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IMPLEMENTATION COMPLETION REPORT  
(TF-25182 SCL-42140)

ON A

LOAN

IN THE AMOUNT OF US\$32 MILLION LOAN  
TO THE HASHEMITE KINGDOM OF JORDAN

FOR A

SECOND TOURISM DEVELOPMENT PROJECT

December 22, 2005

**Finance, Private Sector & Infrastructure Group**  
**Middle East and North Africa Region**

## CURRENCY EQUIVALENTS

(Exchange Rate Effective October 2005)

Currency Unit = Jordanian Dinar (JD)

JD 1.0 = US\$ \$1.40  
US\$ 1.0 = JD 0.71

## FISCAL YEAR

July 1 -  
June 30

## ABBREVIATIONS AND ACRONYMS

ASEZA	=	Aqaba Special Economic Zone Authority
CAS	=	Country Assistance Strategy
CBA	=	Cost-Benefit Analysis
DOA	=	Department of Antiquities
ERR	=	Economic Rate of Return
GEF	=	Global Environment Facility
GNP	=	Gross National Product
GDP	=	Gross Domestic Product
ICB	=	International Competitive Bidding
JICA	=	Japan International Cooperation Agency
JTB	=	Jordan Tourism Board
MOF	=	Ministry of Finance
MOPIC	=	Ministry of Planning and International Cooperation
MOTA	=	Ministry of Tourism and Antiquities
MPWH	=	Ministry of Public Works and Housing
NCB	=	National Competitive Bidding
NGO	=	Non-Governmental Organization
PAD	=	Project Appraisal Document
PMU	=	Project Management Unit
PRA	=	Petra Region Authority
PRC	=	Petra Region Planning Council
RSCN	=	Royal Society for Conservation of Nature
RTC	=	Rum Tourism Cooperative
SOE	=	Statement of Expenditures
UNESCO	=	United Nations Educational, Scientific and Cultural Organization
USAID	=	United States Agency for International Development

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**THE HASHEMITE KINGDOM OF JORDAN**  
**SECOND TOURISM DEVELOPMENT PROJECT**  
**IMPLEMENTATION COMPLETION REVIEW**

**CONTENTS**

	<b>Page No.</b>
1. Project Data	1
2. Principal Performance Ratings	1
3. Assessment of Development Objective and Design, and of Quality at Entry	2
4. Achievement of Objective and Outputs	4
5. Major Factors Affecting Implementation and Outcome	10
6. Sustainability	11
7. Bank and Borrower Performance	12
8. Lessons Learned	14
9. Partner Comments	15
10. Additional Information	15
Annex 1. Key Performance Indicators/Log Frame Matrix	17
Annex 2. Project Costs and Financing	28
Annex 3. Economic Costs and Benefits	31
Annex 4. Bank Inputs	34
Annex 5. Ratings for Achievement of Objectives/Outputs of Components	37
Annex 6. Ratings of Bank and Borrower Performance	38
Annex 7. List of Supporting Documents	39
Annex 8. Beneficiary Survey Results	40
Annex 9. Stakeholder Workshop Results	52
Annex 10. Borrower's Comments	56
Annex 11. Borrower's Implementation Completion Report	59

<i>Project ID:</i> P035997	<i>Project Name:</i> JO-SECOND TOURISM DEV.
<i>Team Leader:</i> Mohammed D. E. Feghoul	<i>TL Unit:</i> MNSIF
<i>ICR Type:</i> Intensive Learning Model (ILM) of ICR	<i>Report Date:</i> December 22, 2005

## 1. Project Data

*Name:* JO-SECOND TOURISM DEV. *L/C/TF Number:* TF-25182; SCL-42140  
*Country/Department:* JORDAN *Region:* Middle East and North Africa Region

*Sector/subsector:* General water, sanitation and flood protection sector (45%); Roads and highways (45%); Sub-national government administration (10%)

*Theme:* Participation and civic engagement (P); Infrastructure services for private sector development (P); Rural non-farm income generation (S); Environmental policies and institutions (S); Gender (S)

### KEY DATES

	<i>Original</i>	<i>Revised/Actual</i>
<i>PCD:</i> 05/09/1995	<i>Effective:</i> 11/04/1997	10/17/1997
<i>Appraisal:</i> 03/27/1997	<i>MTR:</i> 10/31/1999	10/24/1999
<i>Approval:</i> 07/31/1997	<i>Closing:</i> 12/31/2002	06/30/2005

*Borrower/Implementing Agency:* GOVERNMENT/MINISTRY OF TOURISM

*Other Partners:*

STAFF	Current	At Appraisal
<i>Vice President:</i>	Christiaan J. Poortman	Kemal Dervis
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<i>Team Leader at ICR:</i>	Mohammed D. E. Feghoul	Mohammed D.E Feghoul
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## 2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

*Outcome:* S  
*Sustainability:* L  
*Institutional Development Impact:* M  
*Bank Performance:* S  
*Borrower Performance:* S

*QAG (if available)* ICR  
*Quality at Entry:* S  
*Project at Risk at Any Time:* No

### 3. Assessment of Development Objective and Design, and of Quality at Entry

#### 3.1 Original Objective:

The Jordan Second Tourism Development Project (STDP) was presented to the Board in July 1997 and became effective in October of that year. It was due to close in December 2002 but was extended and eventually closed two and one half years later, in June 2005. STDP built on the foundation of the earlier Bank-supported Jordan Tourist Development Project (1976-81), and on two other successful Bank-implemented environmental projects: the Gulf of Aqaba Environmental Action Plan (GEF/UNDP 1996-99) and Dana Wildlands Project Phase I (GEF/UNDP 1994-96). It also built on series of three successful Bank-supported Urban Development Projects implemented during 1980-95.

The objectives established at appraisal were to: (a) create the conditions for an increase in sustainable and environmentally sound tourism in Petra, Wadi Rum, Jerash and Karak; and (b) realize tourism-related employment and income-generation potential at project sites.

These objectives were relevant and the intervention was timely. The potential of the industry had been highlighted by a 30 percent increases in visitation during the 1994-95 period, a partial by-product of the optimism engendered by the 1993 Peace Agreement between Israel and the Palestinians<sup>1</sup>. In addition, by 1997 tourism had become Jordan's second highest foreign exchange earner after remittances, and accounted for about 10 percent of GDP<sup>2</sup>. Moreover, contemporaneous studies sponsored by UNESCO<sup>3</sup>, USAID<sup>4</sup>, the Japanese International Cooperation Agency (JICA)<sup>5</sup> and others strongly supported the case for tourism development. Finally, having recognized the value of its historical and natural assets as well tourism's potential for contributing to urgent employment and economic development objectives, the Government of Jordan (GOJ) was keen to accelerate the sector's development<sup>6</sup>.

#### 3.2 Revised Objective:

The STDP's objectives remained unchanged throughout the life of the project. However, during implementation the *focus* appeared to shift more towards infrastructure and environmental concerns somewhat away from policy reform and capacity building. This shift seems to have occurred, at least in part, because of revealed weakness of the institutional environment at both national and local levels (see later discussion).

#### 3.3 Original Components:

In support of the above objectives, the project originally comprised the following four components:

1. *Petra Region infrastructure development and environmental management physical* (Total cost: US\$27.4 million, 62 percent of total project costs). Includes: road rehabilitation and improvement; urban infrastructure development; visitor facilities and management at the Petra Sanctuary; environmental management; and developing capacity of the Petra Region Authority.
2. *Wadi Rum development and environmental conservation* (Total cost: US\$9.2 million, 21 percent of total project costs). Includes: Wadi Rum infrastructure development; protected area management plan and tourism management plan; and Wadi Rum income generating activities support;
3. *Karak and Jerash Tourism Development Pilot Program* (Total cost: US\$ 5.2 million, 12 percent of total project costs). Includes: technical assistance and feasibility studies; and Kerak and Jerash priority tourism development projects.
4. *Sector Development Support* (Total cost: US\$ 2.2 million, 5 percent of total project costs). Includes: technical assistance and training for MOTA; equipment for MOTA (computers and vehicles); and technical assistance to the Project Management Unit.

The estimated total project cost including contingencies was US\$ 44 million equivalent. The distribution of project cost by component and procurement category is presented in Annex 2.

### 3.4 Revised Components:

There were no major revisions in project components during implementation. However, there were modest changes in scope and relative costs among components (see Table 1 below and Annex 2). In addition, there were a number of relatively minor amendments to the Legal Agreements (see Annex 1-B).

*Table 1: Original and Revised Project Components, Costs and Output Rating*

Project Component	Appraisal Estimate (Total)	Actual/Latest Estimate*	Actual/Appraisal	Original Appraisal Estimate	Actual/Latest Estimate	Output Rating
	(US\$m)	(US\$ m)	(%)	(% of Total)	(% of Total)	
1. Petra Region Infrastructure Development and Environmental Management	27.4	24.0	88%	62%	57%	S
2. Wadi Rum Development and Environmental Conservation	9.2	10.1	110%	21%	24%	MS
3. Karak and Jerash Tourism Development Pilot Program	5.2	7.5	144%	12%	18%	S
4. Sector Development Support	2.2	0.8	35%	5%	2%	MS
<b>Total Project</b>	<b>44.0</b>	<b>42.4</b>	<b>96%</b>	<b>100%</b>	<b>100%</b>	<b>S</b>

\* To end September 2005.

**Rating Key:** HS=Highly Satisfactory, S=Satisfactory, MS=Moderately Satisfactory,

MU=Moderately Unsatisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory.

### 3.5 Quality at Entry:

Quality was not formally reviewed through the QAE process. However, in retrospect the project is rated satisfactory (S) overall. The following is a brief assessment:

(a) *Consistency with country strategy:* The project's development objectives at appraisal were wholly consistent with and supportive of the overall Country Assistance Strategy (CAS) for Jordan. Particularly, STDP was designed to help create an enabling environment for outward oriented private sector growth by improving infrastructure and relieving the constraints to sustained growth – key objectives of the 1995 CAS for Jordan.

(b) *Project Design:* STDP built on a set of earlier studies and projects.<sup>7</sup> In particular, the Petra components built on the Petra Sanctuary Management Plan study undertaken by UNESCO during 1994-95. By focusing on Petra and also initiating development at Wadi Rum, Jerash and Karak, the project responded well to GOJ's priorities to increase as well as spread the benefits of tourism. The urgent need for infrastructure and environmental improvements had been highlighted in the sector studies and in the 1995 CAS. The physical and environmental components were generally well designed, though some modifications were required during implementation—particularly to the roads in Wadi Musa.<sup>8</sup> Design faltered somewhat in the institutional area however. While there was some acknowledgement of the complexities involved, there was insufficient analysis of the local communities in Wadi Musa or Wadi Rum—key stakeholders. As a result, insufficient provision was made for monitoring and managing the parochial pressures that were to later emerge.

(c) *Participation and dialogue during preparation:* Discussion with MOTA, MPWH, ASEZA, DOA and RSCN seem to have been extensive. There was also dialogue with UNESCO, JICA and USAID who were then active in the sector.

(d) *Preparedness for Implementation:* This was overestimated. The project procurement plan showed almost all actions/contracts beginning in 1998, and most being completed by 2000. In fact, no significant works contracts were launched in 1998, only a few in 1999, and most in 2000. This led to a significant delays in disbursements (see Annex 1-D).

(e) *Project Risk Evaluation*: The risks were very well defined. Five of the seven risk identified were rated modest, and two were rated low. The overall project risk was rated modest. The risk mitigation measures were also appropriate, and proved effective during implementation. However, there was one miscalculation: the risk of “Political stability in the region”. This was rated modest, a rating that was to be contradicted three years later by the outbreak of Palestinian Intifada in September 2000—with devastating consequences for the industry. Given the well-known fragility of the agreement between Israel and the Palestinians (Jordan’s very close neighbors) and the well-established volatility of the industry, the assessment of political risk was not realistic (see Annex 1-C for data on visitation). On balance though, the project was well prepared.

## 4. Achievement of Objective and Outputs

### 4.1 Outcome/achievement of objective:

#### *Achievement of Objectives:*

Overall achievement rating: S.<sup>9</sup>

#### **Objective 1-- Create the conditions for an increase in sustainable and environmentally sound tourism in Petra,<sup>10</sup> Wadi Rum, Jerash and Karak: Rating: S.**

Three success criteria were specified at appraisal. The first focused on strategy development and institutional reform, the second on infrastructure, environmental and site management improvement, and the third on tourism growth at Wadi Rum. Achievement against these criteria is assessed below.

*Criteria 1.1 Approval of a long-term tourism sector strategy and accompanying investment, institutional restructuring and regulatory reform programs by September 1999.* Despite considerable prodding by the Bank, the responsible agency (MOTA) did not produce an acceptable development strategy document until February 2001. Even then, key physical, financial, managerial and institutional issues were not effectively addressed in the document, the required investment program, restructuring and regulatory studies were never undertaken, and the required endorsement of Cabinet was never obtained. Despite this, between 2001-04 MOTA did undertake a number of significant reform initiatives under the project. In addition, in 2003 MOTA acted (with assistance from USAID) to prepare a well-received and widely discussed National Tourism Development Strategy. These actions indicate that MOTA did indeed make significant progress in sector planning and management during, if not entirely because of, the project.

*Criteria 1.2. Improved infrastructure, environmental protection and site management at the two primary project sites of Wadi Rum and Petra.* Implementation of the supporting infrastructure sub-components (mainly roads and drains, but also including solid waste management) considerably improved accessibility and cleanliness and significantly upgraded the physical and visual environment. This benefited both tourists and locals in Petra and Wadi Rum. With respect to land use in Petra, the key supporting zoning sub-components aimed at protecting the Park from degradation were, in the main, implemented by PRA. Key intermediate objectives were also substantially achieved at Wadi Rum. These include establishing a well-regarded environmental management and conservation plan; establishing a practical and workable managerial regime for the two competing indigenous communities operating in the park; and building an attractive and imposing visitors center. On the negative side, implementation of the supporting environmental sub-components in Petra was only partial due to problems with watering and private land ownership. Moreover, while the implementation of the zoning was a very significant accomplishment, PRA does not appear to fully appreciate its importance for protecting the Park and the Wadi Musa environment. The sustainability of land use and environmental protection in Petra is thus by no means assured. Nonetheless, the achievements here are significant.

*Criteria 1.3. Growth of tourism by 75 percent at Wadi Rum.* According to MOTA's data, visitors to Wadi Rum increased from about 60,000 in 1997 to some 110,000 in 2000—an 80 percent increase in 3 years and well ahead of target. However, visitation declined sharply in 2001 in line with the general national pattern, but began to recover in 2003. It stood at about 70,000 in 2004. It thus seems reasonable to conclude that the objective would have been achieved had there not been a severe regional shock, and that but for another major shock the target could soon be achieved once again.

