre-Islamic and Islamic, Roman, Phoenician, Berber, Arabic, Christian, Jewish, Spanish, French, and several others (see Ch. 2). For this matter, indifference to one or another ethnic or religious element of the heritage is itself a risk, because neglected heritage

becomes heritage that can be coopted and exploited by vested interests for purposes that are contrary to political stability, unity and social inclusion. Preempting biased approaches requires awareness, information, and use of objective expert advice. Recognizing pluralism and historic cultural diversity is apt to maximize gains in terms of fostering social cohesion and better mutual understanding and tolerance, through heritage preservation and education.

18. **Tenure Risks**. To the untutored eye, historic buildings sites, old shrines, palaces open to visitors, etc. may appear as assets in the public domain. In fact, however, their ownership may be in private hands or may belong to religious tourists. The design of CH projects must pay utmost attention upfront to risks embedded in the complexities of tenure over the built heritage. Patterns of ownership and administration of historic buildings, secular or religious, are often so complex in MENA that in any future project they should receive ex-ante, non-delayed consideration.

19. Tenure over important heritage assets, as emphasized in prior chapters, is divided in MENA countries essentially among three main actors: the state, private individual owners, and religious institutions. Often, these actors do not see preservation in the same way. Sometimes, one single historic building may belong, in different proportions, to the state and the Habous or Wafq, or to the Habous and an extended family of private owners. When public investments are involved, the type of tenure is essential for legitimizing such investments and access to benefits. Protecting the integrity of heritage in the Medinas, for instance, where the three types of tenure are closely interwoven and overlapping in the same areas, has raised challenging questions to project design and identification of beneficiaries in both Bank and non-Bank projects. The entailed risk is that investments can be lost to the public sector and/or deflected to unintended gains for some narrow vested interests. There are risks also to the integrity of the poverty reduction objectives of such projects.

20. Conversely, ownership implications can undercut project performance by inhibiting private investments in the housing stock. For instance, the Morocco Fez-Medina PAD ranked such inhibitions to private investment as highest among all risks in that project ("high to moderate"). It signaled that current national rent control in Morocco policy can discourage owners' investments in historic housing. Ceilings on rents, restrictions on lease termination, and other provisions of the 1980 Dahir (1/80315), aimed at protecting renters, create financial disincentives for individual owners to maintain and rehabilitate their properties. Sometimes it is difficult to distinguish ex-ante between what is a simple "constraint" or what is a definite risk to the project's approach. Behavioral factors, as well as tax-law provisions, intervene that may either mitigate a "constraint", or exacerbate and transform it into a serious risk or performance destroyer.

21. Across MENA countries, much of the built historic heritage belongs to religious organizations, often represented in governments through special ministries and agencies. As these assets are administered under rules different than those for publicly or individually owned historic buildings, project approaches that apply to the later may not be effective for the former. In the Fez-Medina, the Ministry of the Habous is the largest

property owner; buildings wholly owned by the Habous comprise about 20 percent of the entire stock of the Medina and are completely exempt from taxes¹. The PAD notes that “public or private Habous are involved in some 4,500 co-ownerships and own all religious buildings.” Given the Habous internal rules and organization“, conflict with civil society may occur and impede participation in the project” (p. 11). The project identified a “moderate to high” level of risk regarding the cooperation with the Habous and therefore incorporated a proactive approach for mitigation of these risks “by developing partnerships for selected operations, on a case by case basis” (p. 11).

22. Situations when cadastral registration is incomplete, or when initial ownerships has been divided among many heirs, hard to trace, are sources of uncertainties over tenure and of serious specific risks (see three examples given in box 8.1). While such risks and their consequences have been avoided so far in MENA financed projects, operational CH strategies need to be fully aware and prepared to preempt them.

23. **Artistic Risks.** Artistic risks is the shorthand name for another set of concerns, related to the quality of restorative works, the appropriateness of employed materials, techniques, and tools, and the preservation of authenticity. These are concerns unique to CH operations, not likely to surface in other types of projects. Unless they are addressed with an utmost sense of responsibility and by mobilizing the requisite knowledge and skills, the very purpose of cultural heritage preservation can be defeated.

24. The Bank’s MENA region, as the World Bank at large, does not have a comparative advantage in this respect. Government agencies also typically lack this specific artistic expertise, except at times within their specialized Departments of Antiquities.

25. The strategic response to such risks is to *establish partnership* with organizations which possess this expertise or can best mobilize it, such as UNESCO, the World Heritage Fund, private foundations of high reputation, professional associations of archeologists, artists, architects, historians, and individual scholars and other specialized researchers. MENA has consistently established such partnerships and relied on them. This was the case, most recently, in basing the Bethlehem 2000 project’s provisions on UNESCO studies and collaborating with the Getty Foundation. The same reasons led to involving specialized architects and other experts (some provided by the Government of Italy) in the ongoing preparation of the CH projects in Lebanon and Tunisia.

¹ Harvard University/GSD and Ader-Fez, *Rehabilitation of the Fez-Medina Impact on Municipal Finance and Affordability*, February 1998, processed.

Box 8.1: The Hidden Risks of Uncertain Tenure

Three examples from the Middle East inform about tenure-related risks to investments in CH conservation. All occurred in projects financed by outside non-Bank donors, because local tenure systems were not understood or ownership was not carefully verified by donors before project start

Surprises in Tenure. The first case was a project for which an European donor country provided a financial grant for the restoration of a dilapidated historic building in the capital city with the purpose of making the restored building available as a cultural center for public use. The building was described at the outset by the municipality as publicly owned. However, as soon as the project reached completion, the building was claimed by a private owner able to present ownership documents, recognized in court. The private owner's deliberate strategy was to wait for the building to be fully refurbished through the project, and only then to come forward with his claim. He then decided to use his freshly restored building as a rental property for profit, declining to reimburse any fraction of the restoration costs.

Usufruct Rights. The second building, an outstandingly beautiful but deteriorated tower-house in the most expensive part of the capital's silver-souk, was known from the outset to be under private tenure. However, the donor country received assurances that an informal agreement about usufruct arrangements was reached with the owner before project start. The owner apparently had consented that the restored historic building, although remaining under family ownership, would be converted for public use as a palace for hosting exhibitions and a research and documentation center on the city history. Yet, just before project completion, the owner changed his mind and claimed full private use. It turned out that the informal "assurances" given to the donor, and the informal agreement between the municipality and the owner, could not be enforced. After grant money (about US\$1m.) was spent, and after having brought architects and conservation specialists from the donor country for the building's restoration, the donor agency had to suspend the project just before completion.

Religious Property Issues. The third example refers to a shrine with uniquely valuable wall paintings and stone work. Another donor contributed grant financing and technical expertise for full restoration. The work was brought to successful completion at a high artistic level. However, it turned out that the religious authority with tenure over the monument decided to revert it to active prayer house status, instead of maintaining it as a public art monument open for all to see. Thus it declined access to any visitor of a different religion (including visitors from the donor country itself). As one such frustrated visitor put it, "we cannot even admire what our tax money and help has accomplished".

The lessons from such incidents, as well as from many positive outcomes, point to the need to preempt with caution the risks resulting from old tenure arrangements that are little understood or can escape the demands of the formal legal system.

26. The history of many specialized conservation efforts worldwide, not connected to Bank assistance, suggests that restoration works tend to listen to a different clock than other types of civil works: they require a different (much longer) timetable, a different type of management, and a special kind of continuous oversight than the timetable and management of the larger infrastructure projects in which they are a component.

27. In such cases, it may be appropriate for the MENA region to spin off the specialized artistic restoration work into a separate smaller project or subproject, under the direct responsibility and oversight of organizations that have a comparative advantage in carrying them out. Such spin-offs will still require cooperation and support arrangements, but they can yield increased effectiveness and quality. However, regardless of the specific institutional arrangements to be worked out on a project-by-

project basis, the utmost consideration of artistic risks in CH projects remains a basic strategy requirement not only in project design but also throughout implementation.

28. **Carrying Capacity Risks.** While deliberately aiming to help increase tourist flows and revenues, heritage support projects must make educated judgements about acceptable thresholds in visitor levels. Beyond such thresholds, excessive tourist flows will become detrimental to sustainability and counterproductive to heritage.

29. Traditionally, much of the international debate about the adverse impact of tourism has been centered on the natural environment. Recently, however, there is growing awareness about the vulnerability of cultural heritage sites and assets. There are also non-negligible adverse cultural impacts of tourist flows on the residential populations. Cultural tourism brings many economic benefits, particularly jobs, but as it was said — tourism may sow the seeds of its own destruction by damaging the attractions which bring tourism to a location. Circumstances usually differ from one site to the other even within the same country. Several countries in the MENA region have sites that receive massive flows of visitors, bordering on overuse, while other sites in the same country, of comparable interests, remain outside tourist circuits and are under-visited. The approaches to “capacity risks” within the same project should therefore be nuanced, varying by location.

30. The MENA projects under review have focused on this category of capacity risks less than on others. This, most likely, is because the tourism-related risk which these projects confront is primarily under-capacity visitation, rather than overuse. In the MENA-assisted projects reviewed, the assessments by borrowing governments, the Bank, UNESCO and/or other international organizations, made at appraisal time, converged in the conclusion that the areas considered were still far from reaching their safe tourism capacity. However, when one of these projects (Jordan Tourism II) identified one worrisome instance of overuse, it proceeded to carefully describe in detail the risks involved, defined them as the “major threat to the site’s ecological and aesthetic integrity”¹, and included adequate mitigation measures (see box 8.2).

¹ Jordan, Second Tourism Development, Project Appraisal Document, World Bank, 1997

Box 8.2: Mitigating Risks from Visitors' Impact

Jordan Tourism Development II project includes an archaeological desert site that was relatively unknown by tourists until the late 1980s. This is a site less than an hour away by road from a major tourism destination — Aqaba. The site has important remains (prehistoric and Nabatean) and great natural beauty. It is also the site where T.E. Lawrence lived among the Howestat Bedouins, and from where he attacked Aqaba.

Suddenly, the publication in late 80s of a rock climber's guide was enough to attract the attention of tour organizers and of masses of tourists visiting the nearby Aqaba beaches. The PAD signaled the risk: "Uncontrolled mass tourism (500-1,000 people each day during peak season) and related unplanned urban developments, now constitute the major treats to the site's ecological and aesthetic integrity. Increased visitor use, if unmanaged, will exacerbate the damage to the ecology and archaeology of the site". The project went to great lengths to support alternative arrangements adequate for tourists and for the local population.

31. To preempt this type of risks, other MENA region projects have initiated the creation of a range of facilities and protective local arrangements (e.g., Visitor Centers, adequate roads and parking locations for commercial sites that avoid damage to monuments, etc.).

32. As tourism expands, it is predictable that issues regarding visitor impact management will have to weigh heavier in the strategies for CH preservation and management. Projects will have to incorporate preventive adjustments to allow for increased tourism capacity, decrease the likelihood of adverse impacts, and heighten the threshold of sustainable use of cultural sites.

33. Recently, in response to concerns about visitors' negative impacts, some researchers (Glasson and Associates) have developed a new methodology for determining more accurately the *carrying capacity* (CC) of a cultural setting. This methodology takes into account several variables: *quantity* of resources available; *tolerance* to use; *number* of visitors to the site; type of use; and *behavioral and management variables*¹. It will be desirable to introduce this new methodology as a standard tool in Bank-assisted project preparation for sites at risk of overuse.

34. **Social Equity Risks.** Conservation and patrimony enhancement must sometimes confront entrenched patterns of neglectful behavior among the population surrounding the sites. Local inhabitants are not necessarily aware always of the historic importance of the built cultural heritage in the area they live in. Other times it is necessary to restrict detrimental commercial practices and thus affect the interests of some groups. Rezoning of selected culturally sensitive areas as protected areas may constrain the development plans of landowners. Hence, the risk of social opposition to CH protection projects. Conversely, there is also the risk of central or local authorities adopting one-sided measures that favor heritage protection but are not equitable vis-à-vis the affected local people.

¹ Glasson, John. K. Godfrey and B. Goodey, with H. Absalom and Y. van der Borg, *Towards Visitor Impact Management*, Axebury: Brookfield, 1995.

35. Several interesting instances have surfaced in MENA projects when such social risks were candidly signaled and addressed, consistent with the Bank's poverty reduction and cultural safeguard policies. In Jordan, for instance, inside the Petra Sanctuary, shops improvised by vendors proliferated, transgressing regulations, harming the site, and making remedial interventions indispensable. The project team regarded this as a project risk and controversial aspect, but treated it with concern for equity rather than by proposing the wholesale expulsion of vendors. Provisions were incorporated to cluster vending activities, so as to both protect the monuments and give room to vendors' commercial interests and tourists needs. To monitor risk resolution, applied social research and mechanisms of cooperation are explicitly included among the implementation provisions.

36. Similar issues on an even larger scale have surfaced during the preparation of Lebanon's Cultural Heritage project. Anticipating trends towards the proliferation of dense urban habitations near heritage sites, measures will be recommended by the project to keep in check density levels that might reduce the appeal of the sites and negate the economic benefits of investment in them. A recent field report deals specifically with the "risk of enhancing tourism that would not respond to community priority needs, especially in some poor communities"¹.

37. **Resettlement Risks.** Involuntary population resettlement, undesirable as it always is, represents another recurrent social risk in operations undertaken to protect the built heritage. Two types of relocation might be expected in such operations: relocation of some industrial activities (polluting, hazardous, etc.) incompatible with historic heritage contexts, and resettlement of limited groups of people whose dwellings encroach into heritage zone or who illegally settled within the territory of archaeological sites or monuments. The Bank policy for involuntary resettlement (OD 4.30) charts in detail how such situations must be handled.

38. In the Fez-Medina, for instance, tanneries with obsolete equipment were causing heavy air pollution, while also discharging large amounts of untreated water in open sewers. Their relocation is beneficial not just for conserving heritage assets, but also for the quality of life of the Medina's regular residents. In Baalbeck, Lebanon, the project is faced with the need to relocate a commercial Bank building that was built within an important archeological site. In Jordan's Wadi Rum, the consideration of relocating part of the existing village let the project team to plan carefully and provide the investments needed for an additional new settlement, thus fully safeguarding the inhabitants' interests (see box 8.3).

¹ Mohammed Feghoul, A. Bigio, K. Rennie and F. Scoppole, *Lebanon: Proposed Cultural Heritage and Tourism Development, Project Preparation Mission, Back to Office Report to Amir Al-Khafaji, May 27, 1999*

Box 8.3: Incentives and Trade-Offs in Risk Mitigation

The Wadi Rum village is home to a Bedouin community and has experienced an alarming rate of growth. While a few years ago it contained just a handful of homes, it now has more than 300 homes, and growing. The project took a long term vision: it not only improves infrastructure in the existing Wadi Rum village, but also finances an alternative settlement nearby (at about 3 km.) to create accommodations for the future population of the Wadi Rum community and avoid over-crowding through population growth in the heritage area proper.

Incentives for settlers are very attractive: households taking advantage of the Government's offer for an additional house in the new settlement would still retain possession of their home in the traditional village. "The risk that residents of Wadi Rum would not respect agreed building and growth control is mitigated through discussions with village inhabitants and through the incentive provided to current residents of Wadi Rum village: should they desire it, they will be given service plots in the new village at no charge" (PAD, p. 13).

Moreover, the site for the new settlement for the Rum community was chosen on sound ecological and social criteria — an area not affected by flash floods, for which "water drainage and sewage will be constructed, together with a new tourist access road which will enhance marketing opportunities for residents."

39. When necessary, policy measures regarding resettlement risk prevention are also negotiated with borrowers. Because the Lebanon CHTD project covers seven towns and sites, with possibly some yet unanticipated needs for relocation, the social assessment mandated for the project is designed to inventory the settlements and economic activities that might be affected. "Because the project will be decentralized at each town level, and phased, should involuntary resettlement be indicated, a policy framework will be prepared (for issuance by the government) together with site-specific resettlement action plans prior to project approval and in accordance with Bank policy"¹.

40. **Early Response to Risk.** Some of the actual or potential risks to heritage are addressed by Bank staff before the project even starts, during preparation itself, particularly in infrastructural projects in which CH is one component among others. MENA staff and project preparation teams have come across numerous instances in which government town-planning offices that work next door to government heritage offices nonetheless plan civil works in a sectarian manner, often at cross purposes. If such plans go ahead unimpeded, they will conflict with preservation, restoration or conservation investments and with measures to be implemented under CH project components. For the new investments to make sense, the relevant town-planning instruments and approaches must absorb the priorities of cultural heritage conservation.

41. Such early risk prevention is best done when project preparation teams are afforded the opportunity to review and comment on town master plans that are the back-drop of the project's goals and investments. For instance, one of the several intermediary project preparation reports submitted to Lebanese authorities contains for the CHID

¹ Mohammed Feghoul and A. Bigio, K. Rennie and F. Scoppole, *Lebanon: Proposed Cultural Heritage and Tourism Development Project, Preparation, Back to Office Report Mission to Amir Al-Khafaji*, May 27, 1999, p. 8/48

project no less than 25 specific proposals to add safeguards to existing plans for town-works. These proposals resulted from the effort to prevent early on project risks to CH, especially by reviewing town master plans with the concurrence of relevant authorities. In Saida, Lebanon, for instance, a major controversial urban highway planned along the old town waterfront risks to limit the attractiveness of the old town and sever its continuity and links with the sea castle and the port. Negotiations were initiated as part of project preparation for alternatives that would minimize the highway's negative impacts, including limiting it to its southern section and increasing the capacity of an urban expressway through traffic engineering measures. In Baalbeck, the project preparation team strongly recommended specific additional archeological classifications that will confirm Baalbeck as one of the world's foremost roman sites. Hence it will also enhance tourism revenues and would also guarantee the possible future requirements of archeological excavations (specific recommendations were made on a site-by-site basis, including the area of a roman theater, a necropolis quarry, the Mercury Temple, portions of the old roman-Arab city wall, and others). For Tyre, the Bank's team recommended reclassification of various urban zones in terms of building density and permitted height standards¹. Further, the team recommended that an envisaged expansion of the old Tyre port be abandoned in order to permit stricter protection of the submerged archaeological remains facing the Egyptians and the Phoenician ports against damaging activities.

42. The technical ability to provide sound advice to borrowers on risks to heritage in urban development and to find trade-off solutions depends on securing the presence on MENA missions of architects and town planners with hands-on experience in heritage-dense areas. This is an important value-added by the Bank and it has been ensured for MENA missions and teams either through Bank own resources or through partnership agreements. UNESCO and various donor governments (e.g., Italy, Netherlands, and France) have repeatedly seconded experienced specialists to joint MENA field missions, with excellent results.

8.3. Conclusion

43. Several synthesis observations result from the review of project risk in the set of MENA projects analyzed:

- Projects with cultural heritage components confront both non-specific and specific risks, like all classes of projects. They require "detection" from both perspectives.
- The overall project risk-level in CH operations is moderate. Investments in cultural project components do not increase the overall riskiness of the project, in fact in some respects have contributed to including additional safeguards and to lowering general risks (see further below). The higher risk

¹ The proposals (which were accepted) changed the A3 classification (max. height 27 m) to the A1 classification (max. height 11.5 m)

level in one project (WBG) is of a political order, and independent of the cultural content of the project.

- MENA staff working on the reviewed projects have given consistent attention to potential risks and have implemented Bank procedures for risk treatment thoroughly.
- The accuracy of the risk assessments made during preparation and at project entry must be verified further during implementation. Since all projects are in their initial stages, it is too early now to say if additional risks, or higher levels of predicted risks, tend to surface during implementation.
- Most interestingly, linking the cultural with the other components (either urban or tourist) has proven very functional as an “identifying lens” for risks that otherwise might have escaped perception. The urban regeneration investments initially contemplated as unlinked operations by authorities in two of the countries reviewed were unaware of the risks or damages they were about to inflict to historic heritage. Project preparation work initiated by the MENA revealed some deleterious effects of the investments proposed, if they were to be made without cultural considerations.
- Perhaps the most important conclusion is that the **early and candid** identification of risks in the reviewed operations, and the assiduous “hands on” effort to resolve or preempt at least some during and through preparation work has proven capable to find trade offs, to **lower risk levels**, and to chart a more sustainable path for implementation.