**Objective 2-- Realize tourism-related employment and income-generation potential at project sites.**

**Rating: S.**

The criterion for assessing achievement of this objective was *a 100 percent increase in tourism-related employment at Wadi Rum*. Because of the absence of baseline data and the unforeseen downturn in the industry after 2000, it is difficult to reasonably assess the achievement of this objective. The few available data on tourism related employment suggest that direct employment in hotels and tourist restaurants in Petra probably decreased after 2000 in response to the general downturn in visitation at project sites.<sup>11</sup> With regard to *project specific or directly related employment*, the data are weak but they suggest that the impact was positive and welcomed by the local beneficiary communities (see *Beneficiary Assessment* at Annex 8). Rum certainly has benefited.<sup>12</sup> A handicraft center has been established and is functioning. Equally important, the project generated welcome and much needed new jobs for local women, and helped spark other local economic activity. Particularly noteworthy are the increases in employment in the newly established tourist camps within the Park area and entrepreneurial activity within the Disi traditional community on the periphery of the Wadi Rum Park. However, this development needs to be carefully monitored and if necessary guided to ensure that it does not degrade the Park over time. Overall, it has been estimated by supervisory staff that employment at Wadi Rum has increased from about 390 in 1999<sup>13</sup> to some 560 in 2005, a significant achievement.

In sum, despite some serious shortcomings with respect to sector strategy and institutional reform (and to a lesser degree with environmental protection), a number of key intermediate objectives were achieved. The achievement on each objective and the overall achievement of objectives is rated satisfactory. It is now generally acknowledged that because of the project Petra and Wadi Rum (and Jerash and Karak) are more attractive, efficient and beneficial places for tourism as well as for the local community.<sup>14</sup> It is also acknowledged that major strides have been made in protecting the local environment and the Archaeological Park. The employment objectives were not fully realized due mainly to the downturn in the industry, but as the regional situation stabilizes and the industry recovers, significant *additional* economic benefits should accrue to the local communities.

*4.2 Outputs by components:*

*Achievement of Outputs:*

The overall output rating: S. (Supporting data are presented in Table 1 below and in Annex 1.)

**Component 1.0: Petra Region infrastructure development and environmental management physical (Total cost: US\$ 24.0 million, 57 percent of total project costs). Rating: S**

*Component 1.1 Road rehabilitation/improvement works (about 60 km; responsibility MPWH and MOTA): i) Unaizah-Shobak-Wadi Musa road (53 km):* This is the primary access road to Petra from the main national north-south Amman-Aqaba highway. Under the project, it has been transformed from a narrow, winding, dangerous, poorly surfaced road, and an un-welcoming experience. The road has been widened, partially realigned and completely resurfaced, and signage has been considerably upgraded. The major benefits include a reduction in travel time from the highway to Petra by about one third (15-20



minutes); saving of fuel, reduction in the wear and tear on vehicles, leading to potential savings in vehicle operating costs, fewer accidents and consequent injuries and loss of life. Moreover, the landscaping of significant sections of the road under the project has improved environmental quality and (if adequately maintained) will help reduce environmental degradation (visual as well as soil erosion). These benefits accrue not just to tourists visiting Petra, but also to all the communities along and making use of the road. Some 29 communities housing about 35,000 persons should benefit directly.<sup>15</sup> ii) *Wadi Musa/UmSeyhum/Little Petra Road (7.5 km)*: This road links the main tourist area to the local Bedouin communities and gives access to the outer areas of the Archaeological Park. The road has been considerably improved by resurfacing, but because of environmental concerns this had to be done within the existing vertical and horizontal alignments. The main benefits are easier access for locals and tourists alike while preserving environmental values. Against this must be set a possibly increased risk of accidents due to increased speeding on the hilly winding road.

*Component 1.2 Urban infrastructure development (urban spine roads, traffic management and parking, street lighting and landscaping enhancements in Wadi Musa, Taybeh and Um Seyhum, including improvements to the tourist arrival area, the Elgee traditional village (responsibility MOTA and PRA)*: Infrastructure in the core areas of the project towns has been improved under the project (dramatically in some cases). The main and collector roads have been repaved; traffic in the Wadi Musa Town center has been rationalized; parking has been improved; street lighting has been installed; streets have been landscaped; and pergolas with seating have been constructed strategically along the main thoroughfares and at lookout points. In general, Wadi Musa and the other beneficiary towns are far more functionally and environmentally efficient and attractive than before—a physical and environmental boon to locals and tourists alike. In addition, the derelict Elgee traditional village in Wadi Musa has been well restored, but is awaiting effective reuse for both local and touristic purposes.

*Component 1.3 Site enhancement and visitor management at the Petra sanctuary (responsibility MOTA and DOA)*: i) *Visitors' Center*: The center has not been redeveloped though some minor tidying up of the existing center was undertaken. After deliberation, MOTA decided to undertake a detailed review of the earlier designs, and thereafter to hold an international competition for design of a new center—with highly promising results. However, these results have come too late to be implemented within the project and must await support from other donors or future Bank-supported projects. Nevertheless, a foundation has been laid for the development of a visitors' center worthy of Petra's importance. ii) *Park Improvements*: Signage and interpretation has been improved; trails have been developed; some important remedial work (retaining walls) has been executed; garbage containers have been installed; and the staff have been provided with uniforms. Nevertheless, much more remains to be done to ensure safe, easy and informative passage of visitors within the Park. For example, cleanliness needs to be further improved, and rest room facilities for visitors' need to be more conveniently located. iii) *Park Management*: DOA were unable to establish an effective organization to manage this vital national asset. This was so despite the very extensive technical assistance, training and support provided to DOA under the project. The shortcomings persisted despite the most patient and determined efforts of the Bank supervision team.

*Component 1.4 Environmental protection and management (reforestation, Wadi valley terrace regeneration, flood control measures, and solid waste management; responsibility: PRA, with assistance from the Ministry of Agriculture (MOA))*: i) *Flood control*: The positive accomplishments here include the construction of drainage channels, retaining walls and check dams. These measures have significantly reduced if not eliminated flooding in Wadi Musa. Importantly, they have eliminated serious flooding at the Siq, the very special entry point to the Archaeological Park and a major attraction in itself. ii) *Landscaping and Reforestation*: Riding trails have also been developed, expanding the recreational options available to visitors and locals. Moreover, several pergolas, lookouts, and family outing rest spots have been developed in and around Wadi Musa, and these are being very well patronized by visitors and locals alike. iii) *Solid*

*Waste Management:* Wadi Musa and its environs are much cleaner due largely to the execution of an annual garbage collection contract with a private contractor. Under this contract the project provided collection vehicles, equipment and bins, while the private contractor has undertaken the task of actual collection and disposal.

*Component 1.5 Petra Region Planning Council capacity building to enforce local land-use plans and environmental protection, implement urban development projects, and promote tourism (responsibility for implementation: PRA):* i) *Land use and Environmental Protection:* PRC declared Dara and the Wadi Musa - Taybeh Scenic Road protected areas in 2001 and completed the necessary accompanying land use code in December 2002. Both actions were major steps towards protecting the Park and its environs for posterity. Also, GOJ moved expeditiously to purchase the Dara area adjacent to the Park, ensuring its protection while diffusing tensions among local landowners who felt that their rights to use their land as they wished were being abridged. ii) *Implementation of Environmental and Urban Projects:* Overall, PRA have performed satisfactorily in implementing those infrastructure and environmental components entrusted to them (collector roads, drainage channels and reforestation). The only issue here was their seemingly insufficient attention to maintenance, and their preference for new construction when using their own funds. iii) *Organization, Staffing and Capacity Building:* From a very early date, the Bank supervision team concluded that PRA's interpretation of its mandate and its organization and staffing requirements differed considerably from that envisaged in the PAD. The matter was addressed in depth by the team during the mid-term review, with no discernable positive result. iv) *Promotion of Tourism:* Though envisaged in the PAD, PRA did not establish a tourism promotion department or developed capacity in this area. Thus, significant program of activities in this area were never launched.

The overall rating of the component is "S", reflecting the satisfactory completion of the important infrastructure and urban sub-components (1.1 and 1.2) which together account for almost 90 percent of the component cost and 50 percent of the overall project cost. The overall rating is satisfactory despite the moderately unsatisfactory rating with respect to the small but important capacity building sub-component (1.5) and the less than satisfactory rating on the others.

**Component 2.0: Wadi Rum development and environmental conservation (Total cost: US\$ 10.1 million, 24 percentage of total project costs).** Responsibility: the Aqaba Special Economic Zone Authority (ASEZA), assisted by Jordanian Royal Society for the Conservation of Nature (RSCN). **Rating: MS.**

*Component 2.1 Infrastructure development (upgrading of Rum village, infrastructure for a new village, visitor center, and tourist access road):* There have been major improvements in infrastructure and environmental protection at Wadi Rum. A new 4.4 km access road, a new visitors' center, a new craft-training center, and a new police station have all been constructed. In addition, water supply, roads, and property walls in the existing Rum village have been significantly upgraded. The visitors' center is a particularly impressive structure, reflecting as it does the surrounding landscape. However, it is not particularly well laid out. The new access road is also not well laid out. However, these are remediable problems. The improvements have significantly benefited the local population through better services and increased employment opportunities. They have benefited tourists through enhanced facilities and visitation experiences. Moreover, they should benefit Jordan generally through enhanced preservation of a unique environmental and historical asset,<sup>16</sup> enhanced tourism product and increased tourism earnings, and better distribution of the economic benefits of tourism.

*Component 2.2 Protected area conservation management and visitor management services:* During 1998-99, RSCN inventoried the physical and biological assets of the Park, demarcated its boundaries, and prepared a conservation plan with the first set of conservation management regulations. RSCN also helped establish the Wadi Rum Administration (WRA) in 2001. In doing so RSCN helped WRA develop and

implement effective financial and operating systems and procedures, as well as conservation, visitor service, and management plans. Further, RSCN succeeded in placing Rum's attractions on the international eco-tourism tour circuit. Conservation and management systems now exist at this major Jordanian asset, and the benefits are similar to those mentioned in the section above. However, there are still several issues to be addressed by WRA. These include: continuing to amicably managing differences between the two traditional groups providing tourist guide services in the Park; ensuring discipline in the use and parking of tourism vehicles at the entrance to and within the Park; maintaining the integrity of the park from encroachment by entrepreneurs from neighboring traditional communities; further enhancing Park services; and maintaining financial viability. This will require continual vigilance by WRA and continued support from RSCN.

*Component 2.3 Development of income-generating activities for the local community, particularly Bedouin women:* A small handicraft center for women has been built and equipped under the project, and local women trained by RSCN to operate the machines and produce various designs. Further, a recognized Wadi Ram product was developed between 1999 and 2001, and craft outlet shops have been successfully established at the new visitors' center. Six women are employed in the shops, and several young women are currently undergoing craft training. While operations are still on a very modest scale, what has been achieved to date is significant. The initiative demonstrates that meaningful employment can be created for local women, particularly young women, with all the attendant benefits in terms of poverty alleviation and reduction of gender bias. They also demonstrate that under the right circumstances traditional conservative male-dominated Bedouin communities can be receptive to the idea of productive employment for their women; and further that the assets of the Park can be mobilized for local economic and social development. The challenge now is to sustain the effort through further product and business development, and a more focused marketing effort.

The moderately satisfactory output rating reflects the relative weight of the infrastructure sub-component (2.1) which accounts for about 70 percent of the cost of the component. The smaller management component (2.2) was satisfactory, and the output of income generation component was mixed.—partly satisfactory and partly unsatisfactory.

**Component 3.0: Karak and Jerash Tourism Development Pilot Program (Total cost: US\$ 7.5 million, 18 percentage of total project costs).** Responsibility for implementation: MOTA. **Rating: S.**

*Component 3.1: Feasibility studies to identify urban regeneration and tourism-related projects and cultural heritage conservation activities:* Important cultural heritage preservation and tourism development studies were undertaken in both Karak and Jerash during the period 2000-01. These studies effectively laid the basis for pilot works in these two cities, and for initiatives to be undertaken during the next (third) Bank-supported tourism development project. Similar additional studies were undertaken in Madaba — a city with significant historic and cultural heritage assets and considerable tourism development potential, and in the Ajloun historical and ecological area in northwest Jordan. Further, these studies helped MOTA assess the development potential of the towns and the options for controlling adverse and haphazard development.

*Component 3.2: Implementation of a pilot program of priority tourism-related projects and cultural heritage conservation activities:* Pilot works were implemented in Karak and Jerash--historic plaza improvement at both sites, and construction of a new bus terminal and shopping area in Jerash. These initiatives not only improved the cultural and touristic assets and public services of the towns in question, they also helped MOTA gauge the priorities, capacity and responsiveness of the local community. Although some problems were encountered—mainly with design and contracting—the project initiatives were well received by the host communities. They also provided valuable feedback that is helping MOTA and the

Bank to define the upcoming cultural heritage, tourism and urban development project.

The output on each sub-component and the component as a whole was satisfactory.

**Component 4.0: Sector Development Support (Total cost: US\$ 0.8 million, 2 percentage of total project costs).** Responsibility for implementation: MOTA. Rating: MS.

*Component 4.1: Technical Assistance to MOTA to develop a longer-term tourism development strategy, with an associated prioritized investment program, and for project management:* MOTA did not produce a development strategy document acceptable to the Bank until February 2001, some eighteen months later than originally planned. Even then, key physical, financial, managerial and institutional issues were not effectively addressed in the document. Nevertheless, during 2001-04 MOTA did undertake a number of significant reform initiatives under the project. These include: i) amending the tourism and antiquities laws to allow for greater private sector participation and to recognize the importance of natural and urban landscapes and significant elements of the more recently built environment; ii) consolidating and strengthening its project formulation and project management capacity by creating a Technical Development Department (TDD); and iii) introducing e-government services in its Professions Department--significantly simplifying industry access to licensing and supervision services. Moreover, MOTA acted with the assistance of other donors to improve its data collection and analysis capability; improve/commercialize site management; explore non-traditional tourism markets in Eastern Europe and elsewhere in response to the tourism downturn after 2000; recognize the importance of regional tourism; and to prepare a well regarded National Development Strategy for the sector. The above indicates that MOTA did indeed make significant progress in sector planning and management during the project, if not entirely because of the project.

*Component 4.2: Project management services:* After an initial delay, MOTA recruited and managed to retain a cadre of qualified and highly committed staff for its Project Management Unit (PMU—now TDD), and they installed effective accounting, procurement, monitoring and reporting systems. Moreover, the staff of TDD is now playing the lead role in undertaking and managing preparatory studies for future Bank- and other donor-supported cultural heritage and tourist development projects. In addition, the TDD staff have provided and are providing valuable services to other departments in the Ministry, including Legal, Information Technology, Professions, and Finance. Further, the head of TDD was promoted to the rank of Undersecretary in MOTA, and has become the de facto chief technical officer of the ministry. Finally, TDD is now being consolidated into the core technical and developmental arm of MOTA.

The output of this component is moderately satisfactory, reflecting the difficulties experienced with sub-component 4.1. Having regard to individual component ratings and the overall output rating is satisfactory. This largely reflects the importance of the infrastructure sub-components. The output of capacity building sub-components was generally less than satisfactory, but this was not enough to negate the overall satisfactory rating. It does have a bearing on project sustainability though (see discussion below and rating details at Annex 1).

#### *4.3 Net Present Value/Economic rate of return:*

The benefits of the project included an unquantifiable increase in tourism-based income and employment, enhanced environmental conditions, cultural and historical preservation, and increased safety and attractiveness of public facilities related to major tourist destinations in Jordan. As stated in the PAD, the project cannot be directly linked to a specific increase in tourism over the medium term, and therefore a cost-effectiveness methodology was appropriately used to justify Project investments. At appraisal, each project investment, except for the road rehabilitation sub-component, was examined in terms of its appropriateness in the overall tourism strategy for the country, the effect of the investment on the individual sites, and criteria for public sector investment. The two road rehabilitation sub-components and were

evaluated using cost benefit analysis at appraisal and then at Project end. Together they represented about 30 percent of project costs. The results of the analysis are shown below:

Road Section	ERR At Appraisal	ERR At Project End
Unaizah-ShobakWadi Musa	16%	15.60%
Wadi Musa Um Seyhun Little Petra	17%	14.64%

*4.4 Financial rate of return:*

Not Applicable

*4.5 Institutional development impact:*

**Rating: M.**

The most significant impacts were at MOTA and Wadi Rum. The impact on PRA and DOA were relatively small, though not for lack of effort on the part of the supervision team. At MOTA, the tangible impacts included the formation of TDD, a unit which has considerably increased MOTA’s capacity to plan, manage, and monitor major, internationally funded projects. They also included the establishment of e-government capacity in the professions department. This holds the promise of greatly simplifying the licensing and approvals process for MOTA’s main clients in the industry. Soon, most of their transactions with MOTA will be able to be processed electronically. A somewhat less tangible impact was the revision of the tourism and antiquities law. The latter removed many if not all of the barriers to private sector participation in the industry; and for the first time it recognizes the value of natural landscapes and parts of the more recently built urban landscape and enables their protection. Much less tangible, but potentially no less important, is what seems to be the beginning of a cultural shift at MOTA. This is evidenced by their increasing recognition of: i) the key role of the ministry as a facilitating agent of change; ii) the importance of consulting and mobilizing the local community to participate in the development process; and iii) the importance of carefully husbanding Jordan’s very valuable cultural assets. All of these intangibles have been on display over recent months during which MOTA has led the preparation of the third Bank-supported tourism development project—a quite new development. At Wadi Rum, the institutional development impact is evidenced by the existence of conservation, management, craft-training and production capacity where none existed before. It is also evidenced by the groundbreaking involvement of traditional Bedouin women in employment activities outside the house.

**5. Major Factors Affecting Implementation and Outcome**

*5.1 Factors outside the control of government or implementing agency:*

There was one significant (and ultimately critical) factor outside of government and implementing agency control. This was the regional political crisis arising from the second Palestinian Intifada and the resulting Israel response. This gave rise to a sharp fall in tourism visits to the region and, of course, in tourism expenditure. It also had a strongly negative effect on those project objectives and components that depended on the sustained growth of the sector.

*5.2 Factors generally subject to government control:*

There were two significant issues: the performance of PRA and DOA. As already noted, PRA did not perform up to expectations; in fact they seemed to have substantially different understanding of their role from that of the Bank supervision team. Matters came to a head when PRA approved the construction of a university near the Dara site in contravention of their own zoning regulations. This decision was only addressed after the Bank brought considerable pressure to bear. In the case of DOA, despite numerous promises and the most determined efforts of the Bank supervision team, they did not effectively perform



their expected role of enhancing and managing the archaeological park. In both cases, corrective action was necessary and should have been well within GOJ's power.

### *5.3 Factors generally subject to implementing agency control:*

The factors noted in section 5.2 above are also relevant here. In all cases the implementing agency also had the power to take corrective action, but they did not. The only other significant factor was PRA's inattentiveness to maintenance.

### *5.4 Costs and financing:*

As shown in Table 1 and Annex 2, only US\$ 42.4 million or 96 percent of the original budget was expended. This was due partly to the fact that the visitors' center at Petra was designed but could not be constructed before the closing date established for the project. In addition, MOTA's expenditure on reform, project management and capacity building was much less than originally planned. The savings were partly offset by increased expenditure on studies and improvements at Jerash and Karak. With respect to financing, the Bank disbursed about US\$ 30 million out of a planned US\$ 32 million. However, GOJ disbursed about US\$ 0.7 more than its planned US\$ 12 million.

## **6. Sustainability**

### *6.1 Rationale for sustainability rating:*

Rating: L

Bar another severe regional shock,<sup>17</sup> the project should be sustainable. The case for sustainability rests on a combination of factors: i) *Increased GOJ Awareness of the Value of the Industry*: As evidenced by the 2004 Tourism Development Strategy, GOJ and MOTA are now far more aware than before to the value and importance of the historic and cultural assets to the economy of the country and the need to protect and enhance them; ii) *Market Diversification*: GOJ are also aware of the vulnerability of the industry and is taking steps to diversify their markets (most recently to eastern Europe) and broaden the client base;<sup>18</sup> iii) *Product Attractiveness*: The assets themselves are major attractions. Petra in particular is unique, and has major independent drawing power in any event; iv) *Increased Local Awareness of Value of the Assets*: The local communities and local investors have a significant economic stake in maintaining the assets, and seem increasingly aware of this due the sharp decline in employment and income experienced during the downturn of the industry; v) *Increased Financial Provision for Asset Maintenance*: A share of the revenue generated by tourism (25% of the gate receipts at Petra and 100% at Wadi Rum) has been earmarked by GOJ for managing and maintaining the assets; and vi) *Follow-on Investments*: Planned follow-on projects supported by the Bank, USAID, the European Union and others will help to consolidate some of the gains made. These investments include additional improvements in infrastructure; further tourism product development; increased private sector participation; and improvements in marketing, promotion and site management.

On the negative side, while the organizations to manage the new assets are in place--and in the case of PRA there is some capacity-- the commitment of these organizations to asset protection and maintenance is suspect, and herein lies a problem. The situation with respect to the Archaeological Park is particularly problematic. The land use code has never been fully endorsed or effectively embraced by the PRA executive, and PRA itself has breached the code by its approval of a university adjacent to the protected Dara site. Moreover, PRA seem unconvinced of the appropriateness of the legal measures developed under the project to protect the Park and its environs, and show little enthusiasm for their implementation. Finally, continued pressures on PRA from powerful local interests have been causing difficulties in fully achieving protection objectives. In response to these pressures, PRA seems prepared to extend the existing zoned area in Wadi Musa despite the fact that the area is far from being fully utilized—a measure that would place

premature stress on already *thinly stretched* local services. Park enhancement and management is also problematic because DOA do not currently have the capacity to undertake these tasks effectively. Unless GOJ urgently addresses these issues sustainability is at risk.

#### *6.2 Transition arrangement to regular operations:*

Progress is evidenced by the consolidation of the PMU at MOTA into TDD. Further evidence is the appointment of the head of TDD to the post of deputy secretary at MOTA, where he has now become the chief technical officer. Even more evidence is provided by the fact that many of TDD's staff render other valuable services (finance, IT, etc.) to other departments of the ministry. However, while the physical planning functions at MOTA are being integrated in its normal operations, because of capacity constraints the strategic planning and policy making functions are unlikely to be integrated soon. In the case of MPWH, the services provided under the project was always a part of their normal duties. Less certain is the ability of PRA, WRA and DOA to effectively carry out their respective regular operations.

## **7. Bank and Borrower Performance**

### **Bank**

#### *7.1 Lending:*

**Rating: S.**

Performance at appraisal was satisfactory in the following areas: consistency with country strategy; participation and dialogue during preparation; and the design of the infrastructure and environmental components. In addition, with the exception of regional political risks, threats were well assessed and appropriate mitigation measures were proposed. The key weaknesses at the lending stage were: i) inadequate assessment of the local social and political milieu, particularly at Wadi Musa; ii) Lack of adequate dialogue on and specification of the strategic development and institutional reform components to be undertaken by MOTA; and iii) over-optimism with respect to the pace at which the project could be implemented. These weaknesses, while by no means insignificant, do not outweigh the considerable strength of the technical preparation at appraisal.

#### *7.2 Supervision:*

**Rating: S.**

Supervision performance was excellent on several counts: i) managing technical issues involving infrastructure, environment and urban development in general; ii) providing guidance and being responsive to client needs; iii) helping the client to solve complex procurement and procedural problems; iv) in following up on key client obligations; v) ensuring client compliance with Bank rules and regulations without being overly bureaucratic; vi) being open to new ideas emerging from the client and the situation – for example MOTA's E-government initiatives; vii) assisting the client to build a capable project organization in TDD; viii) orienting the client to the tremendous historical, cultural and touristic value of their assets, and to appropriate ways of enhancing and protecting them; and ix) helping lay the foundation for future sector development through the initiative at Karak and Jerash initially, and subsequently at Madaba, and Ajloun. For these reasons, the supervision team has earned the respect and trust of GOJ. To the extent there were weaknesses, these as noted lay mostly on the institutional side. Under certain circumstances, it may have been possible for the supervision team to compensate for some of these weaknesses. However, these shortcomings should not be allowed to cloud an otherwise sterling performance.

### *7.3 Overall Bank performance:*

**Rating: S.**

On balance, the project was well designed technically, responsive to GOJ objectives and consistent with the ruling CAS. Supervision was competent, proactive and highly responsive to client needs

### **Borrower**

#### *7.4 Preparation:*

**Rating: S.**

The key agencies acting on behalf of the government of Jordan were MPWH and MOTA. Both were deeply involved and participated actively during project preparation. In particular, MPWH was responsible for the identification and detailed preparation of the major roads components. MOTA played a similar role with respect to the urban, cultural heritage, tourism and environment components. Both ministries took active steps to ensure effective project selection, design and contract document action. In addition MOTA helped secure GOJ's prior action on several key issues, including: i) the formation of PRC as an area authority, with a mandate to coordinate the activities of the relatively weak municipalities, enforce land use plans, develop projects, manage the environment, and promote tourism activities in the Petra area; ii) the declaration of Wadi Rum as a protected area with special regulations; and iii) the mandating of the Higher Council for Tourism to review tourism policy and propose steps to modernize the laws and strengthen the institutional structure of the sector. Moreover, MOTA took effective steps to develop an action plan to guide the development of Petra, and to strengthen their own accounting, financial and project management capability in preparation for project implementation.

#### *7.5 Government implementation performance:*

**Rating: S.**

In general, GOJ (represented by the ministries of Planning and International Cooperation (MOPIC), MPWH and MOTA) were highly supportive, and fulfilled their project obligations in an effective and timely manner. Four areas are particularly noteworthy: i) counterpart funding; ii) support for the establishment of zoning regulations at Petra and Wadi Rum; iii) funding the purchase of the environmentally sensitive Dana site in Petra; and iv) approving revisions to the tourism and cultural heritage laws, making them more flexible and encouraging private sector participation in the development of the sector.

#### *7.6 Implementing Agency:*

**Rating: S.**

There were five public agencies involved in implementing the project: MPWH, MOTA, DOA, PRA, and ASEZA. MPWH was responsible for the major road components, and their performance here was highly satisfactory. In particular, they supervised the road contracts effectively, and were instrumental in finding practicable solutions when the (international) contractor failed to perform and in fact had to be replaced. These actions ensured the completion of the key roads contract, and the significant improvement of the main road leading to Petra. ASEZA, for its part, was responsible for overseeing the implementation of the Wadi Rum component, and they did so with the able assistance of RSCN. Despite some initial missteps, performance was satisfactory: the main infrastructure component (including access road, new visitors center and police station, etc) were completed; conservation and management plans and structure were put in place and are operational; handicraft training and production capacity has been established; and Wadi Rum has been effectively promoted as an international eco-tourism destination. The performance of DOA and PRA, in contrast, was somewhat less than satisfactory. Despite considerable support under the



project, DOA were unable to significantly improve the facilities and services at the archaeological park on to install effective park management. PRA, for its part, *did* establish effective land use and zoning regulations at Wadi Musa, but as already indicated their commitment to enforcement is questionable. PRA also took the lead on environmental improvement and control in the Wadi Musa area, but again their commitment to maintenance is uncertain. Finally, MOTA, the main project implementation agency, performed very well. They competently oversaw the implementation of the entire project as well as the development components that were specifically entrusted to their. Also, MOTA developed a strong cadre of relatively young Jordanian professionals who ably oversaw project development, procurement, accounting and reporting. Moreover, this cadre had been molded into an effective TDD. This has greatly strengthened MOTA, and given it the capacity to take on other major tourism development projects--including the successor to STDP. MOTA's only misstep was its inability to deliver on its commitment to develop a national tourism stately with attendant investment programming and policy and institutional reform measures. But they later atoned for this, albeit with the assistance of other donors.

#### *7.7 Overall Borrower performance:*

**Rating: S.**

The client (MOPIC, MOTA and MPWH) participated fully in all project dialogue, and cooperated very well with the project team at all stages. Further, they were responsive and proactive when problems arose and creative in finding practicable solutions. The one major (and continuing) area of concern is with Petra, specifically continuing to protect and enhance Park and its environs. This responsibility lies directly with PRA and DOA. Here GOJ needs to take more forcefully steps to ensure the protection of Jordan's patrimony.

### **8. Lessons Learned**

Several lessons have been learned that should benefit the development of further projects. Some like the importance of allowing sufficient time for public decision making, are mundane but worth repeating. A sixty percent time over-run on a not overly complex project seems excessive in the absence of some major intervening set of events. More substantive though, are the following lessons:

1. *Sufficiently understanding the complexity of the local environment at appraisal, and making adequate allowances for this complexity in project design and during implementation.* Wadi Musa, in particular, turned out to be far more complex socially and politically than was realized at appraisal. This led to over-optimism at appraisal regarding the prospects for change and for protecting the archaeological Park and its environs. The complexity arose from a combination of mostly competing interests. These included powerful local and national elites with a financial stake in land development and speculation; relatively weak traditional groups with historical use-rights to areas in and around the archaeological Park; local mercantile groups with a narrow interest in trade; national bureaucratic and policy elites with a broad perspective on the importance of protecting and developing the Park; and local bureaucrats with more parochial views and subject to powerful local pressures. Insufficient understanding of these groups and their interests and the consequent absence of a strategy for managing them, led directly to problems with implementing the land use zoning measures. It also led to difficulties in conducting an effective dialogue with and consequently building capacity at PRA. A parallel case can be cited at Wadi Rum, though the details are quite different.
2. *Accurately gauging the capacity of key participating agencies and their commitment to core project objectives both prior to and during project implementation.* This second lesson is also evidenced by the disappointing experience with PRA and DOA. In the case of PRA, the lesson is evidenced by the reluctance and, in some instances, failure of PRA to effectively implement the land use and zoning regulations. It is also evidenced by their seeming inattention to maintenance. PRA's leadership now

seem to have, and may always have had, different objectives, expectations and understanding of their role from that held by the Bank appraisal and supervision teams. Moreover, the *incentives* perceived by this leadership seem to have had far more to do with promotion to higher national office in Amman and elsewhere and with making accommodation with powerful elites than to any notions of protecting the Park and its environs. DOA presents a parallel case, but again the details are quite different. Their core focus seems to be *custodial* and to a lesser extent, research. Under the project, they were being asked to undertake developmental, managerial and service delivery tasks, tasks that they did not (and still do not) have the staff, skills, and financial or professional incentives to perform. More broadly though, the problem may have been partly one of a lack of exposure of PRA and DOA officials to effective environmental and cultural heritage preservation models elsewhere in the world.<sup>19</sup>

3. *Establishing a clear consensus with the counterpart agency on the need for and relevance of strategic planning and programming, and ensuring that the agency has the will and capacity to undertake the task effectively.* MOTA illustrates the point. Under the project, they were being asked to develop a coherent sector strategy with attendant investment, regulatory and institutional reforms programs and plans. It is now clear (and should have been clear at appraisal) that MOTA had neither the experience or the incentive to effectively undertake this task – one that in the past had always been undertaken by donors to underpin their own lending programs. That MOTA has now managed to develop a well-regarded national tourism strategy--albeit with the help of other donors-- is a tribute to skill and perseverance of their recent leadership.