44. A legitimate question must be asked in concluding the review of risks: shouldn't the Bank stay away from this kind of risks and avoid altogether getting involved in cultural sector projects? Perhaps the best answer to this question is given in the statement quoted at the beginning of this chapter from one of MENA's project appraisal documents. That PAD pointed out the opposite risk: **the risk of no action**, the risks of turning a blind eye to the built heritage patrimony and the environment, while investing only in "other" development operations: Not undertaking the project, stated the PAD, would result in three types of certain and major losses: (a) *environmental degradation*; (b) *destruction of sensitive cultural heritage sites and landscapes*; and (c) *the irretrievable loss of tourist revenues*. *Because the project areas are susceptible to permanent damage solely from overuse, one of the major consequences of not undertaking the project would be the slow destruction of the very attributes that made these sites attractive in the first place*¹. This comment about the “risk of non-action” is valid much beyond the confines of the particular project for which it was written.

¹ See *Jordan: Tourism Development II project*, PAD, Annex 4, p. 2. World Bank, 1997

45. MENA strategy for the cultural sector should continue to emphasize risk analysis as indispensable. It should encourage candid discussion with the borrowing governments of risks and of controversial issues. For the sake of comprehensiveness and transparency in analyzing risks, MENA staff should be open to signals from, and promote consultations with, all relevant stakeholders: governments, the civil society, the business sector, local custodian communities, professional experts, and international organizations, primarily UNESCO. Building further upon the positive experience reviewed above, project preparation periods should be used for *early on and hands-on risk mitigation*, so that project quality at entry is higher and implementation faces fewer uncertainties.

Chapter 9

MENA Strategic Priorities and Framework for CH Assistance

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CHAPTER 9

MENA STRATEGIC PRIORITIES AND FRAMEWORK FOR CH ASSISTANCE

1. The consolidated image of the region's activities to date, resulting from this sector review's stocktaking, offers multiple lessons for forthcoming work. Since countries' demands to the Bank in the CH sector appear to continue and increase, synthesizing the action framework and strategic priorities for responding to these demands is important for borrowers and MENA staff alike.
2. MENA's region's development strategy applies the Bank's overall strategy to the spectrum of the region's situations. The Bank's policy principles pertinent to CH work were outlined at the outset (see Chapter 1) and need no detailed repetition. **But it is essential to constantly position and place MENA's support to CH within the broader map of the region's strategic development objectives.**
3. *From the perspective of the MENA region, the region's assistance for CH should be seen and practiced neither as an activity separate from its regular development work, nor as a conjectural, non-developmental add-on to business-as-usual. Instead, it should be conceived and carried out as an intrinsic part and parcel of the region's development orientation and philosophy, practiced in unity with its fundamental objectives of sustainable poverty reduction and embodied in its operational program. This policy holds that development as goal can and should be pursued with patrimony endowments means as well, in addition to other means; conversely, the goal of patrimony preservation itself should be pursued with modern means of development, rather than only through traditional "conservation".*
4. This straightforward orientation rests on strongly affirming the basic proposition that culture is not a "commodity" and cultural heritage is not just another rank-and-file economic resource. Because the patrimony's endowments are of multi-faceted value – economic, cultural, moral, spiritual, political – investing in preservation and management is justified as a worthy goal of national and cultural self-preservation, as well as an important resource for enhanced economic growth and social development.
5. The overarching economic and social development goals pursued by the MENA region, like the Bank at large, are reduction of poverty, employment creation, social inclusion. Each country's *own* natural, human, and cultural endowments represent the *crucial resources* in fighting poverty, providing employment, and enhancing living standards. Yet some of these cultural endowments are not used, or are little used, in the service of these overarching economic objectives, and this justifies also the solid economic argument in support of using the economic potential intrinsic to the cultural patrimony (see Chapter 4).

6. MENA countries' patrimony is enormous in its richness, yet little valued and leveraged as a development resource. Millions and millions of people annually travel from all the world corners to admire and enrich themselves with the beauty and value of MENA region's heritage. In the process, they bring as well needed economic development benefits to these countries. While tourism and travel account for over 11.5 percent of the world's GDP in year 2000 and sustain 8 percent of all jobs worldwide, the share of developing countries in world tourism arrivals has steeply increased from 19 percent in 1980 to some 30 percent in 1998. In MENA countries cultural tourism accounts for a very massive part of tourists arrivals, and totally depends on the presence, state, and accessibility of heritage assets. These assets spur new employment and economic growth and many economic and non-economic types of benefits – primary, secondary, and tertiary. This is why each MENA country can bring additional resources to bear against poverty by incorporating the cultural sector in its national comprehensive development strategies.

7. Yet only initial steps in this direction have been taken by just few countries of the region, as evidenced by the present sector analysis, while their enormous CH resources are under-mobilized and deteriorating. The gap in this sector between “the potential” and “the actual” is huge, and it is fair to say that it surpasses comparable gaps in other sectors. Most MENA countries have entered the XXI century still lacking explicit national policies and coherent action strategies for cultural patrimony management and valorization. MENA region's CH assistance policy aims therefore at bridging this gap and at recruiting these resources in the service of sustainable development.

9.1. Strategic Long-Term Priorities

8. To be most effective in implementing the assistance policy framework, MENA region will have to be selective. Country resources are scarce. Realistically, not all needs in the CH area can be addressed at once. The Bank's assistance must therefore be channeled towards the central issues of the sector, to first build impact multipliers.

9. **Four Priorities.** The present sector study has identified the following four long-term strategic priorities for the MENA region in providing country assistance in the CH domain:

- (a) Policy and legislation development;
- (b) Institutional/Organizational capacity-building, including decentralization and of strengthening local management;
- (c) Civic engagement and promotion of multi-actor participation in CH support; and
- (d) Financial reform, with emphasis on mobilization of non-state resources and self-financing.

10. The examination of these four priorities follows. In pursuing them the MENA region will take a *sectoral* perspective focusing, as needed, on the various components of this sector¹ and promoting intensified cross-sectoral interactions.

A. Developing Policies and Legal Frameworks

11. **Policy Adoption.** MENA region will provide assistance to member countries in cultural heritage policy formulation and in adopting related legal frameworks for safeguarding and effective management of the cultural patrimony.

12. The Bank's central policy message is that *each national CH policy should be substantively linked with the country's mainstream development and poverty reduction policy*, and must reflect its general goals in ways specific to the cultural sector. Because traditional CH policies tend to be one-sidedly conservation oriented, the challenge is to complement the concern for conservation with the policy objectives regarding the patrimony's role in the economy and society at large. *CH policies should reflect not only what contemporary societies must do for the patrimony, but also what the patrimony could do for contemporary societies and economies.*

13. In this perspective, and replacing insular approaches, the promotion of development linkages and the deliberate pursuit of *intra-sector, inter-sector* and *cross-sectorial* synergies should become a policy cornerstone.

14. **Legal Frameworks.** Strengthening the legislation for ensuring CH protection and sustainable management is indispensable. Legislation is *integral to building up the countries' institutional capacity in culture*, and the MENA region will contribute its share of technical assistance.

15. The strategic challenge is not to multiply indefinitely the number of laws and regulations, but rather to create a basic national legal framework, a "code", from which any other specific protective regulations (e.g., regulations about protecting patrimony assets under accelerated urbanization) will derive their legitimacy and basic principles. Tunisia's "*Code du Patrimoine*", for instance, is one of the possible approaches for

¹ The constitutive elements of the cultural sector have been defined in Chapter 1. Briefly, these are: a. the institutions and organizations in charge with the management of cultural activities and with the conservation of heritage, including legal frameworks; b. the material and non-material cultural heritage; c. the cultural industries (e.g., traditional crafts, professional activities for the maintenance, preservation, restoration of heritage, etc., including informal or small-, medium- or large-scale production enterprises; d. the commercial enterprises and businesses specialized in marketing heritage-related items; e. service organizations and service networks, public and private set up to facilitate the access to heritage assets and sites; and f. the human "actors" of this sector, those employed in cultural industries (production and trade), in institutions dedicated to culture, patrimony administration, cultural service organizations, etc. The cultural sector is the locus not only for creative artistic works, but also the locus of important economic activities of a productive, commercial and service nature, which have significant total weight in the GDP and provide for the daily livelihood of vast numbers of people.

defining/refining such frameworks, which the MENA region can help replicate and adjust in other countries.

16. **Enforcement PLUS Education.** MENA region will also pursue the principle that improvements in CH legislation must be empowered by concordant *education and awareness raising* so that laws and regulations are known, and consciously supported. To succeed, the *protection of cultural heritage needs a culture of protection*. Consequently, Bank-financed operations will aim at supporting broad education on CH issues, in addition to training of CH specialists. It will integrate legal assistance and organizational capacity for *enforcement* with promotion of education and *material incentives* for protection informed by value systems and *awareness*.

17. **Master Planning.** In translating CH policy and legislation into action-strategies with a long-term horizon, disparate, piecemeal and happenstance interventions should yield place to master planning, with a medium- or long-term strategic horizon.

18. The MENA region will assist interested countries in a gradual process of preparing master plans for preserving and managing the patrimony, comparable, or linked to, the National Environmental Action Plans (NEAPs). This can be initiated effectively in connection with the preparation of CDFs, CASs, PRSPs. For instance, as in the case of the pilot Morocco CAS (for 2001-2003), pioneering the distinct treatment of culture as sector shows in practice how both the country and the Bank can integrate the cultural sector into their macro-approach and long-term action plans. Further, the forthcoming country Poverty Reduction Strategy Papers (PRSPs) will explore and define the contribution of the cultural sector in poverty reduction.

B. Organizational Capacity and Reform

19. A critical need faced by the MENA countries in managing their vast cultural patrimony is creating organizational capacity and overcoming current administrative weaknesses. Therefore, the MENA region's strategy is predicated on giving priority in this sector to institutional and organizational strengthening.

20. **Basic Orientations.** For building up organizational capacity, the MENA region's strategy will primarily support reform to:

- (a) enhance the state's central capacity;
- (b) decentralize authority and involve regional and municipal administrations;
- (c) introduce patterns and tools of modern patrimony management; and
- (d) open new ways for broader participation of the civil society.

21. Since each country has its specific national structures, with a different combination of strengths, weaknesses, needs, MENA staff should be informed and equipped to consider these specificities. The main aspects of this priority task are discussed below.

22. **Central State Capacity.** The ownership of a large part of the material patrimony is vested in the state, and most patrimony assets are public goods. This calls for capacity strengthening of the central institutions to which the state entrusts the responsibility of direct administration and management. In several MENA countries, such a central institution is the Ministry of Culture (MoC), but differences exist, and in other countries responsibility for the archaeological patrimony is vested not in the Ministry of Culture but in a Department within the central Tourism Ministry. However, across the region, the central cultural organizations are weak. Ministries of Culture in Middle Eastern and North African countries tend to be among the least endowed in terms of financing, staffing, and equipment. They are also the least influential within the administration and receive little recognition in terms of cross-sectoral support.

23. This review concluded that, for performing their mandate as custodians of the nation's patrimony, Ministries of Culture (or equivalent Departments) in MENA countries need additional expert resources and budgetary support. In some instances, restructuring of existing organizational patterns, or creation of specialized agencies for patrimony assets' administration may be necessary. Therefore, a *careful assessment in each case of central state capacity, including relevant agencies*, is a necessary building block in MENA's assistance.

24. **The Role of Religious Institutions.** An institutional characteristic of the cultural patrimony in the MENA region – birthplace of three major monotheistic religions – is that a very large part of this patrimony is under the ownership or custodianship of religious institutions. Institutions belonging to each faith have been historically vested with the responsibility for administering, maintaining, and managing these assets. The principal role in this respect belongs to the Ministries of the Habous and Islamic Affairs and Ministries of the Waqf. Assets in this category include not only religious buildings – mosques, madrasas, churches, synagogues, libraries, and other monuments – but also many secular buildings, from historic residential palaces to traditional caravansaries and rank and file housing. Despite their sacred character, many of the religious properties are chronically poorly maintained and in bad physical condition. Religious institutions often have limited staff expertise in preservation techniques and knowledge about modern methods of conservation or restoration.

25. From this *dual or plural nature of ownership* over patrimony endowments emerge a host of management and budgetary implications that must be taken into account. The state and the civil society at large expect the religious institutions to improve their self-management capacity, effectively fulfill their upkeep duties over this segment of the national patrimony, and allocate from their distinct revenues the amounts necessary. Group ownership implies also group contribution to assets that are of national public interest. Strengthening institutional capacity country-wide involves also improvements in the management patterns and responsiveness of the religious institutions overseeing built heritage. Therefore, increased cooperation by these religious entities with state agencies is a pre-requisite for success, including for the effectiveness of MENA region assistance to CH preservation.

26. **Museums.** Among the *types* of institutions and organizations considered as building blocks of CH capacity development, two other are essential and may be commonly needed in virtually all MENA countries. The first such institution is the national network of Museums. This sector analysis has found that the Museum networks, in virtually all MENA countries¹, are ages behind the richness of the respective country's historic cultural patrimony. The need to develop a network of regional and community-based museums, complemented wherever possible by privately-owned museums with collectors'² support, is among the critical needs for several MENA countries. Some countries are lacking, and need to create, the country's National Museum. Given the role of these types of institutions in heritage preservation, and particularly in education and awareness raising, they must be seen as integral to long-term capacity creation.

27. **"Mise en Valeur" Management Agencies.** The other type of organization is of the kind of "*mise en valeur*" agency, mandated and structured to manage the daily access to, and use of, patrimony assets--for safeguarding and revenue generation.

28. Introducing development-oriented management in the cultural sector as a means for better heritage preservation and valuation is indispensable, because the current models of patrimony management in the region are largely tributary to obsolete methodologies, inefficient administrative procedures, and outdated technical equipment. Many assets are simply not managed. As documented by this sector review, they deteriorate out of sight and care. The largest part of this patrimony is not, at present, even inventoried and classified. It is hard to imagine improved management without asset inventories.

29. MENA region's support is predicated on the premise that a management turnaround can be achieved, in time, by bringing the tools of modern development management to bear on improving the condition and the accessibility of the patrimony. The management approaches that the MENA region's assistance promotes, as analyzed earlier in this sector review, stretch on a wide spectrum: from institutional capacity building, to inter- and intra-sectoral linkages and integration, to seed financial investments for activating the sector's potential, to grant finance mobilization, to improved environmental protection, to promotion of community involvement and assets custodianship. In Tunisia, for instance, successful practice has shown that creating this kind of "mise en valeur" management and marketing agency³, while vesting policy and conservation responsibilities in another institution⁴, can be quite effective.

30. **Decentralization and Local Capacities.** Empowerment of regional and municipal authorities, rather than exclusive central authority over patrimony management, is integral to capacity creation. Central state authorities must create an

¹ Perhaps with the exception of Egypt. Elsewhere, some truly outstanding Museums units exist only as singular entities in networks that are generally sparse and poor.

² For instance, the privately-owned and exemplarily endowed and managed Musée Belghazi in Salé-Rabat, Morocco.

³ E.g., Tunisia's "*Agence pour la Mise en Valeur du Patrimoine et de la Promotion Culturelle*".

⁴ Of the type of Tunisia's "*Institut National du Patrimoine*".

enabling institutional environment for CH management *throughout the country*. The MENA region's strategy affirms that local capacity and involvement must be elicited not by simple exhortations, but rather by gradual decentralization and devolution measures. Decentralized management is in fact germane to the nature and composition of the patrimony itself, because assets are geographically scattered.

31. Two roads towards such decentralized capacity are envisaged by MENA, in light of its experiences to date, and others can be contemplated as well. The two are:

- (a) The creation of *sub-central entities* at the regional horizon, between the center and the municipalities, vesting in them project implementation and management responsibility (e.g., such as the Petra Regional Council or the Aqaba Regional Authority, in the Jordan Tourism II project - see Chapter 5); and
- (b) The creation of capacity in *local municipalities*, enabled to run preservation and management activities for local historic sites (e.g., such as in the Morocco Fez-Medina project).

32. Because in MENA countries the typical "central" cultural institution is not yet a strong one in the CH domain, institutional capacity building and reform *must advance on two legs* simultaneously: both strengthening the "center" (but without over-centralization) and strengthening the "periphery" (regions and the municipalities). Decentralization of management, with adequate accountability, is in fact apt to strengthen the central CH institutions by unburdening them of part of their attributions, allowing their concentration on macro-policy and strategy management.

33. **Cross-sectoral Linkages.** Regular inter-sectoral and inter-ministerial cooperation is another strategic prerequisite for organizational capacity strengthening. The analysis in this paper has shown how decisive it is to overcome the gaps and the absence of partenerial relationship between the several Ministries whose activities relate to the country's patrimony. Specifically, this involves cooperation between the Ministries of Culture, of the Habous or Wafq, of Tourism, of Urban Development, of Commerce and Artisanat, of Finance, and of the Interior (or Local Administration). Achieving this in practice may require structural institutional reform or certain reorganizations, to be determined in each case. Ensuring better structural linkages is, of course, the responsibility of the respective governments. MENA region's strategy will support and *promote such cross-sectoral and inter-ministerial linkages as an impact multiplier* mechanism, indispensable for capturing the currently forgone synergies between culture and other sectors.

34. **Accumulated Experiences and Human Resources.** The MENA countries have themselves accumulated – from both achievements and failures – considerable knowledge and experiences in patrimony preservation. Yet much of this knowledge, acquired the hard way, cannot be put to use because of constraining administrative frameworks and under-financing. Vested in the sector's personnel and its institutional

memory, this experience is, however, a major and indispensable resource. Therefore, MENA region's staff must rely and draw on this wealth of knowledge and experiences in every operation. MENA's approaches to enhancing organizational and managerial capacity for CH rely on *empowering the human resources of the CH sector* in each country, to internalize development approaches and levers in its everyday work for patrimony management

C. Civic Engagement and Multi-Actor Participation

35. **The Civil Society's Role.** However important and necessary, policies and state institutions alone are not enough to ensure sustainable CH preservation. By its very nature, this task requires massive and continuous *civil engagement*. Historic cultural heritage will only be safeguarded if it becomes the cause and responsibility of every citizen and collectivity. Heritage preservation needs specific forms of social organization. The propensity for engaging in militant protection and site maintenance does not emerge spontaneously, in the absence of public education and purposive organization for collective action. These should not be assumed as given. In fact, as emphasized previously, much deterioration of the built heritage regrettably results from neglect, indifference, or the harmful activities of those who ought to be heritage's most immediate protectors.

36. **Triangulation: State-Civil Society-Private Sector.** Given the nature of patrimony assets as common public goods, MENA region's CH strategy will pursue a *triangulated approach*, in which the central role of the state is complemented by the contributions of the civil society and of the private business sector in shouldering the responsibilities of preserving/transmitting the heritage to future generations.

37. MENA will recommend this triangulated approach to countries that it assists as a basic strategic priority and operational principle. Project design can further translate this priority into frameworks for civic participation in each project specific situation.

38. Non-governmental organizations, local associations, women's organizations, professional societies and many other structures can take on heritage preservation as an explicit cause. Grass roots communities and neighborhood groups can become devoted custodians of local patrimony assets, deriving also economic and educational benefits for themselves. MENA region proposes to help empower such trends and promote social innovations in this area. Various forms of assistance and incentive will encourage such emerging structures to evolve, in the mid- and long-term, into an *embracing social scaffolding and shield* for heritage assets. This will also open up a broader spectrum of options for financial resource mobilization than those in use now.