## **9. Partner Comments**

### *(a) Borrower/implementing agency:*

The key sections of the Borrowers comments are presented at Annexes 10 and 11. The entire document has been placed on the project file. The following is a summary of the main comments: i) The project fully and partially achieved a wide range of outputs. ii) The physical intervention were more successful than those related to social, institutional, regulatory and sector strategy. iii) The sustainability of the project achievements requires attention and enhancement of the management structures that were established and/or supported under the project, namely Wadi Rum Administration, Petra Regional Authority and Petra Archeological Park. iv) In the case of Petra, coordination at national and central levels is required to ensure efficient leadership and the efficient allocation of financial and human resources. v) To ensure sustainability at Wadi Rum, ASEZA needs to remain alert in maintaining and fostering the rather delicate existing achievements. iv) The STDP taught several lessons, the most important of which is the necessity of properly assessing the local contexts in which interventions are being introduced. Social, administrative and political networks and capacities need to be addressed effectively to ensure proper communication between all the concerned stakeholders.

### *(b) Cofinanciers:*

Not applicable.

### *(c) Other partners (NGOs/private sector):*

Not applicable.

## **10. Additional Information**

A stakeholders' workshop was held on September 25, 2005. A brief summary of the meeting is presented in Annex 9. The response of stake-holders to the project was generally very positive. However, there was a consensus that more attention needed to have been placed on social (*people as well as places*), and on the operational issues that were likely to arise upon project completion.

**End Notes**

1. 1995 Country Assistance Strategy (CAS), Jordan, Report No. 14999-JO, World Bank, p10.
2. Jordan, Second Tourism Development Project, Staff Appraisal Report, July 11, 1997.
3. Petra National Park Management Plan, UNESCO (1994-95).
4. Jordan Sustainable Development/Sites Report, USAID 1996.
5. Jordan National Tourism Strategy and Policy, Japan International Cooperation Agency, February 1996.
6. See 1995 CAS op cit.
7. Petra National Park Management Plan, UNESCO (1994-95); Jordan Sustainable Development/Sites Report, USAID 1996; Jordan National Tourism Strategy and Policy, Japan International Cooperation Agency, February 1996.
8. The planned levels on the roads had to be modified in several cases in order to link to the work of an earlier USAID-sponsored contractor.
9. Details on the achievement of objectives and components are presented at Annex 1. The Rating Key is: Highly Satisfactory, **S**=Satisfactory, **MS**=Moderately Satisfactory, **MU**=Moderately Unsatisfactory, **U**=Unsatisfactory, **HU**=Highly Unsatisfactory.
1. Petra is sometimes referred to this review as Wadi Musa which is the name of the local town adjacent to the Archaeological Park. The latter is often referred to simply as the Park. Where the context is clear, the term "Park" is also sometimes used in reference to the Wadi Rum ecological park.
2. The criterion itself is ambiguous--it does not adequately specify the source or type of employment expected. Moreover, there was no mention of employment objectives at Petra, the main project site. In addition, there are no comparable data for Wadi Rum.
3. The *Beneficiary Assessment* results are themselves ambiguous, particularly at Wadi Rum. Here the respondents seem to be understating the benefits because of unresolved problems between competing ethnic groups on the site.
4. 1997 data are not available.
5. This was the consensus of the Stakeholder Workshop held in Amman in September 25, 2005.
6. MOTA's population estimates based on latest census data.
7. Lawrence of Arabia reportedly passed through.
8. A key determinant of project sustainability and one that is beyond the control of MOTA and GOJ is, of course, regional political stability. Such shocks strongly impact visitation, and hence the entire local tourist economy.
9. To some extent, the shocks can be cushioned by increases in visitors from the Gulf who are much less sensitive to them than the conventional European and North American tourist. However, regional visitors exhibit very different visitation patterns, accommodation requirements and spending habits from the typical extra-regional tourist, and hence are not direct substitutes for them. Typically, these seem to be family and shopping visits, with little impact on the historical, cultural or ecological sites and minimal use of large hotels. However, there is room for the project towns to tap a part of this considerable traffic.
10. Some DOA officials did visit the National Park Service in the US, but this was probably not an appropriate model given the huge economic and cultural gap between Jordan and the US. A regional or European model may have been more appropriate.

## Annex 1. Key Performance Indicators/Log Frame Matrix

Narrative Summary	Projected in PAD	Actual/ Latest Estimate	Comment
<b>CAS Objective</b>			
<ul style="list-style-type: none"> <li>Create an enabling environment for outward-oriented private sector growth, improve Infrastructure extent and efficiency to relieve constraints to sustained growth</li> </ul>	<ul style="list-style-type: none"> <li>sustained increase in foreign tourists</li> <li>sustained increase in revenues from foreign tourists</li> </ul>	Partially Achieved	Rating: <b>MS</b> <ul style="list-style-type: none"> <li>It was not possible to fully achieve objectives due mainly to events outside the control of the project, namely regional political instability from 2001 onward arising from the second Palestinian Intifada. This reversed the previously increasing positive trend of visitation figures in Jordan, and Petra and Wadi Rum significantly. It produced a negative growth and reduced revenues at most of tourist sites. These negative trends only began to change after 2003, but the 2000 levels have yet to be regained. The rating of achievements here takes account of these extenuating circumstances.</li> </ul>
<b>Project Development Objectives</b>			
<b>1. Create the conditions for sustainable and environmentally sound tourism in Petra, Wadi Rum, Jerash and Karak</b>	Overall	Partially Achieved	Rating: <b>S</b>
	1.1 approval by September 1999 and implementation by the end of the project of a long-term tourism sector strategy, institutional restructuring and regulatory reform programs	Partially achieved.	Rating: <b>MS</b> <ul style="list-style-type: none"> <li>Sector strategy only partially completed by MOTA in early 01. Required investment program not prepared, and regulatory reform and restructuring program not developed.</li> <li>Despite lack of achievement of target, MOTA did undertake a number of reform initiatives under the project: to amend the tourism and antiquities laws to allow for greater private sector participation and to recognize the importance of natural and urban landscapes and significant elements of the more recently built environment ; to consolidate and strengthen its project formulation and project management capacity by creating a Technical Development Department (TDD); to introduce e-government in its professions department, significantly simplifying licensing and supervision services to the industry.</li> <li>More over, MOTA acted: to improve its data collection and analysis capability (with the help of the EU); to begin to address the issue of improved site management (with assistance from the EU); and in response to the tourism downturn after 2000, to begin to react to explore non-traditional tourism markets in Poland and elsewhere, and to recognizing the value and importance of regional tourism.</li> <li>The above indicates the build up of substantial “strategic capability” at MOTA during, and partly due to the project.</li> </ul>
	1.2 improved infrastructure, environmental protection and site management at the 2 primary project sites Wadi Rum and Petra by the end of the project	Achieved.	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Considerable progress was made (see components below), but future maintenance management and hence sustainability still an uncertain issue.</li> </ul>
	1.3 growth of tourism by 75 percent at Wadi Rum by the end of the project	Partially achieved.	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Negatively affected by regional political instability after 2000, but recovering. Selected visitor data: Base yr. 1997=0.06m; 2000=0.11m, a 80% increase on base year; 2004=0.07m.</li> <li>Indicator of dubious value since project can only marginally affect.</li> </ul>
<b>2. Increase tourism-related employment and income generation opportunities at project sites</b>	2.1 100 percent increase in tourism-related employment at Wadi Rum by the end of the project	Achieved.	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Baseline not precisely determined. However, a considerable number of jobs were created: 45 at the new VC; 25 at camps, benefiting 50 families; 25 registered guides. Anecdotal evidence indicates that employment at site more than doubled as result of the project.</li> <li>No indicator specified for Petra, the main development site.</li> </ul>

Narrative Summary	Projected in PAD	Actual/ Latest Estimate	Comment
<b>OUTPUTS/ Indicators</b>			
<b>1.</b> Petra Region <sup>1</sup>			Rating: <b>S</b>
<b>1.1</b> Petra region improved infrastructure to support environmentally sustainable tourism development  <i>(Note: Outputs have been renumbered to be consistent with project components 1.1 &amp; 1.2)</i>	Overall	Achieved.	Rating: <b>S</b>
	<b>1.1.2/3</b> main access roads are rehabilitated and maintained, including safety improvement, by the end of the project (Unaizah-Shobak-Wadi Musa Road, and Wadi Musa-Um Seyhun–Little Petra scenic road	Achieved.	Rating: <b>S</b> <ul style="list-style-type: none"> <li>• 53 km Unaizah-Shobak-Wadi Musa road, including landscaping, completed April 05.</li> <li>• Delays mainly due to contractor performance. Contract had to be renegotiated.</li> <li>• Street lighting is needed at entrance to Wadi Musa.</li> <li>• 7.5 km Wadi Musa-Um Seyhun–Little Petra scenic road completed.</li> <li>• Delayed due to land acquisitions and archeological remains issues along its path.</li> </ul>
	<b>1.2</b> urban infrastructure developed and improved in Wadi Musa, Taybeh and Um Seyhun by the end of the project	Achieved.	Rating: <b>S</b> <ul style="list-style-type: none"> <li>• Start of urban roads generally delayed for 2 yrs by unforeseen completion delays with then existing USAID- supported sewage and water networks project in the area.</li> <li>• Taybeh spine road, including landscaping completed Sep. 01. Um Sayhun spine road completed Apr. 02. Wadi Musa spine road (??km) including town center loop, urban collector road phase I &amp; urban collector road phase II completed Oct. 03. Latter road still at maintenance stage.</li> <li>• Street lighting and landscaping completed, but Wadi Mousa entrance still requires lighting.</li> <li>• Traffic management and parking at the town center completed.</li> <li>• Elge village construction completed Aug 02. Operation and management of the village is not in place yet due to the tourism crisis. PRA Currently waiting for investors.</li> </ul>
<b>1.3</b> Improved visitor infrastructure and services at the Petra Sanctuary  <i>(Note: Outputs have been renumbered to be consistent with project component 1.3)</i>	Overall	Partially achieved	Rating: <b>U</b>
	<b>1.3.1</b> redevelopment of the visitor center (VC) & site entrance area completed by the end of the project	Partially achieved	Rating: <b>MS</b> <ul style="list-style-type: none"> <li>• Maintenance works at the existing VC completed.</li> <li>• Design Competition for a new VC and entrance development completed Jun 05, however little actual improvement works implemented.</li> </ul>
	<b>1.3.2</b> Sanctuary enhancement by the end of the project	Partially achieved	Rating: <b>MU</b> <ul style="list-style-type: none"> <li>• Basic tour including signage completed.</li> <li>• Trails through the sanctuary being developed together with landscaping.</li> <li>• Interpretive material at the visitor center and along the routes partially completed.</li> <li>• Basic interpretation is being developed and provided but still not adequate.</li> <li>• Also, complaints still being received from visitors on the inadequacy of basic sanitary services (toilets) inside the sanctuary.</li> </ul>
	<b>1.3.3</b> visitor management plan developed and implemented by December 31.1998	Partially achieved	Rating: <b>U</b> <ul style="list-style-type: none"> <li>• Visitor management study and operation plan completed in 2000 by the US National Park Service. NPS also provided training and capacity building for PAP staff.</li> <li>• Plan implementation delayed until PAP formally established in 2002. To date PAP staffing and site management unit is not yet in place, effectively blocking plan implementation.</li> </ul>

<sup>1</sup> The Petra outputs and indicators: The numbering here differs from that shown in Annex 1 of the PAD. It has been revised to conform to the numbering of components in the project description and the cost tables in the SAR.

Narrative Summary	Projected in PAD	Actual/ Latest Estimate	Comment
<b>OUTPUTS/ Indicators</b>			
<b>1.4</b> Improved environmental protection in the Petra Region  <i>(Note: Outputs have been renumbered to be consistent with project component 1.4)</i>	Overall	Substantially achieved	Rating: <b>MS</b>
	1.4.1 reforestation and Wadi terraces regeneration components completed by the end of the project	Substantially achieved	Rating: <b>MS</b> <ul style="list-style-type: none"> <li>• Reforestation on public land is complete, but planned reforestation on private land only 50% completed. Under-achievement due apparently to by tedious procedures for obtaining private approval, and to lack of effective follow-up by PRA.</li> <li>• Lack of irrigation water also an obstacle on private land reforestation.</li> <li>• Responsibility for maintenance of public areas lies with PRA, but watering problematic placing sustainability at risk.</li> </ul>
	1.4.2 flood protection measures implemented by the end of the project	Substantially achieved	Rating: <b>MS</b> <ul style="list-style-type: none"> <li>• Wadi Musa flood control measures including box culverts completed 01/02. Measures implemented have significantly reduced if not eliminated the risk of flooding in critical areas (notably the Siq).</li> <li>• STDP measures were complemented by additional PRA earth dams.</li> <li>• PRA maintenance on-going but inadequate. This inadequate maintenance increases the risk of flooding and threatens the sustainability of the Wadi Musa components. (PRA argues for wider protection measures.)</li> </ul>
	1.4.3 solid waste management plan implemented (including monitoring system of private sector operators) by June 30,1998	Substantially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>• Annual contract for solid waste collection executed with private operator starting 97 through MOTA. Contracts since 03 are with PRA.</li> <li>• Management plan &amp; monitoring system: Monitoring system established but without a set management plan.</li> <li>• Equipment and garbage containers purchased and supplied under project in 03.</li> </ul>
<b>1.5</b> Increased institutional capacity of the Petra Regional Planning Council (PRC) <sup>1</sup>  <i>(Note: Output have been renumbered to be consistent with project component 1.5)</i>	Overall	Partially achieved.	Rating: <b>MU</b>
	1.5.1 (i) PRC Operating procedures completed by October 31,1997 and staffing completed by June 30.1998	Partially achieved.	Rating: <b>U</b> <ul style="list-style-type: none"> <li>• PRC operating procedures completed on schedule, but never reviewed by MOTA or Bank.</li> <li>• Staffing completed but not as envisioned by project. Also, new PRA departments (Admin., Finance, Engineering &amp; Technical, and Planning) by formed by June 98, but not as recommended under project. Recommended Project Implementation, Environmental Management, and Tourism Promotion not formed, though some implementation, planning, and development control capacity developed under the department actually established. The latter two are weak, and no tourism development capacity ever established.</li> <li>• Adequate PRA staffing and capacity a contentious issue with Bank throughout project. Several remedial proposals made by Bank (including at mid-term) but not acted on by PRA.</li> </ul>
	1.5.1 (ii) all Petra component project including environmental management and tourism promotion activities launched by Dec. 31.1998	Partially achieved.	Rating: <b>MU</b> <ul style="list-style-type: none"> <li>• Only Unaizah rd and reforestation projects launched by 12/98.</li> <li>• Main environmental management projects launched in 1999.</li> <li>• Delays of starting the other projects due mainly to unforeseen delays in progress of related USAID sewage and water networks project at that time.</li> <li>• Tourism promotion capacity never developed at PRA, and no significant program of activities launched.</li> </ul>

<sup>1</sup> PRC changed to PRA in 2003. New Authority supplanted, and inherited staff from previous area municipalities.

Narrative Summary	Projected in PAD	Actual/ Latest Estimate	Comment
<b>OUTPUTS/ Indicators</b>			
	1.5.1 (iii) Petra tourism promotion program (including new tourism attractions) prepared by December 31,1998	Not achieved.	Rating: <u>U</u> <ul style="list-style-type: none"> <li>• Tourism promotion capacity never developed at PRA.</li> <li>• Some very limited local tourism promotion activities were initiated/coordinated by the PRA at Elge and the sanctuary. These were not sustained.</li> </ul>
	1.5.1 (v) PRC preparation of annual reports on Petra Region Tourism Development, involving all local stakeholders, beginning in 1999	Partially achieved	Rating: <u>U</u> <ul style="list-style-type: none"> <li>• Annual reports started on 99, but stopped on 2001 due to breakdown in communication between PRC and MOTA PMU (according to PRA).</li> </ul>
	1.5.1 (vi) protected areas defined and protection mechanisms established by December 31,1997	Substantially achieved	Rating: <u>MS</u> <ul style="list-style-type: none"> <li>• PRC (Council) declared Dara, Wadi Musa and Taybeh protected areas in 2001.</li> <li>• Land use codes completed and became a regulation Dec 02 –an important achievement. Significant compensation paid by GOJ for land in the key affected Dara area, also a major step.</li> <li>• However, Code never fully endorsed or effectively embraced by PRA executive, and PRA itself breached the code by its approval of building a university adjacent to the protected Dara site.</li> <li>• PRA not convinced of appropriateness of measures, and show little enthusiasm for their implementation. In addition, continued pressures from local community and other stakeholders are imposing difficulties on achieving total protection objectives.</li> <li>• Current PRA development control practices unsatisfactory, and contravenes Local Government Law. Continued weak PRA practice could threaten MS sustainability of protection measures.</li> </ul>
	1.5.1 (vii) Petra Region detailed land-use plans, including environmental protection requirements, completed by December 31,1997	Substantially achieved	Rating: <u>MS</u> <ul style="list-style-type: none"> <li>• Key protection measures put in place in 01/02, and implementation mechanisms developed.</li> <li>• GIS support provided, and capacity became operational in 2003. Mapping on-going, but PRA need to upgrade equipment.</li> </ul>



Narrative Summary	Projected in PAD	Actual/ Latest Estimate	Comment
<b>2. Wadi Rum</b>			Rating: <b>MS</b>
<b>2.1</b> Improved infrastructure to support environmentally sustainable tourism development	2.1.1 infrastructure development projects implemented by the end of the project	Achieved	Rating: <b>MS</b> <ul style="list-style-type: none"> <li>New entrance road (4.4km) and a new gate. However, road of dubious value and not often used by visitors.</li> <li>Roads, water supply (including new reservoir and network), and property walls in Rum village successfully upgraded. New Rum police station constructed.</li> <li>Construction of a new visitors' center and external works completed after much delay. VC impressive but not very efficiently laid out.</li> </ul>
<b>2.2(a)</b> Improved environmental conservation and tourism management	Overall	Partially achieved	Rating: <b>S</b>
	2.2.1 detailed regulations and land-use plans for environmental protection and conservation including land-use plans for Rum village, approved by ARA Board and enforceable by June 30,1998	Substantially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>ARA approved the regulations in 1999.</li> <li>ASEZA, the successor to ARA, endorsed the regulations in Jan. '01. Initial ARA managerial response was slow, but since the transformation of ARA into ASEZA there has been considerable improvement.</li> <li>RSCN played a very positive role throughout, and continues to provide advice and assistance to WRA.</li> </ul>
	2.2.2 Wadi Rum environmental conservation management and tourism management plans implemented by June 30,1999	Substantially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>RSCN completed study of environmental conservation management on Jan 03. Public awareness, outreach and training programs were also prepared and implemented to serve local community and staff</li> <li>Fees were doubled, and all fees allocated to Rum management and preservation.</li> </ul>
<b>2.2(b)</b> Increased institutional capacity of the Wadi Rum Administration (WRA)	2.2.3 Wadi Rum Administration operating by March 31,1998 (organizational structure and staffing completed)	Partially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Wadi Rum project implementation unit PIU established in July '98.</li> <li>Administration Unit (WRA) not established until July '01, staffing was completed (23 members) end '01. Financial &amp; operational procedures of WRA completed by mid 2001.</li> <li>RSCN managed operations and follow up prior to WRA.</li> </ul>
	2.2.4 all Wadi Rum component projects, including environmental conservation and income generation activities, launched by December 31,1998	Substantially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>RSCN contracted by ASEZA to create and operate visitor's and conservation management plans in 7/98. The first set of conservation management regulations was prepared by mid '99. Environmental conservation and visitor's management plans now in place.</li> <li>Design of village infrastructure and VC was launched in '98.</li> <li>VC construction was awarded by Oct. '00. Village infrastructure upgrading contracted in Jan '01. Construction awarding procedures and its arrangements took more than anticipated, but all works now complete.</li> <li>Income generation: By mid '99 the Handicraft center was opened and operated by RSCN with a limited production line. Six women are currently employed through the handicraft center and two in the crafts shop.</li> </ul>
	2.2.5 Wadi Rum Administration preparation of annual report on Wadi Rum tourism development and environmental conservation, involving all local stakeholders, beginning in 1999	Partially achieved	Rating: <b>MS</b> <ul style="list-style-type: none"> <li>WRA was not established until '01. Quarterly reports were being prepared since 99 by RSCN as an operating party. WRA have prepared two annual reports since its establishment.</li> </ul>



Narrative Summary	Projected in PAD	Actual/ Latest Estimate	Comment
<b>OUTPUTS/ Indicators</b>			
2.3(a) Increased efficiency of Rum Tourism Cooperative	2.3.1 regular issuance of RTC accounts based on restructured accounting beginning fiscal year 1999.	Not achieved	Rating: <b>U</b> <ul style="list-style-type: none"> <li>Accounts not issued as planned.</li> <li>Administration and financial structure and operation of RTC were reviewed in 12/1998, but recommendations never put into action because RTC refused to accept.</li> </ul>
2.3(b) Increased tourism-related income generation opportunities for women in Wadi Rum area	2.3.2 recruitment of target population for Women's Handicraft Center	Partially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Training and recruitment of Women.</li> <li>Construction of a handicraft center&amp; equipment and supplies purchase</li> <li>Eight women are currently employed through the handicraft center. A new building is being constructed &amp; provided to the project.</li> </ul>
	2.3.3 development of product line by June 1999	Achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Recognized product line developed between 1999 and 2001.</li> </ul>
<b>3. Karak and Jerash Tourism Development Pilot Program</b>			Rating: <b>S</b>
3.1 Action plan for tourism development in Karak and Jerash	Overall	Substantially achieved	Rating: <b>S</b>
	3.1.1 Tourism development plans including projects preliminary design completed by March 31,1999	Substantially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Karak study launched in Dec.1999 and completed by Sept. 2001.</li> <li>Jarash study launched by June 2000 and completed by March 2004. Study duration expanded due to changing requirements.</li> <li>Studies results beneficial in framing TORs of additional studies undertaken (under STDP) at Madaba and Ajloun, in preparation for proposed follow-on Third Tourism Project.</li> </ul>
3.2 Karak and Jerash priority projects (pilot program)	3.2.1 priority projects implemented by the end of the project	Substantially achieved	Rating: <b>S</b> <ul style="list-style-type: none"> <li>Karak: Castle plaza upgrading &amp; rehabilitation of vernacular buildings completed Sep 05.</li> <li>Jerash: Upgrading of the urban space around the Roman Baths, rehab of the old Souq and the vernacular quarter completed Sep 05. A new bus terminal with a commercial complex was constructed outside the old city core to ease traffic. In general, the achievement here was less than that at Karak.</li> <li>Delays were encountered in completing the projects due mainly to weak contractor performance and to some required design changes.</li> </ul>

Narrative Summary	Projected in PAD	Actual/ Latest Estimate	Comment
<b>OUTPUTS/ Indicators</b>			
<b>4. Tourism Sector Development</b>			<b>Rating: <u>MS</u></b>
<b>4.1</b> Long-term tourism strategy and accompanying institutional restructuring and regulatory reform programs	4.1.1 tourism sector development strategy including institutional regulatory reform programs, completed by March 31, 1999, approved by September 30, 1999, and implemented by the end of the project	Partially achieved	Rating: <u>MS</u> <ul style="list-style-type: none"> <li>• Sector strategy only partially completed by MOTTA in early 01. Required investment program not prepared, and regulatory reform and restructuring program not developed.</li> <li>• Despite lack of achievement of target, MOTTA did undertake a number of reform initiatives under the project: to amend the tourism and antiquities laws to allow for greater private sector participation and to recognize the importance of natural and urban landscapes and significant elements of the more recently built environment; to consolidate and strengthen its project formulation and project management capacity by creating a Technical Development Department (TDD); to introduce e-government in its professions department, significantly simplifying licensing and supervision services to the industry.</li> <li>• More over, MOTTA acted: to improve its data collection and analysis capability (with the help of the EU); to begin to address the issue of improved site management (with assistance from the EU); and in response to the tourism downturn after 2000, to begin to react to explore non-traditional tourism markets in Poland and elsewhere, and to recognizing the value and importance of regional tourism.</li> <li>• The above indicates the build up of substantial “strategic capability” at MOTTA during, and partly due to the project.</li> </ul>
<b>5. Additional components</b>			
<b>5.1</b> Madaba Study	na		Rating: <u>S</u> <ul style="list-style-type: none"> <li>• Madaba urban regeneration study was launched in November 2002, and completed by Aug.2003.</li> </ul>
<b>5.2</b> Ajloun Study	na		Rating: <u>MU</u> <ul style="list-style-type: none"> <li>• Ajloun urban growth control master plan was launched by mid Dec. 2003; Ajloun study was initiated as part of the development of Jarash region.</li> <li>• Study not comprehensive enough.</li> </ul>

## **Annex 1-B: Amendments to Legal Agreements**

<b><i>Feb 2, 98</i></b>	Provision for force account procurement procedures with respect to the environmental component (tree planting), allowing the Ministry of Agriculture to implement this component.
<b><i>May 25, 00</i></b>	Inclusion in the project description of (1) Petra Component: Improvement of visitor facilities and management of the Petra sanctuary, Shobak Castle, and Little Petra; (2) Wadi Rum Component: a) Construction of a new handicraft center; (b) Planning of new village to accommodate increases in the population of the existing village; (3) Karak/Jerash Component: Carrying out of feasibility studies for integrated tourism and urban development in Jerash, Karak and Madaba; (4) Sector Development Component: increase in the amount allocated.
<b><i>April 4, 04</i></b>	Reallocation of \$0.6m to the Wadi Rum Component to help fund completion costs.

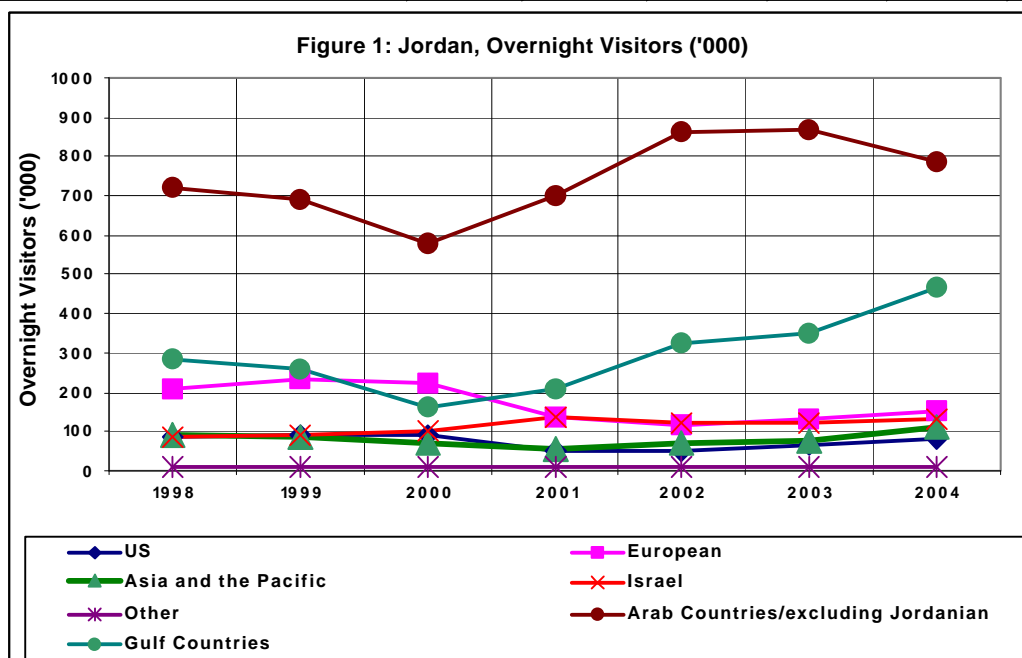
**Annex 1-C: Tourism Statistics** Source: Department of Statistics, MOTA.