39. **The Business Sector.** The business sector, in turn, has essential interests in the patrimony's uses, and also controls significant resources. Such interests and resources can converge as support forces for the patrimony. There are instances in which the private sector can offer more material support than the state itself can provide, at a given

moment. Some segments of the business sector, however, have also interests that may at times conflict with heritage sustainability. Both aspects need to be taken into account in country and Bank approaches.

40. *Responsibilizing the business sector and inviting its due contribution should be seen therefore as a strategic priority. Morocco's successful initiatives in mobilizing "le Mecenat" (see earlier, Chapter 7) illustrates the practical feasibility, and the effectiveness, of this strategy element. Each project intervention must find ways to operationalize this strategic orientation by tailoring it to the project's circumstances.*

D. Financial Reform and Self-Financing

41. **Budgetary Constraints.** Examining the financial framework of the patrimony should be a preliminary step and constant concern in undertaking CH operations. The present review has shown a considerable discrepancy between the importance of the sector in the nation's existence, the needs for its preservation, and the current levels of budgetary allocations and overall financial provisioning.

42. Much of the benefits generated due to the existence of CH are produced in the patrimony sector but are practically being captured and accounted for in other sectors, such as tourism. That contributes to distortions in the mechanisms for inter-sectoral financial transfers, and does not provide fair incentives and resources for improving patrimony management. MENA region can provide analytical assistance to countries for optimizing financing patterns and inter-sectoral financial transfers. When necessary, it can provide assistance in introducing financing reform measures to strengthen the financial basis of the CH sector in an enduring manner, in the context of the Bank's macro-economic work and Country Assistance Strategies.

43. Since scarcity of available financial resources is likely to persist, MENA region will examine further, through specialized financial research and actual project operations, avenues for supplementing budgetary resources through at least three windows: self financing; mobilization of voluntary contributions from the business sectors and the civil society; and external grant aid.

44. **Self-Financing and Voluntary Contributions.** Patrimony preservation is able to pay for itself to a large extent, if management patterns and financial mechanisms are modernized. Revisions in pricing systems for visitors and various cultural services will help capture and enhance the revenues from the patrimony sector. In turn, instituting moral stimuli and tax incentives may go a long way towards mobilizing investments and contributions from the business sector and private citizens, thus alleviating the burden on the state.

45. **Grant Aid.** As part of its strategy, MENA region will systematically assist countries in mobilizing grants and concessional aid from bilateral and multilateral donors.

Towards this goal, it will use co-financing arrangements and an array of other instruments.

46. This aid is part and parcel of the international contribution to the preservation of the Middle Eastern and North African countries' cultural heritage that has universal importance and holds perennial significance for humanity at large. The potential for mobilizing this category of resources has not been sufficiently used by the MENA region until now and intensifying the region's work in this respect would bring added benefits to countries.

47. **Investment Assistance.** The Bank will continue to provide direct financing assistance for the CH sector in MENA countries and will increase it over 1995-2000 levels, if borrowing governments ask for such assistance and if it supports CAS diagnoses and priorities. To this respect, the Bank has recently defined clear lending criteria, that are presented in the next section. Non-lending assistance will accompany lending.

48. The Bank's regional CH strategy regards such financial support primarily as "seed investment resources" – in other words, not large scale, bulky investment loans – necessary to activate the sector's underused potentials. After all, the major costs of creating the patrimony have been incurred centuries and millennia ago. They appear now as "sunk costs". But as such, seed investments are needed for maintenance, and for testing out new approaches. If and when these succeed and generate important impacts, they will create the basis for more significant investments.

49. **The Long-Term Perspective and Immediate Intervention.** While a good understanding of the four strategic long-term priorities must inform all the region's country assistance and project work, it is clear that no simple project or project component could practically address them all or should necessarily begin in each case with macro-sectoral issues or reform. Project work needs to understand the sectoral context, but does not need to tackle all broad institutional or financial issues in the initial intervention(s). First, the MENA region has to develop more in-depth, detailed understanding of the current state of the cultural sector in each country, its dynamism and bottlenecks, its actual and potential partners, etc. In the initial stages, MENA's own learning curve would gain most by employing two tested Bank investments: (1) sector assessment (ESW) on the cultural sector; and (2) investment project activities aimed at tangible and convincing CH results on *a limited scale*, but with awareness of the broader constraints and needs of the sector and with realistic goals of first piloting novel approaches in a new sector. Project implementation is itself a way to build up knowledge and institutional capacity by doing¹. Each MENA country, in fact, can expect to constructively address the long-term strategic priorities and objectives in this sector through a series of interventions, articulated in longer terms programs and master plans and informed by a long-term vision.

¹ The important provisions for institutional strengthening incorporated in the initial area-focused projects in Jordan, Morocco, West Bank-Gaza, and Lebanon (under preparation) are a good example of localized approaches that also begin to address state-wide capacity concerns.

50. **Partnerships.** In all these strategically fundamental activities, as well as in the operational lending activities discussed in the next section, the Bank's MENA office is only one source of assistance to the region's countries. UNESCO, UNDP, and other UN agencies, multi-lateral or bilateral aid agencies, and international organizations in the cultural field also make available their expertise and material support.

51. In the interest of the countries themselves, and for the Bank's own pursuit of heightened effectiveness, *MENA region will systematically promote partnerships arrangements and cooperation in all its activities in the CH domain.* MENA will continue to favor partnerships in cultural sector operations with UNESCO, UNDP and various donors, either within the framework of Bank-managed operations or as participation by MENA in activities initiated by other entities. As the nature of each country operation will demand, partnership patterns will aim at maximizing requisite expertise and exploiting the comparative advantage of each partner organization.

9.2. OPERATIONAL ISSUES: LENDING AND NON-LENDING SUPPORT

52. **Criteria for Lending.** Whether the MENA region will support, or decline support, for one or another *specific investment* in a cultural project per se will depend on its expected cultural and economic impact, as well as on the Bank's comparative advantage, for assisting a particular project operation.

53. Because direct investment assistance to CH is a relatively new Bank orientation, borrowing countries need a clear understanding about *lending criteria* and about the Bank's *caveats* on lending. For its lending decisions, the MENA region uses the set of transparent lending criteria included in the Bank guidelines for CH as presented to the Bank's Board in 1999¹. Specifically, lending for CH support will be provided when it meets one or more of the following criteria:

- reinforces sectoral or project objectives, or core development activities;
- reduces poverty and stimulates employment and enterprise by the poor;
- strengthens institutional and managerial capacities in the cultural sector, including the development of national CH legislation and strategies;
- contributes to the heritage-related formation of social capital and to education;
- leverages private direct investments, multiplies secondary benefits to the poor, and yields tax revenue;
- helps promote revenue-generating cultural tourism that directly benefits the poor;
- contributes to heritage and environmental protection against deterioration risks and irreplaceable losses; and
- adds value to assistance from other sources, including other donors, and integrates cultural agencies in the development mainstream.

¹ World Bank, *Culture and Sustainable Development – A Framework for Action*, ESSD, Washington, DC, 1999.

54. To implement these lending criteria adequately, MENA staff will engage in dialogue with the countries' cultural and development agencies to identify the highest priority cultural needs and be most responsive to country interests. Careful judgement on a case-by-case basis is required for efficient use of Bank resources and for assisting the patrimony in a development mode. Selectivity and leveraging the Bank's comparative advantages remain crucial.

55. Conversely, countries have, and will continue to have, numerous other cultural undertakings on their agendas. Although necessary and worthy, many *will not rank as priorities for MENA region financing* and would be supported more appropriately by various national, and other international, organizations. Therefore, MENA region will NOT finance culture-based activities when:

- there is not a demonstrable socio-economic gain, consistent with the Bank's development mandate and poverty reduction objectives;
- alternative financing from other international organizations, particularly grant financing, is available and sufficient; and
- such lending is not consistent with the CAS or not an effective demand from the borrowing country.

56. Similarly, the MENA region will avoid "monumentalism" in restoration and will not finance enclave projects focused only on conserving one or several discreet monuments in isolation from their socio-demographic and economic surroundings¹. Projects that focus narrowly on conservation will not fit into the MENA lending framework, because restoration without site management is unsustainable in the long term.

57. Further, the MENA region will not finance archaeological excavations, which are highly specialized activities and are best organized, financed, and managed by academic institutions and grant-aids. However, after excavations and research are completed and the site is considered safe for regular visitations/tourist activities, Bank assistance may be provided to improve access facilities (e.g., transportation and roads, accommodations to integrate the site in the tourist and development circuits). The value-added of MENA assistance should always be the integration of patrimony preservation with socio-economic development.

58. **No Financing for Heritage-Damaging Projects.** MENA region will continue to implement the Bank's long-standing policy of *not financing* projects, whatever sector they are for, that will damage non-replicable cultural heritage. Early in the project cycle, staff will review the possibility of "chance finds" and adverse impacts and will apply the procedures specified in national law and in UNESCO's guiding documents. Appropriate

¹ This does not imply that such monument-focused restoration work is not justified for other agencies. On the contrary, various circumstances may even require sometimes such work with great urgency, for instance for salvage reasons, but other specialized organizations are better equipped than the Bank to carry out such activities.

preventive measures may include: change of project area; project redesign to fully preserve a site; site protection; selective salvage and data recovery; site data recording; and others.

59. **Non-lending Support Activities.** As it has done in recent years, MENA region will continue to provide various types of non-lending assistance to support CH preservation, inventorying and management. It regards such forms of support as essential because of their ability to trigger change and steadily prepare long-term gains. Non-lending support activities may be initiated as *parts of projects*, or as *distinct activities* in the country programs, such as, for instance, studies, IDF grants, or the management of certain CH-related activities financed by other donors.

60. Institutional Development Funds (IDF) as Bank grants for CH may be offered in support of policy development, institutional reform, and programs of studies for project preparation, priorities identifications, etc. Such IDF support will be most effective when provided as part of time-bound approaches, so as the non-lending activities are not an "end-street" activity, but prepare the ground necessary for subsequent programs. However, they may or may not lead to investment projects by the Bank itself; a subsequent project is in no way a condition for providing such non-lending assistance, which is integral to the general development assistance that the MENA region provides on demand to member countries.

9.3. APPROACHES FOR DESIGNING FUTURE CH PROJECTS

61. As found by the present review, ongoing MENA activities for support to culture in development do offer a valuable body of experiences – including good practices, innovations, and lessons from past weaknesses – for charting future activities. There is a basis now for outlining an even broader range of project alternatives, vehicles, designs, and instruments for lending and non-lending assistance than those employed so far.

62. **Alternatives in CH Project Designs.** What does experience to date (discussed in Chapters 5-8) suggest about the types of project vehicles that MENA can best use in the CH domain?

63. Two basic project models can be employed.

- (1) *Components* supporting patrimony preservation within projects in various "non-cultural" sectors. This pattern will maximize the use of opportunities that frequently appear in other sectors' projects and will build upon the cross-sectoral links and overlaps between sectors. "Components" are in many ways simpler to prepare. This way of structuring support to CH will flexibly employ many opportunities inherent in mainstream projects that were foregone and left unused in the past.

- (2) *Full size projects* for patrimony support. These encompass the sector's activities in a broader way than a "component". This pattern appears justified where the country's institutional framework in the cultural sector is stronger or when preliminary activities have prepared the grounds for a broader program. In turn, and depending on its size, the self-standing project can be either a regular investment project or a rather smaller-scale "Learning and Innovation Loan" (LIL) project. When a series of successive projects of broadly the same kind is considered, the "Adaptive Lending Program" (ALP) pattern can be followed (see further, para. 77).

64. To decide which model to use in a given situation, MENA staff will apply the following *transparent criteria*: (a) the nature of the country's request to the Bank, or other country considerations; (b) available opportunities and resources; and (c) institutional strength in the cultural sector.

65. The project level is the level at which the key CH priorities *must be operationalized into specific provisions, incorporated and accomplished*. Success will depend largely on good Bank-country dialogue, on the creativity of MENA staff in customizing project design and their incisive grasp of opportunities in each country.

66. **Cultural Components in Cross-Sectoral Projects**. Operational lessons from the options used during the 1995-2000 period analyzed in this review (Chapter 6), equip the MENA region for employing these and other opportunities. *Much additional "development mileage" can be gained in MENA by harvesting synergies within the same project*. Specifically, the key sectors in which projects may lend themselves to the inclusion of CH *components* and thus build upon cross-sectoral links are: urban infrastructure; tourism development; agriculture; reconstruction post-conflict; environment; and education and human resources.

67. Within such cross-sectoral approaches, CH provisions will differ from sector to sector. The spectrum is broad. The following are possible content *elements for project packages germane* to circumstances in MENA countries, for each of the sectors listed:

Urban Development Projects can aim to:

- support rehabilitation works in Medinas that achieve *triple impact*, by providing new employment, improved services and living standards, and salvaging architectural assets under threat; they can also strengthen regulations and building codes. These projects can improve road networks around Medinas and service roads inside old towns, to facilitate economic revitalization; they can also relocate out of the Medinas the polluting industries that adversely affect inhabitants and damage patrimony assets.

Agricultural and Rural Development Area Projects can aim to:

- incorporate components for preserving local CH assets in rural zones, thus stimulating off-farm employment; support community driven initiatives such as community-based tourism, with museums and visitation sites; support folk art; and assist in integrating rural heritage areas into touristic circuits, with opportunities for incubating small businesses and for rural poverty reduction.

Tourism Sector Projects can aim to:

- link investments in tourism infrastructure to patrimony management improvement; promote multisided cross-sectoral linkages between cultural tourism and all related cultural production enterprises (primarily handicrafts); develop grassroots communities' benefits from culture-based tourism in and around those communities; and help build increased institutional capacity specialized in organizing cultural tourism.

Industry and Micro Credit Projects can aim to:

- include components supporting the handicraft industry, based on cultural traditions and folk arts; help re-orient the culture-based handicraft industry away from cheap/low quality toward high labor inputs/quality/high priced items, thus absorbing more employment and increasing marketability; and enabling various new cultural enterprises in the private sector.

Environment Projects can aim to:

- include protective and preventive measures to safeguard historic cultural assets from imminent natural hazards; relocate polluting industries that damage patrimony assets; and support park establishment integrating unique cultural and natural (biosphere) monuments/sites.

Education/Human Resources Projects can aim to:

- incorporate in school curricula knowledge about the national patrimony and instill a culture of heritage custodianship; cultivate public awareness and help create "social fencing" for patrimony protection; and promote formal functional linkages between schools, Museums and Archaeological sites, for using the latter as educational platforms.

68. The "content-packages" outlined above are flexible and usable within a wide range of project possibilities. Other elements may be identified as well. MENA staff will work with relevant country agencies to determine other options available and select the most promising.

69. The task ahead is *not to mechanically incorporate* culture support activities when the linkages are not organic with what is the core of one or another sector's project. The task is, rather, to grasp and exploit the genuine windows for synergy, when using such opportunities *enhances development impacts in both sectors*.

70. **Building a Broad National Strategy**. It should be noted that the options outlined above pair CH with interventions in one or another sector only. This “pairing”, however important, does not exhaust by far the ways of integrating CH in development mainstreams. A more encompassing macro-strategy option consists of conceiving the possible role of CH in a “development compact” with *several other related sectors*. This would be tantamount to creating a more substantial “building block” as part of one country’s overall growth enhancing strategy. Such an orientation may be taken, for instance, to address the fundamental problem of unemployment that reaches levels of over 10 percent and 20 percent in many of the region’s countries.

71. An example would illustrate this possibility clearer. In Morocco, for instance, the Ministry of Tourism proposed to include in the country’s 2000-2010 development plan the goal of increasing the number of visiting foreign tourists from 2 to 4 million. This objective is impressive. However, the review of the MoT plan reveals a profound disconnect between goal and means. Little cross-sectoral partnerships with the Ministry of Culture and several other Ministries is planned to achieve this objective, and the risk is high that, despite intentions, it will not be reached.

72. Morocco’s unemployment rate at this time is around 20 percent of its labor force, with youth urban unemployment estimated to be around 31 percent. Absorbing as much as possible of this vast mass of unemployed is crucial. The case can be made that with a broader CT/CH (Cultural Tourism/Cultural Heritage) compact that would include also the infrastructure, artisanal, and transportation sectors, the goals of moving from 2 million to 4 million tourists and of absorbing a significant segment of the unemployed will appear to be much more achievable. This, however, would be not a strategy for the Tourism Ministry/sector alone, or for CH alone, or for infrastructure alone, etc., but rather a *multi-sectoral, integrated mainstream development strategy*. It would have to bring together improved preservation and management of the patrimony, with development of highways and access roads and hotel infrastructure for wider cultural tourism circuits, with expanded air, bus and rail transportation equipment, with expanded handicraft production and markets, and with broad new small and medium business incubation for secondary and tertiary services, as surely these are demanded for doubling the tourist flows.

73. Comparable “compacts” may be pursued in other countries in the region, with appropriate adjustments to local circumstances. The growth enhancing benefits of such a potential macro strategy are indisputable. This is relevant to this review’s analysis because the CH sector is pivotal to such growth. The Bank could provide essential assistance in pursuing such a development route. It is up to CAS/CDF analyses to study, determine, and recommend where and when such multi-sectoral strategies are adequate.

74. Such ability of *linking cross-sectorally* CH protection and management to regular activities in other sectors and under other development projects is a strong expression of the Bank's *unique comparative advantage as a development agency and of the value-added that its involvement brings to borrowing countries*. In this case, the Bank's comparative advantage harmoniously meets MENA countries' comparative advantage of possessing such vast patrimony endowments. This is why the effects of helping incorporate the cultural sector in the mainstream of development in MENA countries can be of enduring historic value.

75. **Learning and Innovation Loans**. While the MENA region has so far employed as project vehicles only the kind of projects described in this review (see Chapters 5 and 6), other relatively new project vehicles can also be employed, such as Lending and Innovation Loans (LIL) and Adaptive Lending Programs (ALP). LILs are adequate when a country *prefers to test new approaches* to CH preservation, capacity build up, and management on a small scale, and move to implementation faster than is possible in the case of full-scale projects. LILs provide investments of up to US\$5 million and are approved through regional management decisions without requiring a Bank Board lending decision. As their name indicate, LILs are a vehicle designed for learning new lessons from innovative approaches, while minimizing the risks of financial exposure.

76. **Full-Scale Culture Support Projects**. Although LIL-based CH projects are fully dedicated to patrimony assistance, some borrowing governments interested in Bank support are reluctant to use them because they are small sized, yet require the same complex domestic procedures like larger loans (e.g., Parliament approval). In such situations, larger scale free-standing CH projects tend to be considered. MENA region could finance such projects (e.g., the Tunisia project) either when it ascertains that there is already institutional capacity in the country to undertake more complex projects, or after a preliminary activity (including non-lending assistance) that prepares the capacity for stand-alone patrimony focused projects.

77. **Adaptive Lending Programs**. In addition to regular projects or LILs, the structure of the patrimony lends itself also to the use of adaptive lending programs (ALPs). Medinas in North Africa, for instance, are complex "units of the patrimony" which share many common characteristics. This makes possible replication and adaptation, in stages, of the approach tested initially in one of the Medinas, to other Medina(s) that have comparable needs. The methodology used initially can be improved and refined at each subsequent stage of the program. This will ensure a program approach, rather than a discrete piece-meal approach. It will facilitate continuity, transfer of experience, the development of a core but transferable country staff with accumulated and tested skills. It will also reduce transaction costs and time of project preparation for both the country and the Bank.