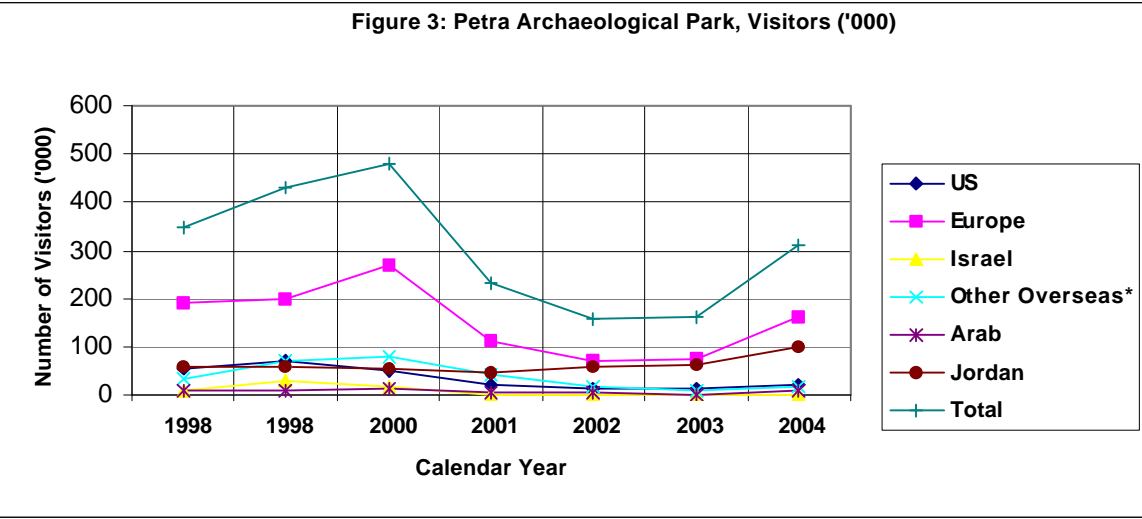
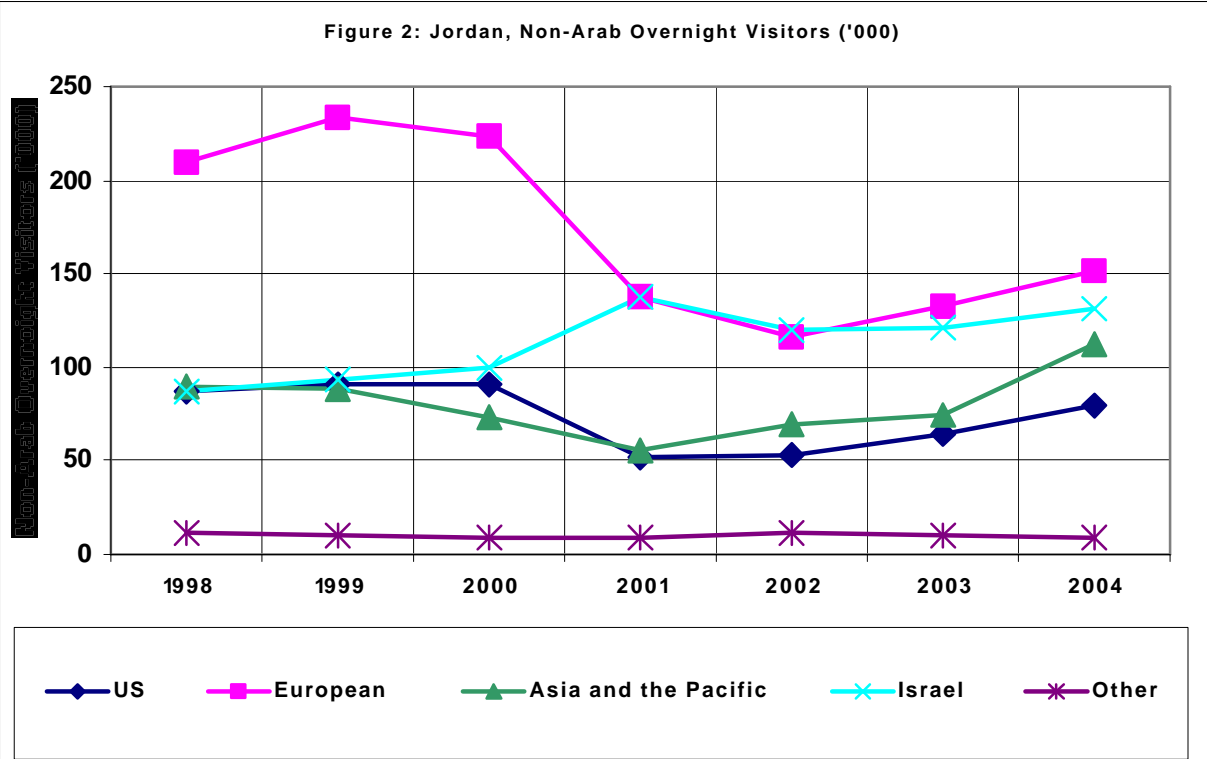
**Table 1 Jordan, Overnight Visitors ('000)**

Country/Receipts	1998	1999	2000	2001	2002	2003	2004
US	87	91	91	52	53	64	80
European	209	233	223	138	116	133	151
Asia and the Pacific	90	88	73	55	70	74	113
Israel	87	93	100	138	120	121	131
Other	11	10	9	9	11	10	9
Arab Countries/excluding Jordanian	719	690	580	703	861	868	786
Gulf Countries	286	258	164	208	324	351	467
	1490	1463	1240	1304	1554	1621	1737

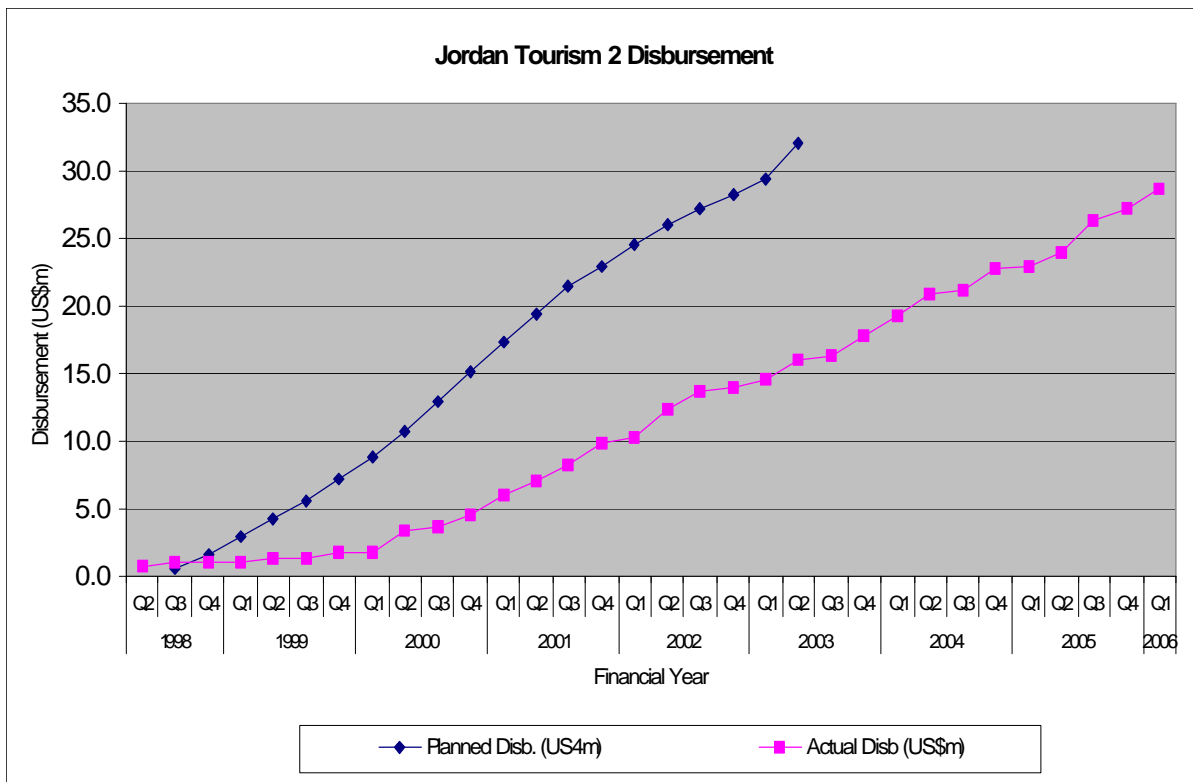
**Table 2 Petra Park, Visitors ('000) and Gate Receipts (JDm)**

Country/Receipts	1998	1999	2000	2001	2002	2003	2004
<b>Visitors</b>							
US	52	69	51	22	11	12	20
Europe	189	197	268	113	69	76	163
Israel	9	28	18	1	0	0	1
Other Overseas*	33	70	79	43	16	9	17
Arab	8	7	13	6	6	2	10
Jordan	57	59	52	47	57	61	100
<b>Total</b>	<b>347</b>	<b>430</b>	<b>481</b>	<b>231</b>	<b>159</b>	<b>161</b>	<b>310</b>
<b>Gate Receipts( JD m)</b>	<b>6.0</b>	<b>7.6</b>	<b>8.8</b>	<b>3.7</b>	<b>1.1</b>	<b>1.1</b>	<b>2.4</b>





Annex 1-D. Disbursement



## Annex 2. Project Costs and Financing

Project Cost by Component (in US\$ million equivalent)

Component	Appraisal Estimate US\$ million	Actual/Latest Estimate US\$ million	Percentage of Appraisal
1. Petra Region Infrastructure Development and Environmental Management	22.00	24.00	109.1
2. Wadi Rum Development and Environmental Conservation	7.40	10.10	136.5
3. Karak and Jerash Tourism Development Pilot Program	5.00	7.50	150
4. Sector Development Support	1.80	0.80	44.4
<b>Total Baseline Cost</b>	<b>36.20</b>	<b>42.40</b>	
<b>Physical Contingencies</b>	<b>4.80</b>		
<b>Price Contingencies</b>	<b>3.00</b>		
<b>Total Project Costs</b>	<b>44.00</b>	<b>42.40</b>	
<b>Total Financing Required</b>	<b>44.00</b>	<b>42.40</b>	

To the end of September 2005.

**Table 2a.1: Project Cost by Component (in US\$ million equivalent)\*\**

Project Component	Appraisal Estimate (Total)	Appraisal Estimate (Total incl Contingencies)	Actual / Latest Estimate	Actual/ Appraisal (incl Contingencies)	Original Appraisal Estimate (incl Contingencies)	Actual / Latest Estimate
	(US\$ m)	(US\$m)	(US\$ m)	(%)	(% of Total)	(% of Total)
<b>1. Petra Region Infrastructure Development and Environmental Management</b>						
1.1 Road rehabilitation/improvement works	10.5	13.0	12.9	99%	30%	30%
1.2 Urban infrastructure development	7.2	9.0	8.2	91%	20%	19%
1.3 Site enhancement and visitor mangt at the Petra sanctuary	2.0	2.5	1.2	48%	6%	3%
1.4 Environmental Management	1.3	1.6	1.2	75%	4%	3%
1.5 Petra Region Planning Council (PRC) capacity dev.	1.0	1.3	0.5	40%	3%	1%
Subtotal Component 1	<b>22.0</b>	<b>27.4</b>	<b>24.0</b>	<b>88%</b>	<b>62%</b>	57%
<b>2 Wadi Rum Development and Environmental Conservation</b>						
2.1 Wadi Rum infrastructure development	5.6	7.1	7.2	101%	16%	17%
2.2 Wadi Rum protected area management and tourism mngt	1.5	1.7	2.2	129%	4%	5%
2.3 Wadi Rum income generating activities support	0.3	0.4	0.7	175%	1%	2%
Subtotal Component 2	<b>7.4</b>	<b>9.2</b>	<b>10.1</b>	<b>110%</b>	<b>21%</b>	24%
<b>3 Karak and Jerash Tourism Development Pilot Program</b>						
3.1 Feasibility studies	1.0	1.2	0.9	75%	3%	2%
3.2 Karak and Jerash priority tourism development projects	4.0	4.0	6.6	165%	9%	16%
Subtotal Component 3	<b>5.0</b>	<b>5.2</b>	<b>7.5</b>	<b>144%</b>	<b>12%</b>	18%
<b>4 Sector Development Support</b>						
4.1 Technical assistance including training to MOTA	1.0	1.3	0.7	51%	3%	2%
4.2 Equipment for MOTA (computers and vehicles)	0.2	0.2	0.1	60%	0.5%	0.3%
4.3 Technical assistance to the Project Management Unit	0.6	0.7			2%	
Subtotal Component 4	<b>1.8</b>	<b>2.2</b>	<b>0.8</b>	<b>35%</b>	<b>5%</b>	2%
<b>Total Baseline Cost (October 1996)</b>	<b>36.2</b>	<b>44.0</b>	<b>42.4</b>	<b>96%</b>	<b>100%</b>	100%
Physical Contingencies	4.8					
Price Contingencies	3.0					
<b>Total Project Cost</b>	<b>44.0</b>	<b>44.0</b>	<b>42.4</b>	<b>96%</b>	<b>100%</b>	100%

\* To end September 2005.

**Project Costs by Procurement Arrangements (Appraisal Estimate) (US\$ million equivalent)**

Expenditure Category	Procurement Method <sup>1</sup>			N.B.F.	Total Cost
	ICB	NCB	Other <sup>2</sup>		
<b>1. Works</b>	12.10 (7.90)	22.50 (14.70)	0.00 (0.00)	0.00 (0.00)	34.60 (22.60)
<b>2. Goods</b>	0.00 (0.00)	0.00 (0.00)	1.70 (1.70)	0.00 (0.00)	1.70 (1.70)
<b>3. Services</b>	0.00 (0.00)	0.00 (0.00)	7.70 (7.70)	0.00 (0.00)	7.70 (7.70)
<b>4. Unallocated</b>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
<b>5. Miscellaneous</b>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
<b>6. Miscellaneous</b>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
<b>Total</b>	12.10 (7.90)	22.50 (14.70)	9.40 (9.40)	0.00 (0.00)	44.00 (32.00)



**Project Costs by Procurement Arrangements (Actual/Latest Estimate) (US\$ million equivalent)**

Expenditure Category	Procurement Method <sup>1</sup>			N.B.F.	Total Cost
	ICB	NCB	Other <sup>2</sup>		
<b>1. Works</b>	12.20 (7.90)	22.10 (14.40)	0.00 (0.00)	0.00 (0.00)	34.30 (22.30)
<b>2. Goods</b>	0.00 (0.00)	0.00 (0.00)	1.40 (1.20)	0.00 (0.00)	1.40 (1.20)
<b>3. Services</b>	0.00 (0.00)	0.00 (0.00)	6.70 (6.20)	0.00 (0.00)	6.70 (6.20)
<b>4. Unallocated</b>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
<b>5. Miscellaneous</b>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
<b>6. Miscellaneous</b>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
<b>Total</b>	12.20 (7.90)	22.10 (14.40)	8.10 (7.40)	0.00 (0.00)	42.40 (29.70)

<sup>1/</sup> Figures in parenthesis are the amounts to be financed by the Bank Loan. All costs include contingencies.

<sup>2/</sup> Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

**Project Financing by Component (in US\$ million equivalent)**

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	Bank	Govt.	CoF.	Bank	Govt.	CoF.	Bank	Govt.	CoF.
<b>1. Petra Region Infrastructure Development</b>	19.10	8.30		16.30	7.70		85.3	92.8	
<b>2. Wadi Rum Development and Environmental Conservation</b>	6.90	2.30		7.30	2.80		105.8	121.7	
<b>3. Karak and Jerash Tourism Development Pilot Program</b>	3.80	1.40		5.30	2.20		139.5	157.1	
<b>4. Sector Development Support</b>	2.20	0.00		0.70	0.10		31.8	0.0	

To the end of June 2005.

### Annex 3. Economic Costs and Benefits

1. With the exception of the road rehabilitation component, cost-benefit analysis (CBA) was not appropriate for this Project. This was because there is no realistic way to predict the increase in the number of tourists visiting Jordan as a result of the Project, and hence the benefit of tourism to the economy. At the same time, it was just as difficult at appraisal to estimate the decrease in tourism (over the medium term) if the Project was not implemented. For those reasons, the benefits could not be quantified monetarily and, except for the Road Rehabilitation sub-component, a cost effectiveness methodology was used in the Project Appraisal Document (PAD) for the economic analysis.
2. The Project's actual investments are shown in Table 1 of the main text, and in Annex 2. The biggest component, approximately 30 percent (about US\$12.9 million of actual cost) was for improvements made to existing access roads to Petra. This sub-component was subject to CBA and the Project's end-results are described starting at paragraph 4 below.
3. The Project's remaining 70 percent of investments (about 29.5 million of actual cost) were subject to cost effectiveness methodology for the Project's economic analysis. During the Project: (a) there were no new components added during implementation; and (b) actual costs turned out to be very close to those estimated at Appraisal. Therefore, the cost benefit analysis presented in the PAD for these investments remains valid at Project end.
4. As shown in Annex 2, actual costs for the Road Rehabilitation sub-component were very close to appraisal estimates and, therefore, the Project end ERRs were almost the same as estimated at appraisal. Results for the Road Rehabilitation sub-component at Project appraisal and closing are summarized in Table 3 below.