78. **Non Lending Assistance**. Investments can be prepared, preceded or paralleled by various instruments of non-lending assistance. The specific "menu of possibilities" is broad in this respect as well. Following borrowers' requests, MENA will be able to provide non-lending support along the following lines:

- incorporation of patrimony management goals within country work in CDFs, CASSs, poverty reduction strategy papers (PRSP), public expenditure reviews, and others;
- support for the elaboration of country strategies in the CH domain, in sync with the country's overall development strategy and poverty reduction objectives;
- assistance for institutional capacity building or institutional reform, towards better patrimony management;
- support for financial reform, when needed, to improve the current low-effective financial underpinnings of patrimony administration. Such reform will increase self-financing and financial sustainability; it will be based on the detailed financial analysis of the sector and be linked to the Bank's country macro-economic work;
- provision of non-refundable resources such as the Institutional Development Fund (IDF) or through the Development Grant Facility (DGF) specifically for use in the cultural sector and based on a clear action program;
- assistance in studies necessary to prepare initiatives in CH preservation, management, and marketing programs;
- assistance to the preparation/management of projects for establishing national registries and inventories of the patrimony (particularly if requested in connection with bilateral grants for such projects);
- assistance in mobilizing bilateral grant financing for CH and, when required, for coordinating co-financing; and
- help integrate the private sector in CH programs.

9.4. PROJECT PREPARATION INSTRUMENTS

79. **Economic and Financial Analysis.** Investment projects in the preservation and management of patrimony assets are subject to the same rigorous economic, social and environmental analysis like other Bank-assisted projects.

80. The nature of heritage assets as public goods and as objects of culture leads to special ways in which their economic, social, or educational functions are realized. This realization of value therefore requires the use of analytical instruments tailored to estimate cost-benefit ratios or cost-effectiveness, as part of the economic and financial analysis of projects. Both market and non-market valuation techniques have been designed for this purpose.

81. Among these economic analytical procedures are the hedonic price method, the contingency valuation method, the travel cost method, and other techniques. Some of them have been used during the economic and financial analysis of recent MENA projects, such as Morocco Fez-Medina (see earlier, Chapter 4), as well as in several other projects assisted by the Bank. They are also used in MENA for projects under preparation (e.g., the Lebanon CH project).

82. The use of these techniques in MENA-assisted projects is described at large in the PADs for these projects (and other investments) and represents a good model for replication in further comparable MENA operations. Analytical methodologies for this domain are improving continuously worldwide, and the new economics of cultural heritage is being refined. MENA project economists are expected to introduce these improvements in putting these projects on a sound economic and financial basis.

83. As a companion paper to the present review, MENA has prepared a technical study on the economic methodology for assessing investments in culture support projects. This paper will be issued by MNSD as a Working Paper complementing this review. It explains the ways of applying economic and financial analytical techniques, verified in MENA and elsewhere, to forthcoming projects supporting cultural heritage preservation.

84. **Social and Environmental Assessments.** Similarly, forthcoming MENA operations in the cultural sector will need also in-depth social assessments and environmental assessments tailored to the nature and content of the sector.

85. Social assessments are apt to analyze and emphasize issues addressed in detail in this review, such as the strengthening of institutional capacity at all levels, religious implications, pluralism in preservation, the damage to built patrimony from social economic or natural factors, the involvement of the civil society, and the role of local communities in the custodianship of patrimony assets. The environmental assessment will focus in particular on preventing adverse impacts in connection with physical environmental factors and the "carrying capacities" for tourist visitation.

86. **Risks Analysis.** Concern for high quality in culture support projects requires identifying, preempting and mitigating not only general project risks, but also risks specific to the nature of these operations.

87. Projects in the CH domain *start* from the perception of risks, since the projected activities are called for precisely because the given heritage assets already face multiple risks of deterioration and disappearance. Risk analysis specific to CH should focus primarily on risks resulting from uncertain tenure over some cultural property assets, on risks from cultural bias and non-pluralistic approaches, on possible risks to the quality of restorative works, on risks from the uninformed behavior of populations surrounding CH assets, on risks to exceed the visitor carrying capacity of sites, on risks to investments and to equity in the distribution of the benefits from investments in the patrimony.

9.5. STRENGTHENING MENA REGION'S IN-HOUSE CAPACITY

88. As found by the present sector study, ongoing MENA activities do offer a valuable body of experiences, including lessons from past weaknesses, for charting future activities. Recent work has produced several well-designed operations, but has also

shown the mark of ad-hoc, insufficient preparation or follow-up, and the need for better internal staff coordination and resourcing.

89. It is now up to the MENA Regional Management Team (RMT) to consider the experiences accumulated and to decide on the course of future action. The options, like in other similar situations, are:

- first, to reduce and discontinue the work in this domain;
- second, to continue it at more or less the same level;
- or third, to continue and gradually expand support to this sector as one of MENA region's defining development orientations.

90. Should the RMT decision be to discontinue or reduce activities, no special action is required. Conversely, to continue and, if required by borrowers, to expand its lending and non-lending assistance in the CH domain, the Bank's MENA office needs to strengthen its current in-house capacity and work. An **action plan** for in-house work could be derived from this review's analysis and findings, to be prepared together with a synthesis of proposals from the region's CMUs and SUs, as seen adequate.

91. As part of such an action plan, several immediate steps are recommended below:

Organizational Measures

- The RMT needs to decide on establishing a regional focal point for work on assistance to the cultural patrimony. Several options are available: some seem more adequate – either in the MENA Infrastructure Sector Unit or in the MENA Regional Social Team. Close cooperation with the unit in charge with the region's cultural safeguard work is necessary.
- At least two staff members with social training and experience in CH protection and management need to be brought in during FY01 for specialized backstopping work and direct participation at critical junctions of CH project preparation, appraisal, and implementation.

Policy Dialogue

- Subject to RMT decisions and guidance, CMUs would continue or initiate dialogues with interested governments (using as a basis the regional sector review of MENA's experiences) to explore countries' immediate and long-term needs, priorities, donors' collaboration and specific assistance actions, within and as follow-up to CASs defined programs.

Economic and Social Studies

- A program of regional or sub-regional studies (e.g., for Maghreb or for Mashreq), with support from the Italian Trust Fund for CH and from other

sources, should be carried out on basic issues, economic, institutional, and social issues in the CH sector to develop in-depth knowledge necessary for work on specific country programs. Such studies should focus on the potential of CH investments for economic benefits, poverty reduction and employment creation. Studies on the financing patterns of CH management, pricing of cultural services, and self-financing are necessary as well, to develop solutions for sectoral financial reform. Institutional assessment and institutional audit studies could be carried out for capacity building assistance, in connection with specific investments or non-lending support envisaged for CH in various countries. These and other studies will develop a knowledge basis which will inform future operations.

Staff Training

- Systematic and repeated training courses on CH issues should be made available for MENA staff working in this domain. Such courses can be organized by MENA in cooperation with WBI, SDV or other Bank regions.

Dialogue with Donor Organizations

- MENA region should move from ad hoc contacts with other bilateral and multilateral donors and partners in CH work in the Middle Eastern and North African countries to a program of regular contacts and consultations. Country focussed consultations with other donors on capacity support and cofinancing issues should be scheduled as necessary, at the request of the interested government. Arrangements for a consultative forum, which would meet once in one or two years, should be explored with UNESCO, UNDP, the European Union, and other interested international and bilateral donors.

Publications

- More dissemination work is necessary in this relatively new domain. The emerging Bank experiences and accomplishments in the MENA region in the field of CH assistance, preservation, and management should be shared with all countries in the region. In addition to publishing the present executive summary and the full regional review of sectoral experiences, a program of MENA publications in English, Arabic, French is necessary to disseminate information, new initiatives, innovative approaches and their effects on the CH sector and on the overall economy, as a means to stimulate work in this area and to involve the civil society, local governments and the private sector.

ANNEXES

- Annex 1** **Bank-IDA Support to Middle East and North Africa for Cultural Heritage Conservation 1975-1995**
- Annex 2** **Case Study – Support for Cultural Tourism: The Jordan Tourism II Project**
- Annex 3** **From Ideas to Reality: Lessons Learned from Designing and Preparing a Cultural Heritage Project for Fez**

Bank/IDA Support to Middle East and North Africa for Cultural Heritage Conservation 1975-1995

1. This Annex describes and documents the very modest involvement of the Bank's MENA (formerly EMENA) regional office with cultural heritage conservation in the Middle East and North Africa during the two decades prior to 1995. The recent strong new interest in this field is discussed elsewhere in this report.
2. The limited record of activities in this area up to the mid-1990s suggests that the Bank, in common with most official bilateral donors and member governments in the region, tended until recently not to consider work related to heritage conservation to be a significant area for development lending. Borrowing countries did not regard the Bank as a possible source of resources for cultural heritage protection. Therefore, with rare exceptions, they did not submit to the Bank their requests and project ideas for financial and technical assistance in this domain.
3. Moreover, quite apart from region-specific considerations, Bank-wide organizational factors--including the abolition of the Bank's Tourism Projects Department in 1978 and the 1987 reorganization, which abolished Regional Urban Divisions--may also have contributed to the absence until recently of significant support for heritage conservation. Both these developments removed loci and constituencies for tourism and urban renewal lending, with potential heritage protection dimensions. In addition, the Bank's EMENA region's policy statements strategy papers, and country and sector work, with few exceptions, did not address on a macro-scale, the issues of protecting and managing cultural property. They did not illuminate the links between development investments and the need for comprehensive action to preserve and carry forward the countries' material cultural heritage.
4. On the other hand, two countervailing trends, namely, the Bank's increasing concern with *environmental* protection and with *social* development may have helped create favorable premises inside the Bank for the recently growing to the preservation of material heritage as a precious non-renewable resource, analogous to natural habitats.
5. In 1986 the Bank adopted an important policy on Cultural Property in Bank-Financed Projects, *Operational Policy Note (OPN 11.03)*. This policy defined the Bank's position of not financing projects that might damage cultural heritage assets. The 1986 OPN established procedures for what needs to be done when archaeological remains and other assets may be found in a project area and might be destroyed through project civil works. It encouraged the use of project resources for such protection. MENA projects applied these protection guidelines consistently, with positive results in various instances when such "chance finds" occurred in project areas. However, the 1986 guidelines were confined to safeguarding cultural assets subject to project-induced risks, while prior Bank

policies left room for lending in support of conservation (see further in this annex), but did not conceptualize such lending as a deliberate, proactive development strategy. The OPN 11.03 is currently under conversion into a new format as OP/BP 4.11: Management of Cultural Property in Bank-Financed Projects.

6. The activities that did in fact take place in the MENA region during the two decades up to the mid-1990s consisted in some investment lending and some non-lending assistance, as follows:

- (a) a very small number of lending operations for heritage conservation, or with tourism-related components;
- (b) some attention to heritage conservation in the context of elaborating Bank-wide environmental and social policies, and in carrying out Bank analytical work, such as:

- evaluation of possible risks to archeological sites in Environmental Assessments (and consequential mitigating action) in a few infrastructure projects; and
- discussion of heritage preservation in several MENA country Environmental Action Plans (EAPs) or similar documents.

7. Specific items in each of these areas are briefly discussed below. A summary is provided in the Table attached to this Annex.

A. Project Lending

8. Between 1976 and 1993, Bank/IDA financing related to heritage conservation was provided under four operations: Jordan Tourism I (1976), Egypt Luxor Tourism (1979), Tunisia Urban Development III (1982), and Egypt Private Sector Tourism Infrastructure and Environmental Management (1993).

9. Jordan: Tourism I (Cr. 06390, for \$6.0 million, approved June 8, 1976). This operation supported “the development of an antiquities based tourism” in Jordan, focusing on two locations in Jordan: the World Heritage Site of Petra and the remarkably preserved Roman city of Jerash.

10. At Petra, project-supported items included a combination of tourist facilities and direct provisions for patrimony preservations and managed use. These were: hotel expansion and upgrading, infrastructure provision, on-site visitor services and flood protection for monuments, together with technical assistance for monument preservation and “a modest amount” of excavation work. At Jerash, the project supported visitor facilities, a small site museum, development of a *Son et Lumière* program, site protection, and equipment, tools, and technical assistance for “a program of archeological work designed to preserve, protect and enhance the historical assets of Jerash”. The Project

Completion Report (PCR) noted that the operation was highly innovative, very rapidly prepared, and successful in implementing physical works and increasing archeological site attractiveness to tourists.

11. On the other hand, however, the project suffered from very large cost over-runs, (...) and had a negative economic rate of return (partly because entry fees had not been charged at the levels envisaged during project design). At the time of PCR writing the government had not taken follow-up action to "ensure efficient management and upkeep of the project sites".

12. The PCR also indicated that less than half of the funding for technical assistance provided for museology and park management was actually utilized; it commented that the project would have had fewer problems if it had been "carried out in the context of an agreed tourism policy framework", and had been more thoroughly prepared.

13. Egypt: Luxor Tourism (Cr.09090, for \$32.5 million, approved May 17, 1979). In addition to a range of works at Luxor, the project design also included small amounts of financing for access to and accommodation at Abu Simbel, and for repairs and renovation at the Egyptian Museum in Cairo. But Luxor, "the most important archeological site in Egypt" was its main focus. Over 70 percent of the IDA credit base costs (\$24.4 million) went to service infrastructure and hotel development at Luxor, while only a small proportion (about 4 percent of base costs) was allocated to Luxor archaeological sites. About half of this latter amount was intended for protective measures at the seven pharaonic tombs most seriously at risk from damage as a result of prospective increases in visitor numbers.

14. Institutional weaknesses on the borrower's side, however, particularly weak capacity in the Egyptian cultural agencies responsible for the protection and conservation of archeological monuments, undermined the effectiveness and the expected accomplishments of this project. Work was completed on only one out of the seven pharaonic tombs, and the renovation work at Cairo's Egyptian Museum (about 12 percent of base costs) was canceled--reflecting, as the PCR for the project concluded, "the indecision and lack of commitment of the EAO" (the Egyptian Antiquities Organization). More generally, the PCR highlighted the unevenness between tourist and cultural components in performance: while the project (which was completed five years late and had disbursed only about 70 percent of the IDA credit by its eventual closing date) had "substantially achieved its main objectives" with respect to Luxor infrastructure and hotel development, it had fallen short of its objective to protect the pharaonic tombs and to renovate the Egyptian museum. The PCR identified undue complexity, lack of coordination and involvement of too many competing agencies as contributory factors to problems encountered in implementation.

15. Tunisia: Urban Development III (Ln. 22230, for \$25.0 million, approved December 16, 1982). Urban and housing projects in the region during the period under

review typically focused on infrastructure and urban services upgrading, and on sites and services for new housing or rehabilitation of squatter settlements. The Tunisia Urban Development III operation was unique in that one of its four components was for revitalization of a historic area in the Tunis Medina (that is included in the World Heritage list) -- the Hafsia neighborhood.

16. In addition to infrastructure, services and some new construction, the Hafsia component incorporated an innovative self-financing loan scheme for existing households to upgrade traditional housing units. The component thus involved residents and the local private sector in renovating an old neighborhood with historic significance. In total, the Bank's contribution to the Hafsia component accounted for about 23 percent of the Bank loan's base costs.

17. The PCR for the project considered that the operation as a whole had on balance been satisfactory, but that the Hafsia component specifically "was considered successful by both professionals and the general public". It noted that "the project has largely demonstrated that it is possible to succeed in operations as complex and ambitious as... the revitalization/conservation of parts of...historic cities". What was remarkable in the case of Tunisia's Urban III Development Project was its deliberate and explicit orientation to include historic preservation in an urban context, as opposed to other urban projects of the same time period which did not use their similar potential for comparable activities: for instance, the Jordan National Urban Development Project (____), although it financed activities in Old Aqaba and in Salt, did not rehabilitate historic structures or areas.

18. Egypt: Private Sector Tourism Infrastructure and Environmental Management Project (Ln. 36050, for \$139 million, approved May 18, 1993). This much more recent operation, which is currently under execution, focuses mainly on resort tourism. The overall project does however include a component (about 10 percent of the total Bank loan amount) for improving the convenience and safety of tourists' access to important sites along the Nile, from Aswan to Dandara, through the construction of additional berthing facilities for Nile cruise boats, upgrading access roads to sites and improving facilities such as restrooms and food and beverage services. The Bank's most recent summary of "Status of Bank/IDA Projects in Execution" indicates that project performance is satisfactory.

B. Environmentally-Driven Heritage Activities

19. *Bank-wide Developments in Environmental Activities.* Since the mid-1980s, the Bank has increasingly deepened and formalized its approach to environmental protection and to protecting cultural heritage as a component of member countries' broader environmental heritage. An important early policy initiative was the issuance of Operational Manual Statement 2.36, which required the consideration of environmental issues during the identification and preparation of projects. Following the 1987 reorganization, which established a central Environmental Department and Environmental and Social Divisions in Regional Technical Departments, a new policy statement, Operational Directive (OD) 4.00, Annex A, required staff to screen all projects for potential adverse environmental effects, and mandated Environmental Assessments (EAs) for all operations where such effects were considered potentially significant. This document was replaced by OD 4.01 in 1991, which further refined the procedures to be used. It also recommended that the Environmental Sourcebook (see below), published in the Bank's Technical Papers Series in FY1991-92 be used as guidance throughout the environmental assessment process.

20. Specifically on the cultural heritage front, a 1987 Bank Technical Paper on *The Management of Cultural Property in World Bank-Assisted Projects* provided a clear statement of the importance of preserving cultural "property" (including archeological, historical and religious sites), and provided detailed guidance for staff with respect to procedures to be followed. This guidance was codified and updated in 1994 with the issuance of a supplement to the Environmental Sourcebook (see above), on *Cultural Heritage in Environmental Assessment* (Environmental Assessment Sourcebook¹, Update No. 4).

21. Meanwhile, action had also been initiated to encourage member governments to take a strategic view of their environmental objectives, policies and needs, including the environmental protection of cultural assets, through the of comprehensive national Environmental Action Plans (EAPs). In most countries, such plans were to be prepared for the first time. Bank assistance to governments for preparing EAPs was made available, if requested. Detailed guidance to staff on EAPs was provided in Good Practices (GP) No. 4.02. of October 1994. While GP 4.02 states that "each country designs the content and format of its EAP", it explicitly includes cultural heritage as one of the topics for potential coverage, depending on local circumstances.

22. *Applications in the Middle East and North Africa.* These have been of two kinds. First, a number of *Environmental Assessments* of infrastructure projects in MENA countries have led to archeological surveys that produced new information about sites

¹ Robert Goodland and ... Bebb, World Bank Technical Paper in 62, 1987, Washington, DC.

and/or led to mitigatory action designed to protect them. Examples include the Morocco Water [Resources Management] project (the survey led to detection of previously unknown archeological sites); the Jordan Third Highway project (survey identified five sites in need of protective measures); and the Yemen Marib-Safir Road project (archeological site protection plan proposed in connection with new road construction).

23. Second, by January 1996, *Environmental Action Plans* or similar documents existed for Algeria (1993), Egypt (1992), Iran (1995), Jordan (1993), Lebanon (1996), Tunisia (1989), and Yemen (1994). [As of the writing of this report, EAPs are under preparation for Morocco and Syria]. These documents were prepared by the respective countries, with Bank report as part of the Bank's non-lending assistance. They provide a broad perspective of the _____ of environmental issues and priorities of the country and outline, in more or less detail the necessary action. The documents are uneven in their coverage of cultural heritage. Yet several go into some depth, including identification and analysis of issues in the cultural sector, and in some cases, make detailed policy recommendations (see EAP list and data in Table 1).

**MENA Country Environmental Studies/Action Plans
with Discussions of Cultural Heritage/Issues
1989 - 1996**

Country	Report Title	Report #	Date Issued	CH Treatment ^{a/}
Algeria	Review of Issues in Environmental Management	12195-AL	10/93	L
Egypt	Environmental Action Plan	N.A	5/92	S/R
Iran	Environment Strategy Study	12806-IR	5/95	S/R
Jordan	Environmental Strategy Note	12283-JO	6/93	L
Lebanon	Environmental Strategy Framework Paper	15266-LE	1/96	L
Tunisia	Country Environmental Study and National Action Plan	8198-TUN	11/89	S/R
Yemen	Towards a National Environmental Action Plan: Strategy Paper	12537-YEM	3/94	L

^{a/} L = Limited (may include some recommendations).
S/R = Substantive/major recommendations.

24. Problems identified regarding the presentation of cultural heritage assets fall into three main categories:

- (i) those caused by natural conditions (including earthquakes, floods, changes in sea and groundwater levels, and weathering without adequate protection);
- (ii) those caused by human agency (including air pollution, insensitive infrastructure development, haphazard, uncontrolled urban settlement and

development, undue tourism pressure, illegal excavation, looting, and war); and

- (iii) those caused by legal or regulatory shortcomings (including inadequate land use planning and zoning legislation/regulations, poor urban planning, lack of preservation legislation, lack of a heritage "inventory", and inadequate enforcement of existing antiquities legislation). Some documents also mention funding problems.

25. Most documents propose remedial activity--some at a relatively basic level, but others (most notably those for Tunisia, Iran and Egypt) in more depth.

26. The Tunisia report offers a set of 20 separate recommendations related to heritage under six headings--institutional, legal, financing/investment, training, education, and tourism. Proposals range along a broad spectrum:

- institutional strengthening and clarification of different agencies' roles;
- legislative strengthening/enforcement;
- listing of sites through a comprehensive inventory;
- arranging for sponsorship (*mecenat*) and promoting adaptive use of historic structures through incentives to the private sector;
- specialized training;
- schools education and general awareness programs; and
- better coordination with tour operators and development of specialized cultural tourism itineraries.

27. The Iran report offers nine major recommendations. While also proposing broad-based institutional/regulatory strengthening and inventorying, several of its recommendations add to the range of options for policy presented in the Tunisian report. Additional specific recommendations include:

- improve building controls and zoning in urban areas;
- evaluate sulfur dioxide and vehicle emissions to determine their effects and potential abatement measures; develop earthquake protection measures;
- develop proposals for financing heritage protection, possibly including higher visitor fees to sites; and
- initiate work on national and regional strategies for heritage protection and rehabilitation.

28. In addition to paralleling recommendations in the other two documents with respect to improving land use planning, reducing air pollution and institutional strengthening, the Egypt report proposes six areas for priority action, as follows:

- introduce regular monitoring of site conditions and incorporate findings into a computerized national inventory of sites;
- train staff in surveying sites, conservation techniques, and site management;
- concentrate on consolidating work on what has been already been discovered, rather than on new excavation;
- develop ties with NGOs and the private sector in conservation activities;
- apply existing regulations effectively; and
- prepare comprehensive management plans for a specified group of high priority sites.

29. While some of the items proposed in the three documents (such as details of institutional reform in Tunisia and earthquake protection in Iran), may be country-specific, many of the recommendations in these (and other) country EAPs and similar documents are of general application. Hence, they could form a starting point for a broad-based agenda for heritage conservation in the region, tailored as necessary to the specifics of individual country circumstances.

30. Finally on the environmental front, the Bank, along with the United Nations Development Programme (UNDP) and the United Nations Environment Program (UNEP), is an Implementing Agency for the *Global Environmental Facility*, originally set up in 1991. GEF has supported some activities that have impinged on cultural heritage conservation. An example in the MENA region is the GEF Dana Wildlands project in Jordan, which included evaluation of archeological and historical resources in the project area, and provision for restoration of one or two sites (Nabatean and Roman copper mines or Roman aqueducts).

C. Conclusion

31. The main conclusion from a summary overview of Bank cultural heritage work in the Middle East and North Africa in the two decades prior to 1995 is that activity was extremely limited in terms of lending (paras 4-8). Also, while it is hard to draw firm conclusions from a very small sample, there was no structured policy or strategy guiding support to cultural heritage, and the outcomes from a heritage conservation perspective were at best mixed. The Bank itself, and the borrowing governments in the case of the projects summarized above, did not link the investments for cultural heritage to the country's overall development program. In hindsight, those were rather happenstance investments responding to occasional opportunities in the region, rather than systematic approaches. It should be emphasized that investigation would probably present a similar picture for other regions of the developing world, including those similarly rich in cultural heritage.

32. In roughly the second half of the period under review, the Bank's increasing dedication to environmental protection, and increasing awareness of cultural heritage within the broader environmental context (paras 9-11), has had two kinds of impact with

respect to heritage preservation. First, based on EAs, it has led to some worthwhile conservation activities in non-heritage operations (para 12). Second, based on EAPs and similar documents, it has led to the development of a degree of information and a potential menu for action with respect to preserving the region's archeological and built historical heritage (paras 13-17) that would not otherwise have been available. The issue for the latter 1990s and the decades to come will be whether and how to build on these beginnings.

CASE STUDY

Support for Cultural Tourism: the Jordan Tourism II Project

A. Background

1. Jordan is a small country with a varied endowment of historical and cultural heritage sites--prehistoric, Semitic (contemporary Jordan includes territory of the biblical kingdoms of the Ammonites, the Moabites and the Edomites), Roman, Hellenistic, Christian, Arab and Ottoman. International tourism is essentially cultural in nature, although there is some resort tourism at Aqaba and the Dead Sea. Tourist revenues are the country's second largest source of foreign exchange after remittances sent home by Jordanians working overseas. In 1996, 1.1 million tourists visited Jordan, producing revenues of \$750 million or about 10 percent of GNP. Tourism is also a significant source of employment, directly creating about 8,000 jobs and indirectly supporting many more through links to other sectors and multiplier effects.

2. Responsibility for supporting and developing cultural heritage and tourism--including preservation and promotion of sites--has historically been fragmented and difficult to execute effectively. The Ministry of Tourism and Antiquities (MOTA) is responsible in principle for site preservation and development, but lacks specific powers to do the job; under the 1988 Tourism Law, it is required to work "in cooperation and coordination with the interested parties", which may at the local level be powerful semi-autonomous Area Authorities or weak local municipalities--in both cases with financial, technical and administrative capacities and objectives that may not necessarily be conducive to culturally and environmentally sensitive heritage preservation and tourism. With respect to finance, MOTA has very little money for heritage conservation and development; meanwhile local municipalities have traditionally lacked strong revenue raising capacity, and tend to have little interest in providing a share of their limited funds to support cultural heritage sites within their jurisdiction.

3. Despite the sector's already important contribution to the economy, and its potential for a much larger contribution in the future, Jordan has lacked an overall strategy, action plan and program of investments to preserve and promote its heritage and cultural (and other) tourism assets. As a result, current visitor levels and lengths of stay in the country are well below what they could be, and important heritage sites are poorly maintained, lacking in necessary resources (ranging from site descriptions and guidance, signing, etc., to the availability of restrooms), and can be neither well publicized nor easy to reach. Because finance is a problem, the Department of Antiquities within MOTA has to rely substantially on seeking small, one-off subventions from individual donor sources in order to support essential site conservation and development. Donor activity is

relatively small-scale, diffused and not well coordinated (in the mid-1990s there were 19 separate donor programs in operation).

4. Jordan's best known heritage and cultural tourism site is Petra, the world famous "Rose-red city half as old as Time". Petra is located in the south of the country, about 70 miles from Aqaba, Jordan's southernmost city, situated at the confluence of the borders of Egypt, Israel and Saudi Arabia, and Jordan's second "gateway" after the capital, Amman. Petra is one of Jordan's two UNESCO World Heritage Sites, the other being the Arab "desert castle" of Qasr Amra east of Amman. But there are other important archeological and historical sites throughout the country, from the Roman amphitheater at Um Quais near the Syrian border in the far north, through the astonishingly well-preserved and only partially excavated Roman city of Jerash and the Christian church of Madaba with its extraordinary Byzantine mosaics (both near to Amman), to the crusader town of Kerak and the Arab desert castles in the central and eastern parts of the country respectively, and the remains of Ottoman fortifications at Aqaba. There is much to preserve and protect in Jordan, and much for the national and international cultural heritage and cultural tourism communities to support. The government of Jordan takes distinct pride in its heritage, and is well aware of its importance--both intrinsic and economic. The challenge for the authorities and the World Bank in designing the FY1998 Second Tourism project was to devise an operation that would respond proactively and sensitively to both these aspects--intrinsic heritage preservation needs, and the economic potential of the sector.

B. The Project: Core Design Issues

5. The direct impetus for the Jordanian authorities' interest in a World Bank project in the sector was the breakthrough in the Middle East Peace process in the early 1990s. The government considered that the Arafat-Rabin accord, followed by the Peace Treaty between Jordan and Israel, had created new opportunities for enhanced security and personal mobility that could in turn yield a substantial expansion of tourism. Accordingly, the government approached the Bank with a request for a project. The Bank's identification mission took place in January 1995; the operation was approved by the Bank's Executive Board in July 1997.

6. The government and the Bank's project team were quickly faced with a number of critical design issues. *First*, as noted above, Jordan lacked a long-range tourism strategy and investment program; hence there was not an existing available menu of options for Bank support, or even a worked out plan from which such a menu could quickly be developed. This problem was compounded by the fact that the Bank's own institutional memory and capacity in the sector was weak; neither tourism generally nor positive support for cultural heritage (as opposed to "do no harm" safeguards, which had been in place for some years) were familiar territory. With the exception of a 1991 Sector Note that had assessed tourism prospects at the end of the Gulf conflict, there was also no recent or detailed analytical sector work or experience with respect to heritage or cultural

tourism on which to build an operation: the last comparable project in Jordan--which had supported priority investments at Petra--dated back almost exactly two decades, to 1976.

7. *Second*, a decision had to be taken as to whether to direct the project towards a single site approach or a multi-site approach--and whether the site or sites to be included in the operation would feature resort tourism, cultural tourism or a combination of both.

8. *Third*, it quickly became evident that any operation would face formidable institutional and administrative difficulties stemming from the fragmented nature of responsibilities in the sector and the wide range of stakeholders involved (central government, local authorities, local communities, interested NGOs, private sector tour operators, hotel and land developers). Perhaps most importantly, MOTA had administrative responsibility for both heritage conservation and tourism, but had limited operational experience and lacked "spatial" responsibility for sites (whether resort or cultural), which was vested in local authorities with widely varying capacities and priorities.

9. *Fourth*, the team was concerned about issues to do with project impact and sustainability--not only in strictly economic and financial terms, but also in the social domain. This meant that the design would need to include features that would have positive effects not only at the macro level, and not only in terms of intrinsic heritage preservation, but also in a direct practical way for local communities. A related point was the need to generate broad-based support for the operation. Without such support, tourism and heritage can be problematic areas for investment, even in a country such as Jordan whose people are intensely hospitable and proud of their history and long cultural legacy, because projects can appear to be designed for the benefit of rich foreigners and to have little to do with the realities of local life and community needs.

10. *Fifth*, and flowing from the above considerations, it was realized that a workable project that provided appropriate benefits to the people of Jordan would need to be multi-faceted, involving activities (depending on the site or sites chosen), ranging from heritage conservation and promotion through land use planning, environmental management, infrastructure development, urban regeneration and creation of community employment and income opportunities, to institutional development at both the local and national levels.

C. Resolving the Issues; Core Features of Project Design

11. How did the project team resolve these and other issues in designing the project?

12. *1. Overall Strategy for the Sector.* The project design team decided that Bank support for heritage and tourism in Jordan needed to be conceived within, and warranted Bank assistance to help develop, an integrated, long term programmatic structure--comprising establishment of a comprehensive policy framework and strategy, buttressed

by a sector restructuring plan to strengthen public sector institutions and foster an improved interface with civil society and private sector actors, along with a carefully prioritized and phased program of specific investments, to be supported by a series of Bank operations, each of which would contain funding for preparation of elements of its successor, all potentially to be spread over a ten-year period.

13. In principle, it would have been preferable for both an overarching government strategy and comprehensive Bank analytical sector work to have been in place before undertaking any investment operation. In practice, both the government and the Bank felt that the solution adopted--of a rolling program of operations the first of which would be undertaken simultaneously with strategy formulation, would best serve the interests of the country and the sector, especially since doing nothing at this stage would not be a cost-free option, but would risk the intensification of already evident adverse developments at priceless sites such as Petra. This line of thinking determined the essentially three pronged nature of the proposed operation: the first prong, strategy development and associated work, would be a central component, and would be supported by Bank financing for necessary technical assistance; meanwhile, under the second prong, the government and the project team would also identify a set of concrete priority investments for project funding; and finally (the third prong) the operation would include studies of potential investments to be supported by a subsequent project.

14. **2. Selection of Priority Investments.** Determining priority areas for investment involved two choices of principle. First, bearing in mind the tourism-driven nature of the project, should it support cultural or resort tourism or both? In its first iteration, the project design elected a combination--including, in addition to sector strategic planning and institutional strengthening, investments in (i) heritage conservation and tourism promotion at Petra and (ii) mobilization of private sector development of resort tourism at the Dead Sea through the provision of a World Bank guarantee. In the event, the last of these items was dropped, for two reasons: first, it became apparent that Bank support for Dead Sea resort tourism presented extremely complex environmental issues; second, investigation of private sector involvement suggested that private operators were in fact already sufficiently motivated to undertake investments and hence the additional catalyst of a Bank guarantee was, at least for the present, not a priority need. Aqaba was also considered as a possible site for project support, but was eventually excluded, again for two main reasons. First, it would require extensive preparatory work well beyond the timeframe acceptable to MOTA, which considered that urgent action was needed at key heritage sites whose integrity was already being compromised by inadequate on-site visitor management, environmental problems, and inappropriate local area development. Second, an Aqaba component would also require major investments in, e.g., relocating port facilities, which were considered beyond the scope of an operation of the type and scale envisaged.

15. The decision was therefore taken to focus on heritage conservation and tourism, along with associated investments designed to ensure social sustainability (see subsection

4 below). The next choice confronting the project team was whether to concentrate investment on Petra (as in the 1976 operation), or to include other sites. On the one hand, Petra is unquestionably Jordan's most important cultural tourism destination; it also has a special, and global, significance as a World Heritage Site; and urgent efforts were needed both to improve the quality and safety of road access to the site and to prevent on-site and local area degradation. All these factors might warrant a concentration of investment funds on Petra. On the other hand, it was considered that an exclusive focus on Petra could have two significant long-run disadvantages. First, such a focus would run the risk of simply intensifying the already substantial visitor pressure on the site; second, it would do nothing to support heritage conservation and cultural tourism promotion at other important sites in the country, which was considered both a way of reducing pressure on Petra and an intrinsically desirable objective of policy. Thus, if Jordan wished to preserve and promote its national cultural patrimony as a whole, and become a broadly-based cultural tourism destination with extended visitor stays, a more widely distributed set of investments covering other sites as well as Petra might be a better strategic option. A multi-site approach would also offer a more inclusive and equitable spatial distribution across the country of any positive employment and income effects.

16. In the event, the multi-site approach became the option chosen by the government and the Bank. Petra was one of the priority sites chosen. The other major site included for investment by the project was the geologically unique and archeologically and historically important Wadi Rum area, located about 50 miles to the south. Investment in Wadi Rum was not only considered intrinsically desirable--the site is one of extraordinary natural beauty, is rich in prehistoric and Nabatean archeological remains, and contains the "Seven Pillars of Hercules" made famous by T.E. Lawrence who lived there with the Howeitat Bedouin and used it as the base for an important episode in the World War I "Arab Revolt" against the Ottoman Empire, the successful seizure of the strategic then-Turkish fortress port of Aqaba. Support for Wadi Rum was also considered appropriate as a way of developing a tourist "pole of development" in the south of the country (with Petra, Wadi Rum and Aqaba as its main component areas).

17. In addition, it was decided that the project would support small priority activities and feasibility studies for more substantial subsequent investments, at two other sites of great intrinsic importance and with strong potential for cultural tourism--(i) the spectacularly well-preserved Roman city of Jerash, north of Amman, one of the cities of the Greco-Roman Decapolis and an important staging post on the overland trade route from the Indian Ocean to the West, and (ii) the historic hilltop city of Kerak, south of the capital, with its crusader castle. Both cities are within an easy drive from Amman; each could form an element of a northern and a central tourist "pole of development" respectively.

18. **3. Institutional and Administrative Issues.** Institutional capacity and coordination among the different agencies involved in the project were seen as critically important for successful implementation, and for the longer-term development program

envisaged by the design team. As noted earlier, MOTA has had limited experience in sector or project management, and has administrative but not spatial authority over important heritage and cultural tourism sites. Site visits made it clear that preservation of the surrounding environment, not just the core sites themselves, would need to be a central feature of the project --but land use planning and the power to restrict inappropriate development at and around heritage sites was under local control, either by area authorities or municipalities. At issue therefore was whether to vest project management and implementation in MOTA or the local authorities where sites were located. While there are in principle good arguments for supporting local control, it was felt in this case that local authorities' highly variable financial, technical and administrative capacity, and degree of commitment to heritage and cultural tourism, supported giving MOTA overall management authority for all project activities, but strengthened for this purpose by a specially established project-supported Project Management Unit (PMU), pending the outcome of an institutional strengthening study supported by the project (see below). Subject to MOTA/PMU managerial oversight, detailed implementation of one element of the Petra investment component, improved access roads, would be handled by the Ministry of Public Works and Housing, while all other Petra activities (again subject to MOTA/PMU oversight) would be handled by the newly created Petra Regional Council (PRC) which would take over planning authority from the three local municipalities in the immediate environs of the Petra site, and would also be supported by project technical assistance. The Wadi Rum component would be executed by the area authority within whose jurisdiction it fell, the Aqaba Regional Authority, but with again under overall management and guidance from MOTA/PMU and a specially formed Steering Committee whose membership would include local community, NGO, environmental and cultural tourism representatives. The Jerash and Kerak components would be handled by MOTA/PMU, but their respective municipalities would be strengthened as part of the implementation process.

19. An important advantage of this arrangement was that it would initially bolster MOTA's position as the strategic core authority for matters to do with cultural (and other) tourism development and project management. Over the longer term, a project-financed institutional strengthening and restructuring study will determine what institutional and administrative changes are needed to enhance the effectiveness of MOTA and other public bodies operating in the sector, and how best to coordinate their activities and their relations with other line ministries, civil society and the private sector.

20. **4. Local Socio-Economic Impact, Sustainability and Public Support.** The project team and the government were anxious to ensure that the project had a positive socio-economic impact on local populations, so as to help make it socially as well as financially and economically sustainable. To this end, the design team, working in close consultation with local communities, made plans for urban regeneration and income generation integral parts of its Petra and Wadi Rum components. At Petra, the project included urban upgrading in all three of the municipalities surrounding the main monumental area; it also included rehabilitation of part of Wadi Musa (the town

immediately adjacent to the entry to the Petra site) to create a new "souk" which would attract tourist shopping that would benefit local artisans and merchants. At Wadi Rum, in addition to a new access road and visitor center, the project will support the creation of a Women's' Handicraft Center that would produce and sell artifacts made from local materials. The existing Rum village is currently suffering from rapid and unsightly growth, which is compromising the integrity of the Wadi Rum site. The project will support conversion, at residents' request, of residential property in the existing village into income producing bed-and-breakfast establishments, restaurants and shops, and the development of a new residential village nearby. Designs will respect the traditions of local vernacular architecture and will be expected to blend pleasingly into the site. These components emerged from discussions with the Rum village council--an example of the way in which local communities were consulted in detail, and contributed to aspects of project design, so as to enhance prospects for local support and social sustainability.

21. With respect to financial sustainability, the project broke new ground, as in other design areas. Prior to the project, site visitor fees had gone directly to the Treasury. Any on-site-work needed was subject to the vagaries of local authority funding availability, with the result that, e.g., maintenance at Petra had become a serious problem--for example, it was found that the dams built under the earlier Bank project to prevent flooding had become silted up and no longer functioned. Under the project, 25 percent of the visitor entrance fee to Petra (currently approximately \$30) and 100 percent of the visitor fee for entry to Wadi Rum (which would be held constant for locals but raised substantially for foreign visitors, from its current level of approximately \$1.50 to as much as \$30 equivalent) would now be applied directly to site operations and maintenance (O & M) costs. By project completion, these retained fees are estimated to be sufficient fully to cover all O & M costs. Meanwhile the government's share of total project costs is considered easily affordable, in that the annual amounts involved for implementation represent at most about 1 percent of the annual public investment budget¹.