**Table 1. Road Rehabilitation Sub-Component: Summary of Economic Analysis**

Road Section	ERR At Appraisal	ERR At Project End
Unaizah-ShobakWadi Musa	16%	15.60%
Wadi Musa Um Seyhun Little Petra	17%	14.64%

5. For the road rehabilitation subcomponents, benefits were estimated for improved road conditions that lower vehicle operating costs, decreased maintenance costs and benefits resulting from improved road safety. As mentioned in the PAD, reduced vehicle operating costs, time savings for passengers and savings in road maintenance following rehabilitation are important benefits. From a tourism viewpoint, long term safety improvements after road rehabilitation may be even more valuable. As was the case at Appraisal, benefits from improved road safety were estimated at US\$15,000 per million vehicle kilometers.<sup>1</sup>
6. Tables 2 and 3 present the "with" and "without" project scenarios for the two roads based on the World Bank's Highway Design and Maintenance Model (HDM-III).

<sup>1</sup> Based on a total cost of accidents in Jordan of about 2 percent of GNP for about 4.5 billion vehicle kilometers traveled per year.

**Table 1 Economic Evaluation of the rehabilitation of the Unaizah – Shobak Wadi Musa Road**

Year	Without Project			With Project			Economic Net Benefits
	Economic Agency Costs	Economic Total User Costs	Economic Total Costs	Economic Agency Costs	Economic Total User Costs	Economic Total Costs	
1998	2.21	4.64	6.85	0.00	4.64	4.64	2.21
1999	0.06	4.83	4.90	0.76	4.83	5.60	-0.70
2000	0.06	5.04	5.10	1.36	5.00	6.36	-1.26
2001	0.06	5.25	5.31	1.19	5.03	6.21	-0.90
2002	0.06	5.47	5.53	1.95	5.34	7.30	-1.77
2003	0.06	5.69	5.75	3.22	5.53	8.75	-3.00
2004	0.06	5.98	6.04	0.04	5.32	5.35	0.69
2005	0.06	6.28	6.35	0.04	5.68	5.72	0.63
2006	0.06	6.60	6.66	0.04	5.81	5.84	0.82
2007	0.06	6.93	6.99	0.04	6.07	6.11	0.88
2008	0.06	7.27	7.33	0.04	6.34	6.38	0.95
2009	0.06	7.64	7.70	0.04	6.63	6.67	1.04
2010	0.06	8.03	8.09	0.04	6.94	6.97	1.12
2011	0.06	8.46	8.52	0.04	7.26	7.30	1.22
2012	2.21	8.93	11.14	0.04	7.60	7.64	3.50
2013	0.06	7.87	7.93	0.04	7.96	7.99	-0.06
2014	0.06	8.25	8.31	0.04	8.33	8.36	-0.05
2015	0.06	8.65	8.71	0.04	8.73	8.77	-0.06
2016	0.06	9.07	9.13	0.04	9.17	9.21	-0.08
2017	0.06	9.51	9.57	-1.66	9.63	7.98	1.60
Total (undiscounted)	<b>5.54</b>	<b>140.38</b>	<b>145.93</b>	<b>7.31</b>	<b>131.84</b>	<b>139.15</b>	<b>6.78</b>
Total (@ 12% discount Rate)	<b>2.78</b>	<b>45.66</b>	<b>48.43</b>	<b>5.02</b>	<b>43.03</b>	<b>48.05</b>	<b>0.39</b>
<b>Road Rehabilitation Project Net Present Value @ 12% discount Rate (US\$ million):</b>							<b>0.39</b>
<b>Road Rehabilitation Project Internal Rate of Return (%):</b>							<b>15.6%</b>

**Table 2: Economic Evaluation of the rehabilitation of the Wadi Musa Um Seyhun – Little Petra Road**

Year	Without Project			With Project			Economic Net Benefits
	Economic Agency Costs	Economic Total User Costs	Economic Total Costs	Economic Agency Costs	Economic Total User Costs	Economic Total Costs	
2003	0.136	0.702	0.838	0.180	0.702	0.882	-0.044
2004	0.003	0.668	0.671	0.539	0.725	1.264	-0.593
2005	0.003	0.691	0.694	0.120	0.750	0.870	-0.176
2006	0.003	0.723	0.726	0.003	0.611	0.614	0.112
2007	0.003	0.756	0.759	0.003	0.639	0.642	0.117
2008	0.003	0.790	0.793	0.003	0.669	0.672	0.121
2009	0.003	0.826	0.829	0.003	0.698	0.701	0.128
2010	0.003	0.864	0.867	0.003	0.730	0.733	0.134
2011	0.003	0.903	0.906	0.003	0.762	0.765	0.141
2012	0.003	0.944	0.947	0.003	0.797	0.800	0.147
2013	0.003	0.988	0.991	0.003	0.833	0.836	0.155
2014	0.003	1.035	1.038	0.003	0.870	0.873	0.165
2015	0.003	1.085	1.088	0.003	0.910	0.913	0.175
2016	0.003	1.137	1.140	0.003	0.951	0.954	0.186
2017	0.136	1.193	1.329	0.003	0.994	0.997	0.332
2018	0.003	1.224	1.227	0.003	1.040	1.043	0.184
2019	0.003	1.279	1.282	0.003	1.086	1.089	0.193
2020	0.003	1.337	1.340	0.003	1.138	1.141	0.199
2021	0.003	1.397	1.400	0.003	1.205	1.208	0.192
2022	0.003	1.460	1.463	-0.127	1.297	1.170	0.293
Total (undiscounted)	<b>0.326</b>	<b>20.002</b>	<b>20.328</b>	<b>0.760</b>	<b>17.407</b>	<b>18.167</b>	<b>2.161</b>
Total (@ 12% discount Rate)	<b>0.165</b>	<b>6.414</b>	<b>6.580</b>	<b>0.678</b>	<b>5.768</b>	<b>6.446</b>	<b>0.134</b>
<b>Road Rehabilitation Project Net Present Value @ 12% discount Rate (US\$ million):</b>							<b>0.134</b>
<b>Road Rehabilitation Project Internal Rate of Return (%):</b>							<b>14.64%</b>

## Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
<b>Identification/Preparation</b>					
12/7/1994	6	OPERATIONS OFFICER (1) MUNICIPAL ENGINEER (1) ENVIRONMENTAL SPECIALIST (1) FINANCIAL OFFICER (1) TOURISM MANAGEMENT SPECIALIST (1) ENGINEER (1)			
<b>Appraisal/Negotiation</b>					
11/24/1996	7	MISSION LEADER (1) MUNICIPAL ENGINEER (2) SR. ENVIRONMENT. (3) URBAN SPECIALIST (1)			
4/8/1997	1	SR. MUNICIPAL ENGINEER (1)			
<b>Supervision</b>					
10/08/1997	1	SR. MUNICIPAL ENGINEER - TTL	S	S	
12/03/1997	5	SR. MUNICIPAL ENGINEER - TTL (1); PROCUREMENT SPECIALIST (1); DISBURSEMENT OFFICER (1); FMS AND AUDITING SPECIALIST (1); URBAN PLANNER (1)	S	S	
04/22/1998	1	SR. MUNICIPAL ENGINEER - TTL (1)	S	S	
11/20/1998	5	SR. MUNICIPAL ENGINEER - TTL (1); ENVIRONMENTAL SPECIALIST (1); FINANCIAL ANALYST (1); SR. SOCIAL SCIENTIST (1); URBAN PLANNER (1)	S	S	
06/02/1999	2	SR. MUNICIPAL ENGINEER - TTL (1); URBAN PLANNER (1)	S	S	
12/23/1999	5	SR. MUNICIPAL ENGINEER (1); FINANCIAL ANALYST (1); FINANCIAL MANAGEMENT SPECIALIST (1); SR. SOCIAL SCIENTIST (1); URBAN PLANNER (1)	S	S	
06/30/2000	5	SR. MUNICIPAL ENGINEER- TTL (1); FINANCIAL	S	S	

			ANALYST (1); TOURISM DEVELOPMENT SPECIALIST (1); URBAN PLANNER (1); URBAN DEVELOPMENT SPECIALIST (1)		
	12/27/2000	3	SR. MUNICIPAL ENGINEER TTL (1); URBAN PLANNER (1); LEAD URBAN SPECIALIST (1)	S	S
	06/28/2001	2	SR. MUNICIPAL ENGINEER - TTL (1); SOCIAL SCIENTIST (1)	S	S
	12/27/2001	2	MUNICIPAL ENGINEER - TTL (1); URBAN PLANNER (1)	S	S
	05/23/2002	1	SR. MUNICIPAL ENGINEER - TTL (1)	S	S
	11/27/2002	3	SR. MUNICIPAL ENGINEER - TTL (1); URBAN SPECIALIST (1); URBAN PLANNER (1)	S	S
	04/17/2003	1	SR. MUNICIPAL ENGINEER - TTL (1)	S	S
	10/31/2003	4	SR. MUNICIPAL ENGINEER TTL (1); URBAN SPECIALIST (1); URBAN PLANNER (1); ENVIRONM. ENGINEER (1)	S	S
	04/30/2004	4	LEAD MUNICIPAL ENGINEER - TTL (1); URBAN MGT SPEC. (CONS) (1); OPERATIONS OFFICER (1); FINANCIAL ANALYST (1)	S	S
	09/14/2004	4	LEAD MUNICIPAL ENGINEER - TTL (1); URBAN MGT SPEC. (1); OPERATIONS OFFICER (1); FINANCIAL ANALYST (1)	S	S
	02/20/2005	5	LEAD MUNICIPAL ENGINEER - TTL (1) URBAN MANAGEMENT SPECIALIST (1) URBAN PLANNER (1) SOCIAL DEV. SPECIALIST (1) FINANC. MGT SPECIALIST (1)	S	S
<b>ICR</b>	09/25/2005	4	LEAD MUNICIPAL ENGINEER - TTL (1) URBAN MANAGEMENT SPECIALIST (1) URBAN PLANNER (1) SOCIAL DEVELOPMENT SPECIALIST (1)	S	S

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation		574
Appraisal/Negotiation		250
Supervision		606
ICR		50
Total		1,480

*Include Trust Funds \$ 172,000 for project preparation.*

## Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	<u>Rating</u>				
<input type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Physical</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Financial</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<i>Social</i>					
<input type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Gender</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA



## Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

### 6.1 Bank performance

#### Rating

- |                                      |                          |                                    |                         |                          |
|--------------------------------------|--------------------------|------------------------------------|-------------------------|--------------------------|
| <input type="checkbox"/> Lending     | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Supervision | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Overall     | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |

### 6.2 Borrower performance

#### Rating

- |  |                          |                                    |                         |                          |
|--|--------------------------|------------------------------------|-------------------------|--------------------------|
| <input type="checkbox"/> Preparation                           | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Government implementation performance | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Implementation agency performance     | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Overall                               | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |

## **Annex 7. List of Supporting Documents**

1. Jordan, Second Tourism Development Project, Staff Appraisal Report, July 11, 1997.
2. Country Assistance Strategy (CAS), Jordan, Report No. 14999-JO, World Bank, 1995.
3. Petra National Park Management Plan, UNESCO (1994-95).
4. Jordan Sustainable Development/Sites Report, USAID 1996.
5. Jordan National Tourism Strategy and Policy, Japan International Cooperation Agency, February 1996.
6. Jordan, National Tourism Strategy 2004-2010, A Sustainable Development Approach, Revised Value Chain Process—March 18, 2004 (prepared for MOTA by USAID-supported consultants).
7. Jordan, Second Tourism Project, Evaluation Study of the Petra Region and Wadi Rum Infrastructure Development and Environmental Management Components, Sigma Consulting Engineers, Final Report, August 2005.
8. Various STDP Aide-Memoirs and Project Status Reports.

## **Annex 8. Beneficiary Survey Results**

A beneficiary survey and workshop were conducted as part of this Intensive Learning ICR. A survey team recruited by a local consultant firm, Sigma Consulting Engineers, conducted a beneficiary survey under the supervision of a Jordanian sociologist in July-August 2005 in Wadi Musa and Wadi Rum; the findings were verified, reanalyzed and supplemented by additional field visits by MOTA staff and World Bank missions. The stakeholder workshop was held in Amman on September 25, 2005.

### **Survey and population characteristics**

In all, 262 direct beneficiaries were interviewed (150 in Wadi Musa, 112 in Wadi Rum) on their awareness of the project, and the extent to they considered it had brought benefits to themselves, or more generally to the area. No social baseline had been conducted at project inception. Therefore, and given the uniqueness of the two sites, the only method available to measure project impact was recall. Stratified random sampling was used for residents to ensure representativity by residence, gender and employment, with attention paid to inclusion of categories of residents engaged in different aspects of the tourism industry.

The social characteristics of the sample are shown in Table 1. The sample reflected the high dependence of the population on the tourism industry. In Wadi Musa, it was estimated from interviews that about half the families derived significant income from some aspect of tourism, through the related employment of at least one family member. Unemployed males other than students may have been underrepresented. In Wadi Rum, there was a higher rate of unemployment and a higher dependence on tourism for employment than in the Petra Region.

In addition, 175 tourists were interviewed in both sites. Although tourists were not considered, direct beneficiaries, tourist satisfaction, whether local or international, is the primary long-term channel through which the stream of economic benefits reaches the local population. Tourist satisfaction is measured both by direct responses, but also by stated preferences on the extent to which they thought their visit was not long enough, they would like to return, they would recommend the trip to friends and relatives, and they would be willing to spend more, for example by diversifying their activities. The national origins correspond well with those in the annual official figures. The social characteristics of the tourist sample (Table 2) provide indicative support to informal observations: that Petra tourists are predominantly sightseers from Europe, with more males than females, and a minority coming for educational or adventure motives. Three-quarters of them come on international tour packages and a quarter independently. Three quarters are middle aged, and almost all are first-time visitors. Rum tourists show some differences from those to Petra, with a wider range of national origins, a larger proportion coming on national packages or independently, a more diverse age profile with a higher proportion of youth and seniors, slightly more repeat visits, and a greater emphasis on adventure and a lower emphasis on education.

Since the vast majority of tourists are first time visitors, and no tourist baseline survey was undertaken at project inception, the survey asked tourists for their reactions in relation to their expectations and degree of satisfaction with different aspects of their trip.

Historical trends in tourist arrivals have an important bearing on the project outcomes and on beneficiary perceptions. As the main report indicates, external events caused a sharp slump in regional tourism accompanied the project, with no signs of recovery until the project approached closure. The trend, the impact by nationality and the corresponding drop in tourist revenues is shown in Annex 1-D. Given the dependence of Wadi Musa residents on tourist income, this was a heavy blow. By contrast, Wadi Rum with its more diverse tourism profile, appears to have been less impacted by these events, and between 1998 and the first three quarters of 2005, officially-counted tourist arrivals increased from 41,000 to over 50,000.