22. Mobilization of public support--both local and national--became an increasingly important issue during project design, because the interests of preserving the approaches

¹ With respect to project economics, cost benefit analysis of the component for upgrading the currently inadequate Petra access roads--the largest single expenditure item, representing almost 30 percent of total base costs--yielded an economic rate of return of 16-17 percent. With respect to the other components, it was determined that "cost benefit analysis is not appropriate for this project. This is because there is no *realistic* way to predict the increase in the number of tourists visiting Jordan as a result of the project ...[and] it is just as difficult to estimate the decrease in tourism...if the project is not implemented...For these reasons a cost-effectiveness methodology has been used for the economic analysis". (Project Appraisal Document, Annex 4, page 3; italics added). This suggests a possible important point of principle. In the case of uniquely important heritage sites, it may be that the appropriate approach is not so much that of determining *whether* to invest in preserving them on the basis of some notional calculation of quantified benefit flows, but rather that of determining *how* to allocate investment that is intrinsically desirable (because it preserves what is literally invaluable for the nation and the world) in the most cost-efficient manner.

to the Petra site as areas of natural beauty free from unsightly development clashed with the interests of influential investors who had bought land immediately adjacent to the entrance to the Petra Sanctuary (known as the Dara area) and along the so-called "scenic road" in the immediate vicinity of the site. Uncontrolled development had already taken place, with the completion of several new hotels and speculative purchases of land for further commercial exploitation. The government introduced a ban on new building, and a land-use plan designed to preserve the physical landscape around the Petra Sanctuary was developed with the assistance of a Japan PHRD grant as part of the project design process. Nevertheless, it became a matter of importance to raise general awareness of the need to preserve the Petra environment as a counterweight to the pressure brought to bear by commercial interests with a stake in its development, and to counter erroneous conceptions about the nature and purpose of the operation¹. To this end, the government mobilized support from NGOs, organized television programs describing Petra's importance and project progress, and held press conferences and question and answer sessions in order to keep the public informed about the issues. While the public hearings on the land use plan for the Petra environs was stormy, the government's position on conservation-sensitive development prevailed--at least partly thanks to the decision to introduce an unprecedented degree of transparency into the process².

23. **5. Multifaceted Approach.** The preceding paragraphs have highlighted the ways in which resolution of core policy and operational issues led to a complex and multifaceted project preparation process and operational design. What follows consolidates the discussion so far, by briefly summarizing the range of activities supported by the project in its final form.

(i) Petra

- core site enhancement at the Petra Sanctuary (amelioration of site degradation owing to unmanaged tourist flows, and enhancement of visitor appreciation for the site, through improvement of visitor flow patterns and creation of formal paths and trails and landscaping; site presentation enhancement through proper signage, explanatory panels identifying monuments, and site

¹ For example, the project files reveal that a perception had arisen that "the [World] Bank wants to buy the land so that it can be sold to foreign investors" (minutes of meeting with H.E the Minister of Tourism, June 4, 1997).

² At the time of writing, however, the issue of the final disposition of the Dara land immediately adjacent to the Sanctuary has not been finally resolved. While strict limits were placed on any commercial development, it remains uncertain what the private owners of the land will do. One option is for them to form a holding company that would promote the very limited development agreed under the project; another is the innovative idea of ensuring the inviolability and integrity of the Dara area by having the government seek support from a facility operated by the government of Germany--a "debt for nature swap", whereby the latter forgives debt in an equivalent amount to the cost to the Jordanian government of purchasing the land and preserving it.

management and guide training; and upgrading of the visitor center and on-site amenities);

- access road rehabilitation (about 60 km.) and creation of scenic overviews;
- environmental protection and management around the Petra site (reforestation, Wadi valley terrace regeneration, flood control management, solid waste management);
- local municipality infrastructure upgrading (urban spine roads, traffic management and parking, enhancement of Wadi Musa town center, street layout of tourist arrival area, street lighting and landscaping); and
- Petra Regional Council capacity building (to enforce land use plans and environmental protection; implement urban development projects; and promote cultural tourism).

(ii) Wadi Rum

- infrastructure development, including creation of a new scenic access road and visitor center, upgrading and use conversion (as sought by locals) of structures at Rum Village, along with infrastructure for a new near-by residential area;
- creation of income generating activities, including a Women's' Handicraft Center; and
- protected area conservation and management, including visitor management services;

(iii) Jerash and Kerak Pilot Program

- feasibility studies of cultural heritage conservation activities, cultural tourism projects, and urban regeneration investments; and
- implementation of one pilot project at each site for priority cultural heritage conservation and tourism promotion.

(iv) Sector Development Support

- project management services; and
- technical assistance to MOTA for (a) development of a long-term development strategy for the tourist sector as a whole, including cultural heritage tourism, together with an associated prioritized investment program (which would include heritage site preservation and culturally sensitive development); (b) preparation of a restructuring plan for public bodies operating in the sector, including ways to improve coordination with other ministries and the private sector; (c) a study of policy and regulatory issues, to identify and ameliorate obstacles to greater public-private collaboration, including opportunities for streamlining regulatory procedures and deregulation.

24. A detailed listing of all project components and their costs is provided for reference at Annex A.

D. Lessons from the Jordan project design experience

25. In a real and fundamental sense, every project is *sui generis*, presenting its own complex problems and exciting opportunities. Experience has shown the inappropriateness of the “cookie cutter” approach to project design, whereby solutions developed in one unique set of country circumstances are grafted piecemeal onto an operation in another country with its own, different challenges. Nevertheless the groundbreaking Jordan case, with its strongly innovative approach in many design areas, can provide a number of general lessons for practitioners in the relatively new field of cultural heritage preservation and cultural tourism promotion--lessons that may be helpful in building Bank institutional capacity and best practice guidelines for future operations.

26. The following broad conclusions would seem to flow from the analysis in the preceding pages.

27. *First*, it is desirable in principle that host countries have well designed strategies, regulations, action plans and investment programs for heritage preservation and tourism (including cultural tourism) promotion, and that the Bank undertake substantial (and wide-ranging, to cover the multi-sectoral nature of effective strategies and specific interventions to support them) analytical sector work as the basis for designing investment operations. In practice, however, country strategies and plans will often not be in place, and the need for action may make extensive sector work impossible within the timeframe for project preparation. This leads to the conclusion that there may be a strong case for undertaking free-standing sector work on heritage and heritage tourism well ahead of any specific project request, on the lines of the Environmental and Private Sector Assessments already commonly carried out in collaboration with member countries.¹

28. *Second*, as the Jordan project has shown, if country plans and Bank sector work are not in place, an initial operation can usefully adopt a three-pronged approach, combining support for long-term strategy development and associated activities, immediate investment in a small number of priority areas, and preparatory work on possible future investments--all envisaged within the long timeframe necessary for the development of a soundly based heritage conservation and tourism sector program.

¹ The former may include some treatment of heritage and the latter some treatment of tourism. The argument for free-standing sector work rests on the proposition that, at least for countries with an important heritage endowment and a currently or potentially important heritage tourism sector, a far more focused, detailed and integrated treatment, that takes full account of the sector's special and multifaceted nature and needs (intrinsic, economic, socio-cultural), is required than is currently available in other Bank work.

29. *Third*, projects of this kind are extremely complex. The leader of the Jordan project design team, one of the Bank's most experienced Task Managers, repeatedly noted in interviews that this had been the most complicated and difficult operation with which she had been associated, owing to the unusually wide range of activities that needed to be designed into it, the unusually large number of different (and sometimes contending) constituencies and interest groups involved compared to operations in more traditional sectors, and the need to deal with often taxing legal and administrative issues at several levels of government.

30. *Fourth*, and elaborating on the previous point, it is essential to recognize that projects of this kind cannot simply be confined to preservation of important monuments. For example, ensuring that the physical landscape around heritage sites is conducive to positive visitor experience is of critical importance, as are on-site and near-site environmental management and infrastructure, including appropriately designed access roads. These factors bring in the thorny issue of land use planning with which the Jordan project had to grapple, and the need to build broad-based local support for limiting unrestricted local area development.

31. *Fifth*, building support involves mobilizing civil society, notably including NGOs, and seeking the views of specialized international institutions, such as UNESCO in the Jordan case. But most critically it involves securing local grassroots support--which means building into the project components that will give local communities the sense that they will gain from it, rather than the feeling that it is an enclave operation for the benefit of rich foreigners and remote from (or even injurious to) community economic interests and socio-cultural concerns. In projects involving all but the most isolated sites, this points to making components such as income generation, urban regeneration (including both infrastructure and services), and environmental improvements (i.e., flood control or reforestation) where needed, integral parts of an operation. (Another, long term, way of building support for heritage generally, and hence for responsible cultural tourism, national as well as foreign, is heritage education for schoolchildren, and for interested adults. People are often not aware of the heritage that surrounds them; educating them about its nature and significance both fosters pride in their nation's cultural legacy and helps to create a supportive constituency for its preservation.)

32. *Sixth*, detailed knowledge of and close and amicable working relationships with a wide network of local counterparts across the range of constituencies involved in multi-sectoral operations of this kind, and at both the local and national levels, are greatly helpful if not essential. In making this point, the design team TM said that having worked with Jordanian counterparts in many sectors for over a decade turned out to be a crucially important asset at critical points in the design process.

33. *Seventh*, existing institutional arrangements will frequently be inadequate or inappropriate. Hence an important design element of projects of this type will be institutional strengthening--perhaps initially on an *ad hoc* basis for execution of specific

project tasks, but more fundamentally within in a systematic long-term framework. The Jordan project is an example of both approaches, with the combination of a project-specific PMU and technical assistance for long term strengthening of MOTA and PRC.

34. *Eighth*, tourism, including cultural tourism, is essentially a private sector activity, and the private sector should be free to take the lead in developing it. But, as the Jordan project illustrates, the public sector also has a role to play in providing an appropriate enabling environment for private initiative, and in undertaking specific investments in areas where market failure or externalities make it unlikely that private investors will have the motivation to participate. Nevertheless, creative opportunities exist for involving the private sector, not just in traditional areas such as visitor accommodation and transport, but also in heritage site conservation. Heritage is widely perceived as a worthy cause; it should not be impossible to persuade public spirited private institutions to “adopt a site” and participate in the costs associated with preserving it or enhancing its presentation to visitors.

35. *Ninth*, and related to the previous point, existing public financial provision for heritage conservation is almost always over-stretched and inadequate. The approach adopted by the Jordan project of earmarking visitor fees for site O & M (and differential charging for foreigners and locals) is a helpful way to handle this aspect of the financing problem, but where there is a large need for expenditure on built heritage and site preservation and presentation, it will be important to address the issue of securing new revenue sources. These need not necessarily need to come entirely from tax revenues; lotteries, for example, are used in some countries and might be an option in others where there are no legal or socio-cultural barriers to their introduction.

36. *Tenth*, there is an inevitable tension between heritage preservation and tourism expansion--even in the case of high end cultural tourism. There is always a danger that tourism will degrade the value and beauty of the very things that tourists come to visit. In projects of this kind, it is critical to balance the requirements of ensuring the integrity of a heritage site for posterity and its accessibility and availability to visitors. This argues for the need to pay special attention to well designed site and visitor management regimes at the center of any project, and to securing culturally sensitive development of the environs of heritage sites. It also argues for ensuring that the objective of maximizing revenues from a nation’s cultural heritage be tempered by awareness of the real and potentially irretrievable risks associated with undue pressure on unique and often fragile sites.

E. Conclusion

37. The Jordan Tourism II project, was rated as a “best practice” operation for quality at entry by the Bank’s Quality Assurance Group. Its design demonstrates that it is possible to develop, from a very limited initial knowledge base and with little in the way of prior in-country strategic planning, an operation that simultaneously conserves priceless heritage sites, enhances visitor access to and appreciation of them, limits

injurious local area development, and provides socio-economic gains to local populations in terms of urban regeneration and new income earning opportunities. The project will also lay the foundations for a long-term strategy and essential institutional strengthening for heritage preservation and cultural tourism in Jordan. It offers valuable lessons for the design and implementation of operations of a similar type elsewhere.

From Concept to Reality:

Lessons Learned From Designing and Preparing the Fez, Morocco Cultural Heritage Project

The history of preparing, redesigning and refining the Fez Rehabilitation Project provides a detailed map and treasure trove of lessons-learned for those engaged in renewing urban areas with important historic structures and cultural fabric. A concern with heritage conservation requires particular attention to the place and value of patrimony assets within the context of contemporary life. The evolution of the Fez project demonstrates why and how a basic urban infrastructure plan evolved to focus primarily on preserving the city's historic character, on poverty reduction and on meeting basic needs of the local community.

INTRODUCTION

1. The Fez-Medina is world-renown as an Islamic city of exceptional cultural, historic, spiritual and architectural significance. Its designation as a World Heritage Site in accordance with an international convention administered by UNESCO attests to the global consensus regarding its importance. The historical and architectural character of this medieval city, comprising Fez al-Bali (or old Fez) and Fez J'did (new Fez) includes outstanding individual edifices embedded in a dense ensemble of domestic and commercial structures built according to the medieval Islamic urban settlement pattern.
2. Given the recognized value and international attention focused on Fez, it is not surprising that the rapid deterioration of the Medina's infrastructure and loss of economic viability have caused alarm in heritage conservation circles as well as among development institutions concerned with the contagion of urban decay. Charged with developing a rehabilitation plan, the World Bank, with its Moroccan and international partners, conducted a series of comprehensive socio-economic, environmental, cost recovery and valuation analyses in preparation for a World Bank-financed project.

A PIONEERING PROJECT

3. Development, negotiation and approval of the Fez Rehabilitation Project spanned more than four years, from mid-1993 through 1997. The project's lengthy inception was a time of discovery for all involved, including staff and consultants of the World Bank, national and local government officials in Morocco, cultural heritage conservation practitioners, inhabitants of the Medina, and even people living far from the site, who were asked to consider its value. The period of development included discoveries leading to important changes in perceptions of circumstances, values, priorities, and suitable implementation agents, resulting in significant alterations to the project concept, objectives and methods. Thus, the project took several sharp turns, evolving from one heavily oriented to traditional World Bank physical infrastructure activities, to a novel cultural

This case study was prepared by Arlene K. Fleming, Cultural Resource Specialist, The World Bank.

heritage conservation and development undertaking, incorporating the social and economic needs of the inhabitants and businessmen who live and work in the Medinas of Fez-al-Bali and Fez J'did.

4. The range of tools used to probe for understanding and to structure the project included the standard Bank methodologies for economic and cost-recovery analysis and environmental assessment. Added to these, the newer Participatory Evaluation and Social Assessment produced pivotal information for reshaping the project to better reflect needs expressed by the Fez-Medina inhabitants. A survey using the geographic information system (GIS), provided detailed documentation on the condition of structures in the Medina, providing a comprehensive picture and enabling priority-setting for restoration work. In recognition of the need to augment the standard economic analysis with non-monetary valuation, the project preparation included path-breaking investigations to establish the perceived value of the Fez-Medina, both within and outside of Morocco. Specific conditions and requirements for rehabilitating the Fez-Medina led to financing arrangements tailored to the task, with lending to both the national government and the municipality, and assignment of a technically-competent non-governmental organization (NGO) as the project implementing agent.

5. Thus the plan developed through an intricate process, moving from initial conceptions, through observation and investigation to consider local inhabitants' conditions and views. The slow path followed in shaping the Fez project was one of discovery, with realizations triggering studies ad seriatim. Similar projects now may be prepared more expeditiously with guidance provided by experience in developing the Fez Rehabilitation Project.

6. As the project preparation progressed, planners emphasized different issues, depending on the level of their awareness and understanding. Basic concerns were:

- How to resolve the high population density in the Medina;
- How to make the maze of narrow passageways more accessible for emergency vehicles, for sanitation and for commerce, including tourism;
- How to assess the importance of tourism and other key cost-recovery sources;
- How to empower Medina residents, both tenants and landlords, as key consultative agents;
- What incentives to offer stakeholders for the restoration and economic upgrading of selected dwellings;
- How to generate labor-intensive employment, including opportunities for the poor, in demolition, construction and solid waste removal; and
- How to mobilize public and private funding for the conservation of historic structures.

HISTORIC AND CULTURAL SIGNIFICANCE OF THE FEZ MEDINA

Although Morocco's third largest city, ranking below the economic power of Casablanca and the administrative importance of Rabat, Fez remains the cultural, intellectual and spiritual jewel in the Kingdom's crown, as well as the birth place of many contemporary prominent social and political leaders. The densely populated historic city, with its pronounced medieval character, houses approximately 181,000 inhabitants in the two sectors of Fez al-Bali and Fez J'did. Fez gained importance early in the 9th century after the decline of the Romano/Berber city state of Volubilis and the establishment by Idriss II of an Arabic capital at the site. Later in the century, the first of several waves of refugees from Andalusia (southern Spain) brought with them a well-mastered tradition of Islamic architecture, religious scholarship and handicrafts, particularly those of brass, ceramics and leather. The foundations of the famous Karaouiyine and Andalusian mosques were laid during this early period.

The rulers of the Merinid Dynasty (1242-1428) accomplished numerous renovation and building projects, assuring the cultural importance of Fez throughout the region. The rulers of the Alaouite dynasty, beginning in the late 17th century, engaged in major religious and royal public works projects, and the 18th and 19th centuries saw the establishment of many of today's commercial and residential enclaves.

If a single event can account for the current state of deterioration in the Fez-Medina and the decline in related public restoration activities, it was the establishment of the Ville Nouvelle during the French Protectorate (1912-1956). The modern housing in this district on the plains above Fez J'did siphoned off many of the old Medina's more affluent Muslims and Jews, thus leaving the once well-maintained homes to fate, which included conversion into small units to accommodate an influx of poor from the surrounding countryside.

Even in its dilapidated and forbidding state, the Fez Medina is evocative, fascinating and memorable, attracting approximately 170,000 tourists annually, or 10 percent of all foreign visitors to Morocco. Therefore, implicit in the cultural heritage protection project is the assumption that restoration and improved accessibility will not only enhance the quality of life for residents, but with proactive cultural tourism promotion, also would increase the number and duration of tourist visits, providing tangible economic benefits.

7. The project builds on planning by the Government of Morocco (GoM) and its collaborators since the mid 1970's, and is designed to strengthen various NGO, technical assistance and municipal entities to assure coordination in the short term and cost recovery in the long. It will be important to test the project assumptions regarding cost recovery as a result of upgrading a small number of dwelling units -- some 250 -- while enhancing tourist facilities and providing visitor-friendly accessibility, all proposed to increase revenue and stimulate economic growth.

8. Public investment in the project is an estimated DH 240 million, with lending from the World Bank in the amount of US\$ 14.0 million. Other funding sources are needed to facilitate relocation of polluting industries, for rehabilitation of designated monuments, and for pilot projects.

INTERVENTIONS PRIOR TO WORLD BANK INVOLVEMENT

9. Shortly after UNESCO designated Fez al-Bali a World Heritage Site, in 1976, and appealed for rehabilitation support, the GoM acknowledged this honor through a Royal Letter in July 1980, referencing its own mid-1970's master plan for the city. The GoM, in 1981, established the Delegation pour la Sauvegarde de Ville de Fez (DSVF) and charged it with developing a strategy to

improve living conditions in the Medina. In 1985, the DSVF produced a detailed analysis of the Medina's degradation as well as a socio-economic survey of 2,000 households.

10. In a further positive step, during 1989, the GoM created a quasi-governmental institution, the Agence pour la Densification et la Rehabilitation de la Medina de Fez (ADER-FES), reporting to the Ministry of the Interior, and responsible for developing a comprehensive strategy as well as coordinating both interim and medium-term interventions. In addition to the GoM's Ministry of Cultural Affairs, ADER-FES, and to a lesser extent, the municipalities of Fez al-Bali and Fez J'did, would play an essential role not only for policy and administration, but as conduits for external and local project financing.

11. The conceptual roots of the World Bank-financed Fez Rehabilitation Project, as defined today, were in the establishment of ADER-FES, through whom a UNDP-financed pre-feasibility study was conducted in 1992. The French firm Groupe Huit participated in the study, UNESCO had a consultative role, and the advisory body included representation from the World Bank. Recommendations of this study included environmental upgrading, relocation of polluting industries, renovation of selected housing stock, improvement of vehicular access, and preservation of cultural heritage sites.

DEVELOPMENT OF A BANK-FINANCED PROJECT

12. In the spring of 1993, the King of Morocco requested a World Bank loan for upgrading infrastructure and rehabilitating historic structures in the Fez-Medina. The three other Imperial Cities of Morocco -- Rabat, Meknes and Marrakech -- also were to be considered for inclusion in an undertaking that would emphasize access roads for security and historic conservation with the goal of increasing tourism. The Bank, with 25 years of experience in Morocco on major infrastructure and urban development projects, thus began a constructive dialogue with the GoM on policy formation and practical steps for cultural heritage conservation in the context of urban renewal.

13. The Bank's reconnaissance mission, in May 1993, investigated these possibilities under the rubric of an urban environment project, postulating that infrastructure upgrading, including water, sewerage and electricity, as well as access road construction and relocation of polluting industries, could be included in the on-going Bank-financed Water Project V, while funding for historic rehabilitation would be secured from donors.

KEY EVENTS AND DATES DURING PROJECT PREPARATION

Pre-feasibility Study (UNDP)	October 1992
<i>Moroccan Parliamentary Elections</i>	June 25, 1993
RECONNAISSANCE MISSION	June 30, 1993
Briefing Memo to World Bank RVP/MNA	January 14, 1994
IDENTIFICATION MISSION	March 28-April 9, 1994
IEPS Meeting	June 6, 1994
PHRD Grant I (Feasibility Studies)	September 1994
PREPARATION MISSION I	October 28, 1994
Letter to Minister of Interior on ADER-FES institutional issues	October 1994
FIAHS Social Assessment	December 12, 1994
Participatory Survey Report	April 1995
Letters UNESCO (Mayor)-Bank (RVPs)	August/October 1995
Poverty Survey in Fez	November 1995-July 1996
World Bank President's visit to Fez	March 19, 1996
Decision to include Fez J'did (poverty)	March 1996
PREPARATION MISSION II	June 25, 1996
PHRD Grant II (Design Studies/Fez J'did)	September 16, 1996
Pre-appraisal Decision Meeting	March 5, 1997
APPRAISAL MISSION	April 17, 1997
<i>Moroccan Election; New Municipal Council</i>	June 13, 1997
Loan Package for Negotiations	July 9, 1997
Invitation to Negotiate	July 16, 1997
Quality Assistance Group (QAG) Review	October 1997
LOAN NEGOTIATIONS in Washington	November 28, 1997
Fez Governor's Letter on ADER-FES Financial Status (Blocking project)	January 22, 1998
ADER-FES Up-dated Financial Audit	January 22-26, 1998
MISSION (management issues)	February 2-3, 1998
MISSION (management issues)	May 28, 1998
LOAN APPROVAL BY BANK BOARD	October 1998
AGREEMENTS SIGNED by Morocco	December 1998
EFFECTIVENESS Conditions Met	September 1, 1999

14. In January 1994, responding to a briefing memorandum on the findings of the reconnaissance mission, the Bank's Vice President for the Middle East and North Africa (RVP/MNA) authorized preparation of a separate project. The proposed Bank loan was to finance infrastructure costs, including access roads in the Medina and housing rehabilitation, as well as environmental upgrading through transfer of polluting craft industries, such as leather tanning and brass working, to locations outside the Medina. Heritage conservation, institutional capacity building and coordination for maintenance of the historic city were to be achieved with donor funding leveraged by the World Bank's participation. The project would be a "pilot" in Fez, for possible replication in other Moroccan Medinas. It would build on previous Bank experience with strengthening local institutional capacity in the Hafsia rehabilitation program in the Tunis Medina,

and on the AGETIP/AGETUR approaches pioneered in Africa, where implementation of urban infrastructure rehabilitation projects was accomplished through an NGO.

15. Three months later, the project identification mission highlighted poverty in the Medina as a significant issue. Although the project was still conceived in environment and infrastructure terms, a recognized need for substantial project preparation resulted in the decision to seek funds from the Japanese Policy and Human Resources Development Fund (PHRD) to enable studies, including: an environmental impact assessment (to be undertaken by the Harvard Graduate School of Design, Unit for Housing and Urbanization); an institutional audit of the historic conservation agency, ADER-FES; a more detailed plan for infrastructure development (an elaboration of major road access recommended by Groupe Huit, the French firm involved in the 1992 pre-feasibility study); and cultural heritage conservation training. Mission members met with the Wali of Fez and other local government officials, as well as with the staff of ADER-FES. At this point, proposed project financing included US\$50 million from the Bank; \$40 from the Government of Morocco; and \$80 from co-financing; for a total of \$170 million.

16. An Initial Executive Project Summary (IEPS) meeting in June 1994, reflecting the identification mission's careful observation in the Fez-Medina, added poverty alleviation to infrastructure and environment as a major objective for the World Bank. Population density, poverty and the deteriorated environment were seen as interrelated components in a complex urban setting. But although these socio-economic factors were acknowledged, they remained relegated to external public and private donors, perhaps through a social foundation to be managed by an NGO.

17. There was to be a donor conference in the spring of 1995. In an effort to harmonize requirements of historic conservation with needs and aspirations of Medina inhabitants, stakeholder meetings would be convened. Project coordination was to be accomplished with local control involving the Governor of the Fez-Medina in cooperation with the Wali. Project administration and monitoring would be the responsibility of a Steering Committee chaired by the Governor of Fez-Medina with representation by a host of organizations including: the Regional Environmental Council; the municipality of the Medina; the water and sewerage regional agency (RADEEF); the Social Foundation; and, depending on results of an institutional audit, ADER-FES. The project also would involve the Urban Agency of Fez; regional or national public developers; the Habous (the Islamic endowment, a significant property owner in Fez); and Fez-Sais. The Fonds d'Equipement Communal (FEC) would supervise all lending operations to the municipality. Slight adjustments in the financing proposal reflected some movement toward local control: US\$50 million from the World Bank; \$20 million from the GoM; \$7 million from the municipality of Fez; \$4 million from developers; and \$30 million from co-financing.

18. The first project preparation mission took place in October 1994. In conjunction with the revised Moroccan Fez-Medina Urban Master Plan, the Bank-financed project components would be simplified and their cost reduced. Coordination with other Bank pipeline projects was deemed crucial for optimal resource mobilization: especially the Second Sewerage and Water Reuse, Social Housing, Second Environment Protection and Second Municipal Finance projects. The strategy would remain one of poverty alleviation (since 20 percent of the Medina's population is in absolute poverty and about 35 percent among the relatively poor), together with environmental

improvement and heritage conservation. Project components were identified as: Improvement of the urban environment; Rehabilitation of urban infrastructure, Community facilities and heritage; and Institutional development and capacity building.

19. An institutional audit of ADER-FES conducted by the Bank reflected a determination to strengthen this local technical quasi-governmental agency by improving its financial base and management practices. On this point there was agreement between the GoM Minister of Finance and the Bank project team. While ADER-FES had technical competence in cultural heritage conservation, it had suffered during the previous decade from limited resources, enabling little more than emergency repairs and demolition of seriously impacted structures. With modest tangible accomplishment, and with the authenticity of its historic preservation under some criticism, the credibility of ADER-FES was questioned by Moroccan authorities and international experts alike. Past support from the GoM, mainly through land grants rather than cash infusions, had not sufficed to put ADER-FES on a firm financial footing.

20. Compounding the fragile resource base of ADER-FES, is the weakness of the Fez al-Bali and Fez J'did municipalities for tax and fee collection, two essential components of cost recovery for the project. The Bank audit recommended strengthening the financial position and management ability of ADER-FES, a process that began immediately following the audit, and involved pressuring ADER's parent institution, the Ministry of the Interior for support. As a result, the GoM granted some land to ADER-FES for resale. Other positive developments during project preparation included:

- Incorporation of a comprehensive geographic information system (GIS) data base into the project planning process as initiated by ADER-FES and expanded with technical assistance from the Harvard University Graduate School of Design, Unit for Housing and Urbanization, funded by the PHRD grant from the Government of Japan;
- Creation of a project management system; and
- Improved fiscal controls for sub-project management and fee recovery for services, using the World Bank's COSTAB system.

21. A restructured ADER-FES also was intended to ensure local participation in the historic rehabilitation of the Medina. To this end, a new approach to project preparation, including a social assessment, was launched during the first preparation mission in October 1994. Moroccan experts implemented the assessment with financial support from the Bank's Fund for Innovative Approaches in Human and Social Development (FIAHS).

22. The Groupe Huit plan had called for a traditional large scale infrastructure approach, including large new roads through crowded areas for emergency and commercial vehicular traffic, as well as for a number of auxiliary feeder routes, together with traffic circles, and various new parking facilities. A number of buildings were to be demolished, resulting in the largely involuntary relocation of some 600 households, or 300 dwellings.

23. During the IEPS Review at the Bank in June 1994, there had been some concern regarding the extensive road networks and major demolition proposed in the plan. Then, in August 1995, the

Director-General of UNESCO, acting as administrator of the 1972 *Convention Concerning the Protection of the World Cultural and Natural Heritage*, under which Fez is inscribed as a World Heritage Site, raised strenuous objections to this radical proposal. An exchange of letters between UNESCO and Bank officials resulted in an agreement to abandon the ambitious and intrusive infrastructure plan in favor of historically-sensitive selective rehabilitation and smaller-scale widening of roads and passageways in the Fez-Medina. Consequently, the scope of the resettlement was greatly reduced to some 190 households. The rehabilitation of structures could be carried out by ADER-FES, as the principal implementing agency for the project, and participation by Groupe Huit in this project was terminated.

24. This development, and the realization that the project could and should focus on urban poverty alleviation, environmental improvement and heritage conservation, represented a major turning point, wherein the traditional World Bank urban renewal approach gave ground to a more comprehensive, socio-economic perspective.

25. Thus, at an early stage in project preparation, it became apparent that:

- Protection accorded to World Heritage Sites is enforceable, with help from UNESCO and other interested parties;
- Community opinion is important and needs to be probed and respected starting with the early stages of project definition; and, as a corollary,
- The infrastructure and engineering approach must be infused with a social and conservation perspective.

26. Fez-Medina stakeholders, including tenants, landlords, artisans and other businessmen provided their views and guidance through the Participatory Evaluation and Social Assessment, which was completed in April 1995. The investigation dealt with three sectors: housing, cultural heritage and business, gathering information through a series of workshops, augmented by survey interviews and research observations.

27. Guidelines for accomplishing cultural heritage conservation in the context of the Fez-Medina emerged from the detailed findings of the social assessment.

- Formal mechanisms are needed for community participation in decision making;
- Concerted public education is essential to emphasize the relationship between historic conservation and general economic and social well-being of the community; and
- Historic structure conservation should be strategically and carefully balanced with other aspects of urban renewal and the improvement of basic services.

28. Respondents in the Fez-Medina indicated their support for restoration of historic properties, but only if accompanied by public sector action to alleviate the problems of poverty and a deteriorating environment. Their clear message was the need for a holistic approach, including improved basic services. To address the problem of crowding in the Medina, residents supported limited voluntary resettlement within the area.

29. Responses of Medina residents indicate three general imperatives relating to housing renovation and investment.

- Attention should be directed to rehabilitating structures most directly related to daily activity of the community, not only to monuments of historic significance;
- Government commitment to conservation and urban renewal projects must be demonstrated by action; and
- For citizen participation in historic structure renovation, clear standards, guidelines and financial incentives must be promulgated and understood.

30. The assessment brought to light an intense concern with poverty in Fez al-Bali, and revealed even more desperate conditions in neighboring Fez J'did, with 34,000 inhabitants, and over 48 percent of households living below the poverty line. In March 1996, Fez J'did became part of the project, and there was a decision to conduct an in-depth poverty assessment and architectural study to be funded by a second phase of the Japanese PHRD grant and carried out by a team from Harvard University Graduate School of Design under contract with ADER-FES.

31. Analysis of the complex relationship between the poor and historic neighborhood decay in Fez produced several pointers for project design in such urban areas.

- The issue of affordable, upgraded housing, whether within the urban core or without, needs to be resolved early in project conception;
- Issues of neighborhood gentrification and reversal of middle class flight should be addressed in the context of resolving the above;
- Feasible incentives for renovation of substandard housing by tenants must be preceded by resolution of policies and regulations on tenure with cooperation and active involvement of absentee building owners; and
- Restoration of historic sites contiguous to poor neighborhoods will be a risky investment unless the neighborhood itself undergoes physical and social change.

32. A visit to Morocco by World Bank president James D. Wolfensohn in March 1996 included a tour of Fez al-Bali. The visits and meetings with the local population and authorities highlighted the cultural and economic contexts of the project. It also emphasized the Bank's growing interest in cultural heritage conservation as a contribution to the fundamental objectives of poverty alleviation, environmental protection, social and economic development.

33. At this time, the Fez-Medina project involved a smaller Bank loan -- reduced from the original US\$50 million to 25 or 30 million -- with an estimated multiplier effect on private investments of 1.5 or 2 times the loan amount. The borrower would be the GoM, with potential Fez-Medina municipality participation. Four project components would each have a poverty alleviation strategy, to be implemented through a labor-intensive works program. The components were: Improvement of access roads; Rehabilitation of housing stock (including resettlement of some 120 families); Environmental improvement; and Technical assistance directed toward both poverty alleviation and the management of ADER-FES. A round table of donors, projected for late 1996, would solicit support for the poverty alleviation and historic restoration facets of the project.

34. A pre-appraisal mission in June 1996 reaffirmed the project objectives, reducing the resettlement to about 29 families through re-design of streets and passageways in the Medina. The project was then re-classified as "Category B" under the Bank's environmental assessment regime. Poverty alleviation would be accomplished through labor-intensive investment, linked with the rehabilitation program and augmented by proposed training and micro-credit components. A diplomatic intervention by the Bank sought to address complaints from the Moroccan Ministry of Culture to UNESCO regarding the independent nature and lack of consultation by ADER-FES. The Bank invited UNESCO to participate in the forthcoming project appraisal mission.

35. Both the social and environmental assessments undertaken during project preparation revealed that environmental degradation in the Medina is a prime concern of inhabitants, the business community and tourists alike. Debris from fallen buildings, inadequate water and sewerage systems and poor solid waste management are major causes of deterioration. In addition, highly noxious traditional craft industries seriously pollute the Medina's fragile environment. The environmental assessment endorsed the removal of these polluting industries to a new complex at Ain Nokbi, outside the Medina. This move, already underway with support by the Government of Sweden, is being carried out independently of the Bank-financed project.

36. General observations regarding the Fez-Medina provide important lessons for other similarly dense urban environments.

- Poorly situated, polluting industries, while a source of inner city employment, contribute to the overall environmental deterioration, and eventually to depressed economic value. In the case of a city with important historic sites, a loss of revenue from tourism results;
- Desirable businesses and light manufacturing in over-crowded urban districts can be relocated to neighborhoods with improved access and traffic flow, thus increasing their profitability; and
- Through careful planning and consultation with residents, disruption of the cultural fabric and commercial activity can be minimized.

37. In preparation for project appraisal, a decision review meeting at the Bank in March 1997 cited conservation and rehabilitation of historic Fez as the main objective of the project. This would be accomplished by empowering the population and institutions, and by accentuating the cultural value of the city both nationally and internationally. In a move to simplify the project, a proposed micro-credit activity would be transferred to another project under preparation for Morocco; and the poverty alleviation and environmental components would be combined. It was determined that the difficult national issue of rent control in Morocco should not be directly addressed by the project, but that discussions with officials on possible means of mitigating adverse effects on project performance could be undertaken.

38. The economics of housing maintenance and real estate present serious dilemmas in Morocco. As part of the project preparation, Harvard University's School of Design for Housing and Urbanization collaborated with ADER-FES on a detailed analysis addressing the financial

impact of the project on property values, municipality revenue generation and affordability of upgraded housing. In addition, an innovative study on potential cost recovery through tourism commissioned during project preparation pursued the subject of contingent valuation.

39. In theory, the improvements in vehicular access and services, as well as the stimulus of private and public sector renovation proposed by the Bank-financed project in Fez should raise property values, augmenting the tax base and the capacity to service external debt. But unless regulations encourage renovation, and taxes are systematically collected, these advantages will not be realized. The tax base in Fez is depressed due to several factors, including the Habous trust, complex inheritance laws, and long-term leases that discourage tenant turn-over and rent increases. Similar problems with upgrading urban neighborhoods inhabited by the poor exist world-wide.

40. Implications for urban planners and project managers from the comprehensive analysis of Fez, and the economic dynamics to be triggered by a complex renewal scheme are clear.

- Tax and fee collection policies and procedures need to be strengthened, where appropriate, before funds are dispersed to municipal governments directly responsible for project execution;
- Out-dated inheritance laws, and expensive lease buy-back schemes, as well as centralized government control, can work to slow the pace of project implementation;
- The issue of subsidizing or relocating poor residents in targeted renewal districts should be confronted as early as possible in the implementation phase so as to minimize community and international backlash; and
- As noted elsewhere, tangible and visible public sector action to improve the physical infrastructure, to upgrade basic services and to simplify regulatory processes, are needed to assure local investors that building renovation will be a cost-effective enterprise.

41. Cultural tourism is an important factor in the economy of the Fez-Medina, and financial returns to the community from hotel and service revenues, as well as from handicrafts, are substantial. Studies for the project indicate that the revenues from tourists who visit Fez could be substantially increased through taxes on hotel stays alone, given the expressed willingness to pay by a vast majority of visitors. If even a portion of such revenues were applied to conservation and maintenance in the Medina, the results could be appreciable.

42. Initial findings regarding the willingness of tourists to support conservation of the Fez-Medina, are clearly a cue to pursue the possibilities and the mechanics for garnering such needed resources. Even more intriguing is the indication that individuals who have not traveled to Fez, and may never do so, are inclined to value and support its continued existence.

43. The Project Appraisal Document, dated July 1997, reflected the evolution of the Fez-Medina project to emphasize cultural heritage conservation and poverty alleviation, with attention to improvements in urban infrastructure and environment. This document reflects three major changes. First, resettlement of households in the Medina is dropped from the project: a significant departure from earlier plans that were driven by concerns of the GoM and urban planners regarding

densification. Secondly, the Bank loan is diminished to US\$15.5 million, to be provided in two separate Loan Agreements (the GoM to receive \$8 million and the municipality of Fez-Medina, \$7.5 million), within one Project Agreement. Fez J'did, which has inadequate borrowing capacity, will nevertheless participate fully in the project under a grant to be secured by the GoM. The reduced loan amount reflects a shift toward participation by the private sector, through which such infrastructure improvements as parking facilities are expected to be realized. Finally, ADER-FES will execute the project on behalf of the GoM and the municipalities under a flexible disbursement procedure. Coordination at the local level will be facilitated through a policy committee chaired by the Wali, and a technical committee chaired by the Governor of Fez Medina.

44. Negotiations between the Bank and the GoM took place in November 1997, for a loan reduced further to US\$14 million. A month before, the Bank's Quality Assurance Group (QAG) selected the Fez Rehabilitation Project for review by a panel consisting of two Bank staff and three specialist consultants. Following the established QAG format, the panel assessed project components, reviewed documents, met with members of the project team, with peer reviewers, Bank managers, the former Minister of Finance and Foreign Investments of Morocco and the Director of the Harvard University Graduate School of Design.

45. As a small but complex and innovative initiative, the Fez project was deemed fully satisfactory by the QAG panel who commended it for several strengths, including:

- Innovations such as the contingent valuation methodology for cultural heritage; the comprehensive participatory household survey; encouragement of citizen participation; mechanisms for mobilizing household savings for rehabilitation; search for private sector and foreign aid participation; and creation of new tools and strategies for analysis in cultural heritage projects.

46. The panel also noted areas for improvement.

- The protracted and costly preparation process; in hindsight, it was seen to include elements that could be included in the project, had appraisal taken place earlier. However, preparation costs could be amortized if the experience and methods are applied in other undertakings, within and outside of Morocco;
- A need for sharper performance indicators that relate clearly to project objectives, especially in the poverty alleviation component; and
- An understandable, but unfortunate, tendency of urban Bank projects to avoid the resettlement option, given difficulties imposed by current regulations.

47. Areas of opportunity suggested by the panel include:

- A carefully prepared and resourcefully implemented donor meeting, needed at the project launching; and
- Training as an important aspect of the institutional strengthening component, which might include: policy dialogue seminars for high level officials to review policies and good practice in financing and managing cultural heritage conservation; seminars for

journalists and parliamentarians to influence public opinion, build alliances and broaden the constituency for cultural heritage conservation, poverty alleviation and environmental mitigation in Fez; cultural heritage expert seminars for specialists, urban planners and economists, both Moroccan and foreign.

48. Implementation issues defined by the panel are as follows:

- Strengthening ADER-FES in project preparation capacity, financial feasibility studies, project accounting, management, monitoring and evaluation;
- Establishing a Foundation for Cultural Heritage of Fez, to assure long-term financing and rehabilitation, with a broad-based representation of stakeholders;
- Monitoring and evaluation, especially formative evaluation since this is an innovative, early cultural heritage and development project. Outcomes and benefits generated by project components should be tracked, quantified and reported;
- Strengthening the poverty alleviation and employment component by more concrete conceptualization and vigorous pursuit of the objectives; and
- Including and encouraging cooperation among GoM ministries: those not involved in the project preparation phase should be brought in, especially culture and tourism, with an eye to replicating the project in other Moroccan Medinas.

CONCLUSION

49. The World Bank has more than 25 years' experience in Morocco on a range of major infrastructure and urban development projects. With its involvement in the Fez-Medina, the Bank began a constructive dialogue with the GoM on policy formulation and practical steps for heritage conservation in a complex urban environment that is in urgent need of comprehensive renewal.

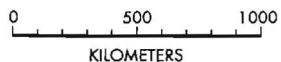
50. During three years of preparation, a proposed Bank-funded project in Fez evolved from a traditional urban infrastructure effort requiring demolition of 300 dwellings and dislocation of some 600 families, to a plan far more sensitive to the social, environmental and cultural needs of the Fez community. The various Bank-sponsored studies are rich in the dynamic interplay of residents, local and national politicians, urban planners, social anthropologists and heritage conservationists. Investigations and analyses provide clear evidence of the balance and foresight needed to undertake complex urban renewal activities where historic treasures are embedded in the physical environment. It will be interesting to see whether the modestly-envisioned and financed project that emerged can have the anticipated multi-layered impact on property values, on the quality of life in the community, and the protection of important historic structures.

51. Two clear and positive conclusions from the Bank-sponsored preparatory studies suggest possibilities for longer term maintenance and financing for Fez and perhaps for other similar urban areas. First, all but the poorest Medina residents are willing to invest in property renovation, provided they are assured of government-financed infrastructure and basic service improvements. And second, well-managed cultural tourism can return significantly higher benefits to the community through special fees for on-going conservation and revenue from handicraft products and tourist services.

MAPS

- No. 30320 North Africa and Middle East World Heritage Sites
- No. 30321 Middle East World Heritage Sites
- No. 30322 North Africa World Heritage Sites
- No. 30323 Morocco World Heritage Sites

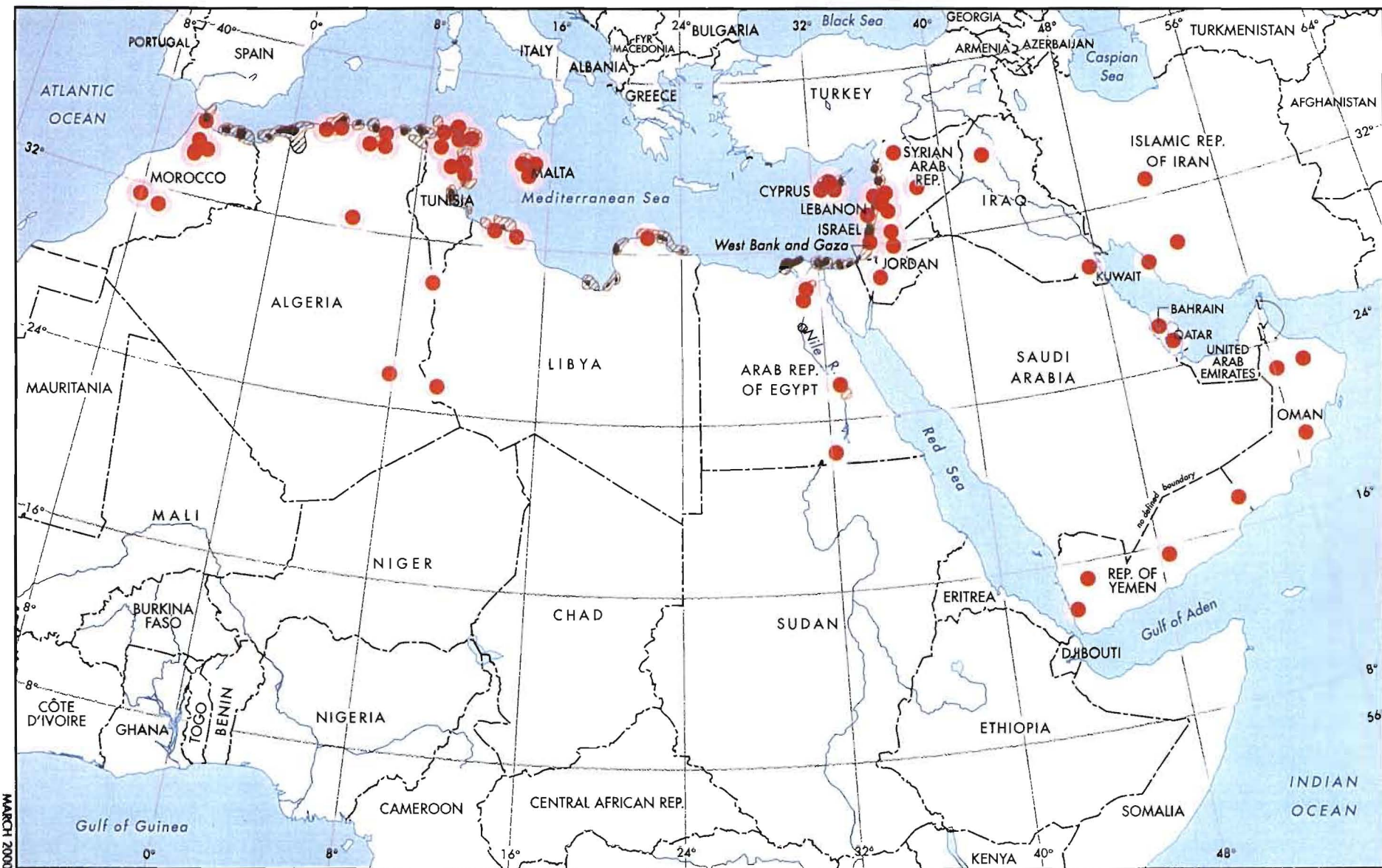
NORTH AFRICA AND MIDDLE EAST WORLD HERITAGE SITES



- WORLD HERITAGE SITES
- CONCENTRATION OF ARCHAEOLOGICAL AND HISTORICAL SITES

- AREAS OF HIGH RESOURCE USE CONFLICT
- AREAS OF MODERATE RESOURCE USE CONFLICT
- INTERNATIONAL BOUNDARIES

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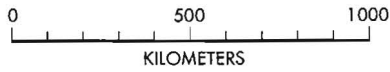


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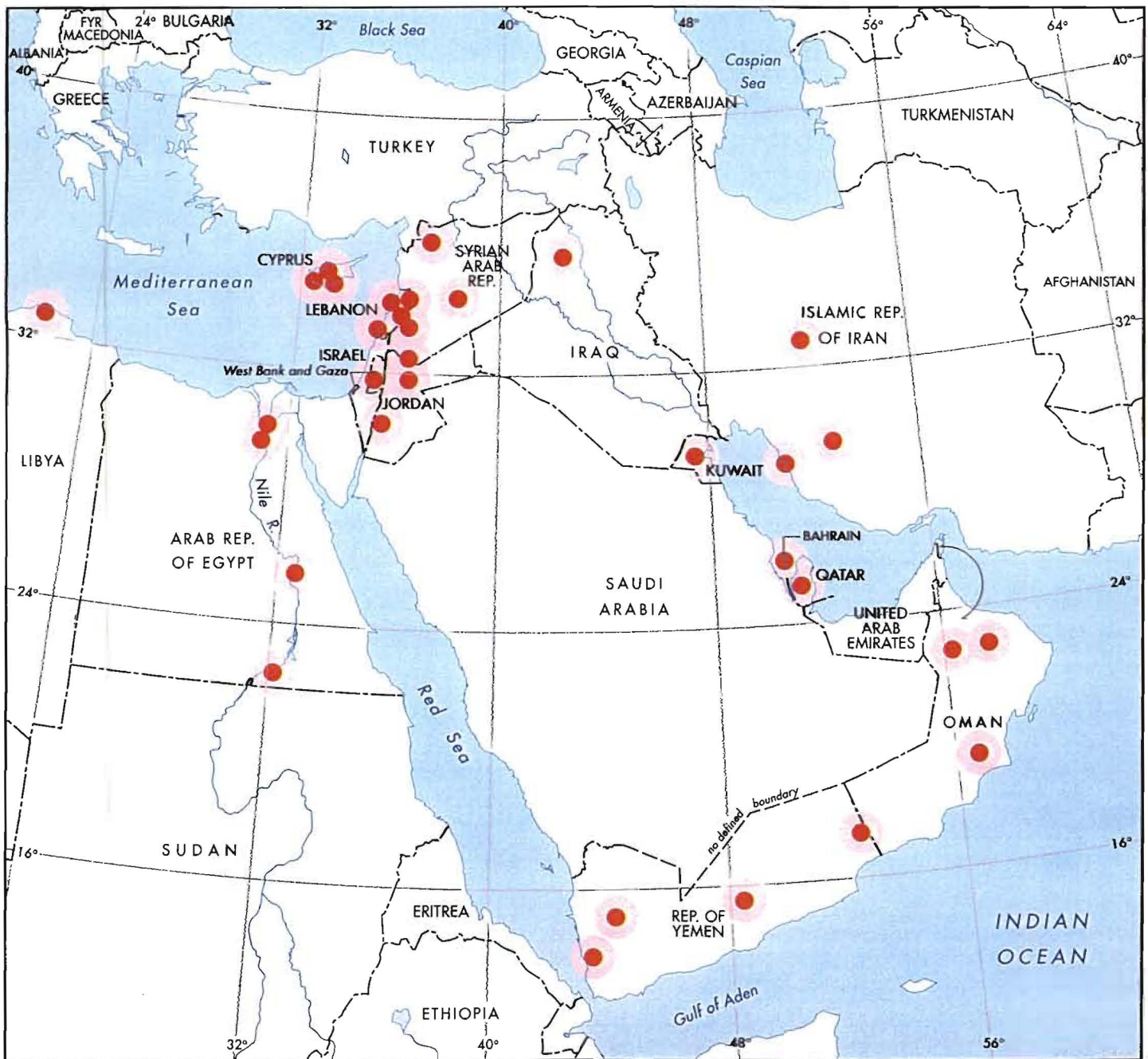
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MIDDLE EAST WORLD HERITAGE SITES

- WORLD HERITAGE SITES
- CONCENTRATION OF ARCHAEOLOGICAL AND HISTORICAL SITES
- INTERNATIONAL BOUNDARIES

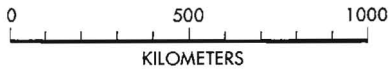


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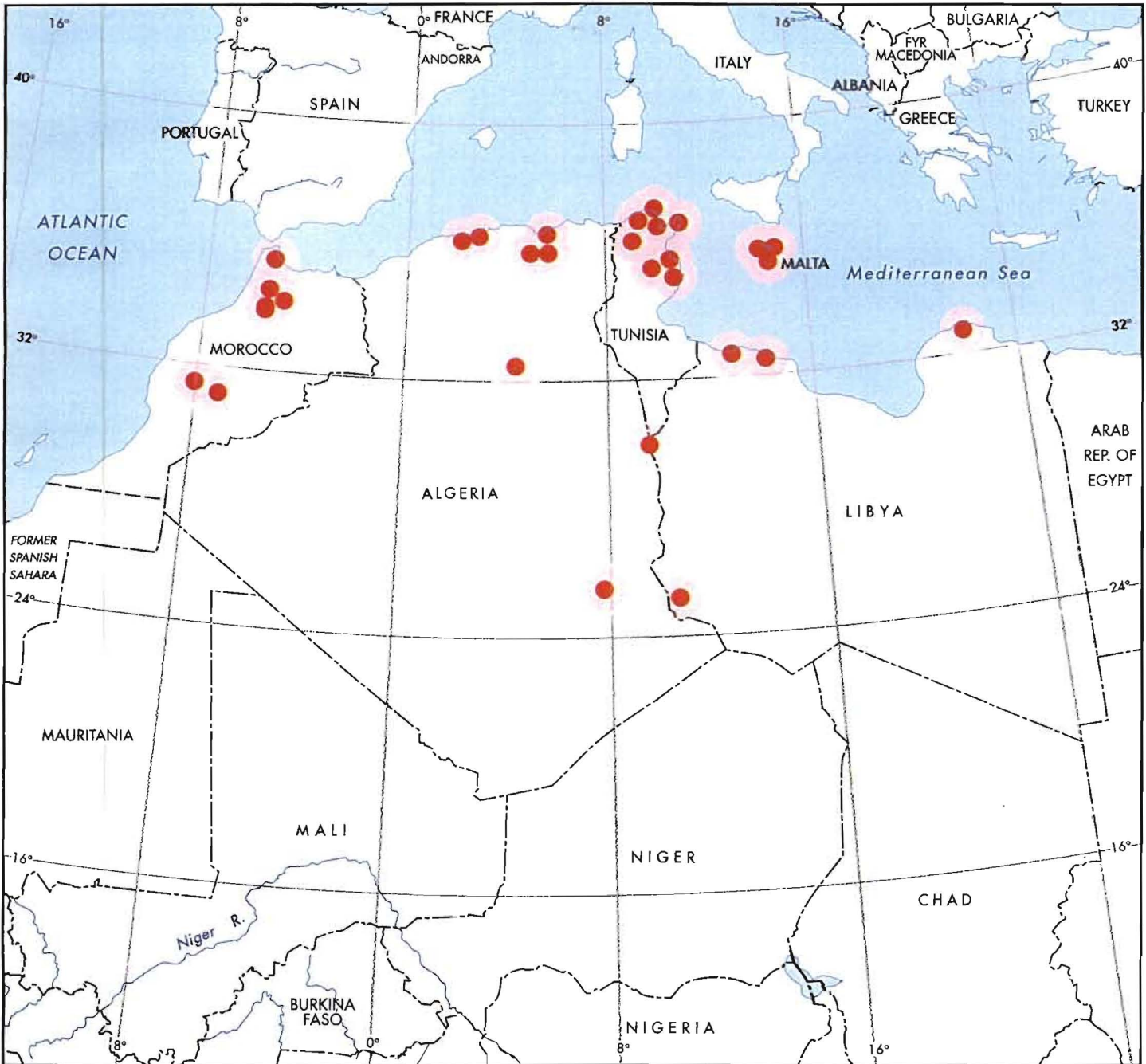


NORTH AFRICA WORLD HERITAGE SITES

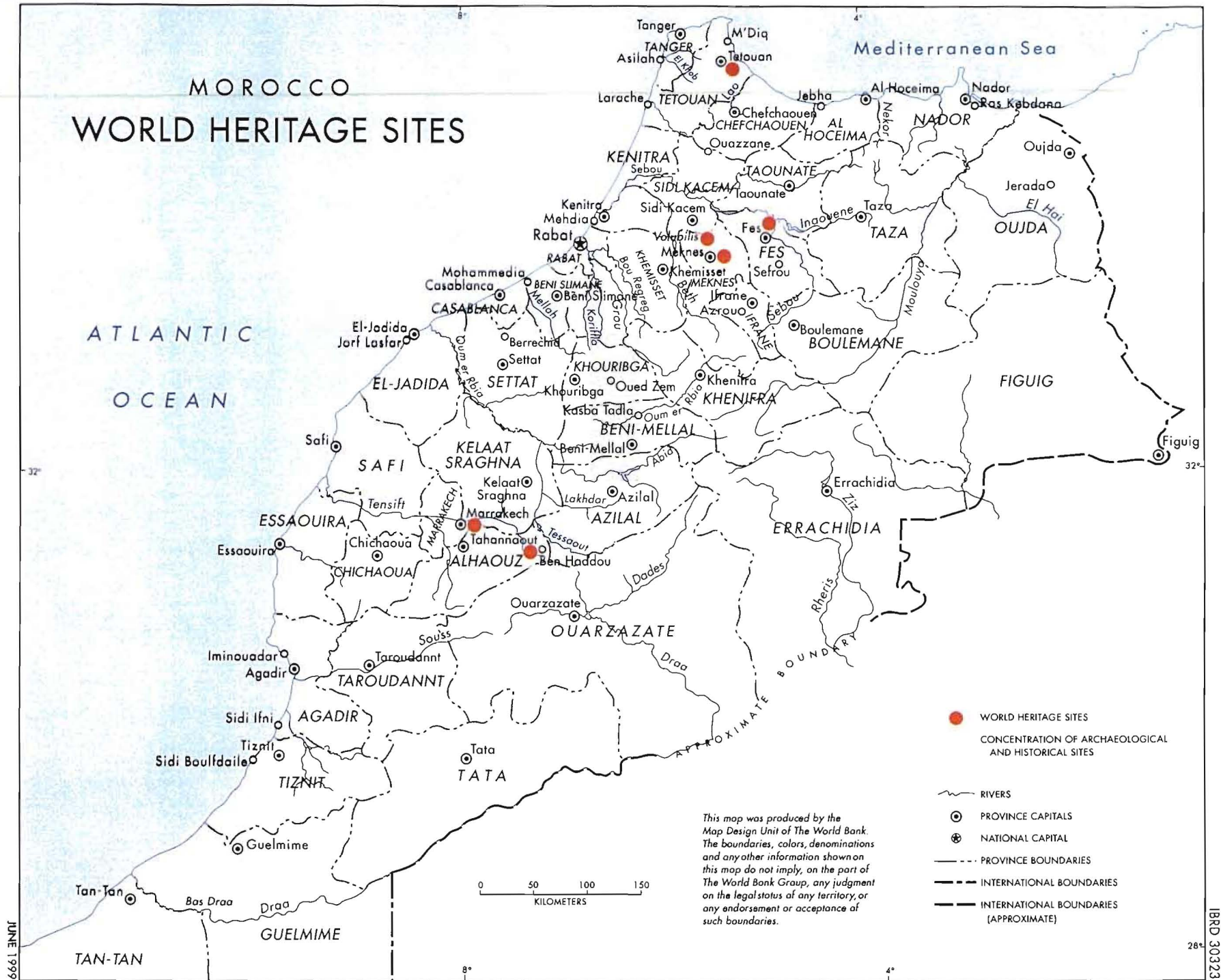
- WORLD HERITAGE SITES
- CONCENTRATION OF ARCHAEOLOGICAL AND HISTORICAL SITES
- INTERNATIONAL BOUNDARIES



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MOROCCO WORLD HERITAGE SITES



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