## **Beneficiary awareness of and satisfaction with the project**

Beneficiaries were asked the extent to which they were aware of the project, and the extent to which they felt it had brought benefits to themselves and to the wider community or region. The overall results are shown in Table 3. Awareness of the project was quite high, with almost three-quarters of Wadi Musa respondents and almost two-thirds of Wadi Rum area respondents claiming to be highly aware of the project, and only a small minority claiming ignorance. The more nuanced findings on impact require interpretation in the light of observations and qualitative interviews.

### *Incomes and employment in Petra/Wadi Musa*

The assessment of project impact on family quality of life in the Petra Region was generally positive. Almost three-quarters of the respondents felt that they or their families had directly benefited; almost a quarter reported no impact, and only 5 percent evaluated the project negatively. However, opinion was less favorable on the project impact on the economy of the Petra Region (52 percent positive) and on Petra tourism (21 percent positive): over a quarter of respondents evaluated the regional impact of the project negatively. These lower evaluations are easily interpreted as the result of the decline in tourism, amplified by the importance of tourism industry to the Petra region's local economy.

The differences between the evaluations on quality of life, local economy and the local tourism industry in Petra region are highlighted when positive opinions are disaggregated by occupation (Chart 1, Table 4). Those with the most favorable impression of the direct impact of the project on their or their families' quality of life are in two categories. Some such as park guides, horse owners for PAP trips, directly benefited from the project interventions. Half the guides interviewed had taken up that employment in the last five years, a few in the last few months. The improved surfaces and spatial organization benefited the horse owners, through increased and more regulated access to tourism and greater uptake. More favorable views were also shared by those at the higher end of the educational or economic spectrum (students, government and private sector employees), probably because of the improvements to the city. Those feeling less beneficial impact are those at the poorer end of the spectrum, being most dependent on tourist custom (low-end handcraft vendors, taxi drivers). There was anecdotal support. However, the project also contributed, although not intentionally so, through provision of public works employment to family members hardest hit by the collapse in tourism (guides, vendors, taxi drivers), a finding confirmed by personal interviews with beneficiaries. On both these topics, the range of favorable opinion was wide, from 40 percent up to 100 percent. By contrast, opinions of the impact on tourism were concentrated at the lower end (0 to 40 percent favorable) for reasons explained above.

### *Incomes and employment in Wadi Rum*

The survey findings for Wadi Rum area (Table 5) were significantly more negative. Only one third of the beneficiary respondents reported that positive benefits as individuals or families, and almost half replied that the project had a negative impact on the region's economy. These results are not to be taken at full face value, but require re-interpretation in the light of additional evidence and context. A subsequent brief investigation by a project social scientist to verify these results found that there is strong evidence that the project has brought substantial financial returns to both communities:

1. The main source of revenue for Wadi Rum area local residents is still trips by jeep, shared primarily between Rum and Disi cooperatives on an allocation of routes determined by the protected area management. The significant increase in visitors 1998-2005, (41,000 to 50,000) has caused the number of registered jeep trips to increase significantly (Chart 2a). There is also a large unregulated volume of trips. The revenue per jeep has also increased significantly both in the high and low seasons (Chart 2b), although the benefits are partly offset by higher costs.

2. The benefits of this increase in Wadi Rum tourism activity are more widely shared than before. The membership in the two tourism cooperatives, Rum and Disi, has increased significantly since 1998 from a total of 800 to 1,400, with a substantial share of the growth going to the Disi community (Chart 3a). Minority tribes have also gained a small share (about 4 per cent) of visitors.
3. The numbers of tourist camps, employees in tourism, trained guides, camel riders, protected area management staff and vehicles servicing the tourist industry have all increased significantly in the later years of the project (Chart 3b), and as a direct result of project interventions. Great care has been taken by project management to ensure ethnic fairness in the award of employment opportunities.

#### *Beneficiary satisfaction at Wadi Rum*

The beneficiary survey response that the project has brought negative economic impact to Wadi Rum, therefore, is not well founded in fact, but derives mainly from local stakeholder politics. The low community evaluation reflects a position taken by local communities and particularly certain locally influential community leaders, whose antagonistic interests have not yet been reconciled by the project, and who have yet to accept the protected area and sustainable tourism trade-off. The informal opinion about the project held by younger people, who tend to be more environmentally aware, with more social links across communities, and more likely to have benefited from employment opportunities, is more positive and optimistic.

Nevertheless, the survey and other observations showed some grounds for a nuanced response to project benefits: some residents held that walling the village did not conform to local customs and is claimed to have reduced cooling night breezes; some saw village street lighting as invasive of family privacy (it has been modified accordingly); the large numbers of unregulated tourists paying no entry fees represents lost income opportunities for local communities and needs attention; the location of the visitor's center, unpopular with Rum residents, resulted in additional fuel costs for jeep owners but was compensated by an increase in allocation of gate revenues to the Rum community. Perhaps these were minority views, but clearly at the time of ICR, work was still required by the protected area management to ensure sustainability of project achievements by gaining the confidence and support of the local communities and demonstrating publicly and convincingly the local economic benefits of a sustainable tourism industry.

#### **Tourist satisfaction with the project**

Tourists were asked for their opinion on the importance and the quality of various facilities and services, using a four point scale to encourage value choices. For Petra Region, questions covered the Petra Archaeological Park, Wadi Musa Town, and road communications, For Wadi Rum, questions covered the protected desert area, Rum village, and road communications. In each case, tourists were also asked for their evaluation of the length of stay, their willingness to return, their willingness to recommend the trip to friends or relatives, and recommendations for improvements, their local expenditures.

The key findings are represented graphically in charts 4 - 7. Chart 4 presents the tourist appreciation of Petra Archaeological Park, in descending order of priority: (i) appearance and presentation; (ii) Guides; (iii) official helpfulness; (iv) trails and signage; (v) restaurants: food and facilities; (vi) Visitor Center. Tourists were predominantly satisfied with their visit, and levels of satisfaction broadly corresponded with their priorities. However, there were discrepancies evident between tourist priorities and levels of satisfaction. General appearance and presentation is ranked top in importance, with about 85 percent satisfaction and 15 percent dissatisfaction. Guides, officials and staff also got generally good marks. However trails and signage, fourth in priority, did not do so well, with only a little over 60 percent being satisfied and around 30 percent not satisfied. A similarly less favorable result was obtained for restaurants, food and facilities. The existing Visitor Center received mostly favorable ratings, but it is not an item that rates high on visitor priorities.

Tourist satisfaction with Wadi Musa town (Chart 5) is less marked, but the town attractions are generally rated much lower in tourist priorities than the Park itself, which is the main attraction. Tourist priorities were : (i) friendliness and helpfulness of the population; (ii) general presentation: appearance, greenery and cleanliness (iii) roads, sidewalks and street lighting; (iv) restaurants and facilities; (v) non five-star accommodation; (vi) cultural activities; five star accommodation; (vii) shops and markets. No item had more than 60 percent approval; five items received less than 40 percent approval, and five items were rated poor or unsatisfactory by at least 20 percent of the visitors: these were general appearance, non-five star accommodation, cultural activities, shops and markets and, somewhat surprisingly, roads, sidewalks and lighting.

In Wadi Rum, protected area, three of the top four tourist priorities of friendliness of local population, general appearance of the site, and restaurants were relatively well rated, with approvals of over 50 percent, and poor or unsatisfactory ratings by less than 20 percent. Items receiving relatively poor ratings were accommodation, cultural activities, and shops and markets. The village itself, which did not rank high on tourist priorities in any case, was not particularly well rated on any aspect, with only friendliness, general appearance and roads receiving clear approval by more than 40 percent of the visitors and once again shops, restaurants and cultural activities receiving a significant (20 percent) number of low ratings (Chart 7).

### **Roads**

The local beneficiary roads survey did not produce usable results owing to technical flaws in execution. Fortunately, the findings of the tourist survey distinguished asked tourists to rate access from the desert highway (part of the project); access from Aqaba (not funded by the project) and scenic and regional roads (partially funded by the project). The results (Chart 8) show a clearly higher degree of satisfaction (67 to 90 per cent) with the main road funded by the Bank, with a lower degree of satisfaction for scenic roads (58-72%). The relatively higher level of satisfaction by Rum tourists may result from lower expectations for a remote desert trip.

### **Recommendations**

Three simple recommendations arise from the beneficiary survey:

1. Beneficiaries have not yet seen significant economic advantage from the tourism industry as a result of this project. While this was beyond project control, increased benefits will not necessarily flow to local communities as tourist numbers rise, and responsible authorities (PRA and ASEZA) will need to act to ensure benefits and good communications, for sustainability of impact
2. The tourist survey points to areas where relatively light supplementary investments, suited to local initiatives, indicate potential for increasing tourist satisfaction; these include working with the local population to create a more welcoming environment, and better cultural and shopping facilities;
3. Continued and improved institutional management of community is necessary in both sites, in order to continue the start made by continued attention to site management and to reduction of the threats that remain to the integrity of the sites.

<b>List of Tables</b>	<b>List of Charts</b>
<ol style="list-style-type: none"> <li>1. Sample Characteristics – Jordanians</li> <li>2. Sample Characteristics –Tourists</li> <li>3. Residents' Awareness and Assessment of Project Impacts</li> <li>4. Positive Impacts on Petra Region, by Occupation</li> <li>5. Positive and Negative Impacts on Wadi Rum region</li> <li>6. Tourist Summary Responses.</li> </ol>	<ol style="list-style-type: none"> <li>1. Tourist Arrivals at Petra, 1997 – 2004 by Origin</li> <li>2. Tourism Revenues: Petra Site Receipts.</li> <li>3. Petra Region: Project's Positive Impacts, by Occupation</li> <li>4.(a) Wadi Rum Jeep trips 2003- 2005;</li> <li>4 (b) Revenue per jeep, 1998 and 2005</li> <li>5. Employment and services growth:</li> <li>5(a) Wadi Rum Area Cooperatives Membership 1998-2005</li> <li>5 (b) Wadi Rum PA Tourism Services and Employment</li> <li>6. Tourist Satisfaction in Petra Park, by Subject</li> <li>7. Tourist satisfaction in Petra Region/Wadi Musa, by Subject</li> <li>8. Tourist Satisfaction in Wadi Rum PA, by Subject</li> <li>9. Tourist Satisfaction in Rum Village, by Subject</li> <li>10. Tourist Satisfaction with Roads</li> <li>10 (a) Tourists to Petra Region</li> <li>10 (b) Tourists to Wadi Rum region</li> </ol>

**Table 1: Sample Characteristics - Jordanians**

Region	Total	Sex		Age					Educational Level					Residence				
		Male	Female	Under 20	20-29	30-39	40-49	Over 50	None	Elementary	Primary	Secondary	Diploma	University	Wadi Musa	Um Seyhun	Taybeh	
Petra Region (no.)	150	88	62	28	54	29	26	13	19	6	26	68	9	22	110	27	13	
Petra Region (%)	100	59	41	19	36	19	17	9	13	4	17	45	6	15	73	18	9	
Wadi Rum															Rum	Disi	Shariya	Other
Wadi Rum (no.)	112	66	46	9	35	37	17	14	25	19	26	32	4	6	50	31	29	2
Wadi Rum (%)	100	59	41	8	31	33	15	13	22	17	23	29	4	5	45	28	26	2

**Table 1 [cont'd]**

Region	Total	Employment category									
		Shop / hotel	Other pvt	Gov't	Taxi	Guide	Horse owner	Vendor	Male student	Female student	Housewife
Petra Region (no.)	150	88	62	28	54	29	26	13	19	6	26
Petra Region (%)	100	59	41	19	36	19	17	9	13	4	17
Wadi Rum		Tourism	Other Pvt	Gov't	None						
Wadi Rum (no.)	112	66	46	9	35						
Wadi Rum (%)	100	59	41	8	31						

**Table 2: Sample Characteristics – Tourists**

Region	Total	Sex		Age			Residence					Mode			Motive			Repeater		
		Male	Female	Under 30	30-60	Over 60	Europe	USA	MENA Region	Jordan	Other	International Package	National Package	Independent	Sightseeing	Adventure	Education	Incidental / Other	First time	Repeat
Petra (no.)	106	65	41	24	75	7	86	2	0	2	16	74	6	26	78	17	17	4	104	2
Petra (%)	100	61	39	23	71	7	81	2	0	2	15	70	6	25	74	16	16	4	98	2
Wadi Rum (no.)	69	35	34	22	39	8	34	10	6	3	17	40	14	12	49	18	2	5	61	6
Wadi Rum (%)	100	51	49	32	57	12	49	14	9	4	25	58	20	17	71	26	3	7	88	9

Source: Sigma Survey



**Table 3: Residents' Awareness and Assessment of Project Impacts**

Region	Total	Awareness of project			Impact on families' quality of life			Impact on region		
		Highly aware	Aware	Not aware	Positive impact	No impact	Negative	Positive on Regional Economy	Positive on Tourism	Negative
Petra Region (no.)	150	108	33	9	108	35	7	88	35	46
(%)	100	72	22	6	72	23	5	52	21	27
Wadi Rum (no.)*	112	70	38	4	37	39	35	33	24	52
(%)	100	63	34	4	33	35	32	30	22	48

**Table 4: Positive Impacts on Petra Region, by Occupation**

Petra Region	Total	Female Students	Guides	Male Students	Stores and hotels	Housewives	Gov't Employees	Private Sector	Horse owners	Vendors	Taxi Drivers
Positive impact on family quality of life (%)	72	100	100	90	80	76	72	64	60	53	40
Positive impact on regional economy (%)	52	73	80	100	65	53	41	58	60	47	40
Positive impact on tourism (%)	21	27	20	0	30	19	30	19	30	13	40

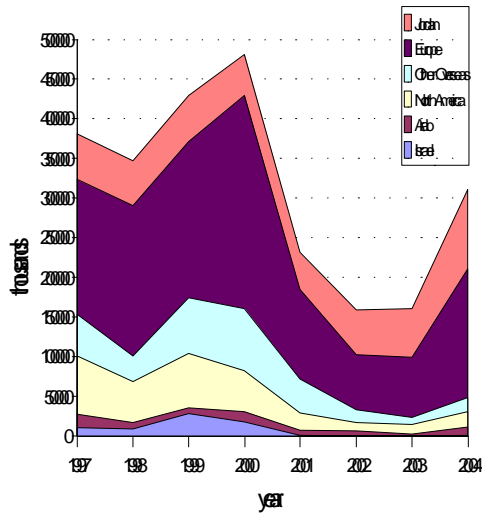
**Table 5: Positive and Negative Impacts on Wadi Rum region  
Opinions of Residents**

Wadi Rum Region	No	Percent
<b>Positive impacts</b>		
Family quality of life	37	33
Local economy	24	21
Tourism	33	30
Role of ASEZA overall	91	81
<b>Negative impacts</b>		
Family quality of life	35	33
Local economy	52	42
Building restrictions	69	62
Location of Visitor Center	12	10
Walling of houses	15	12
Incomes of jeep owners, guides, horse and came owners (total 22)	17	77

**Table 6: Tourist Summary Responses**

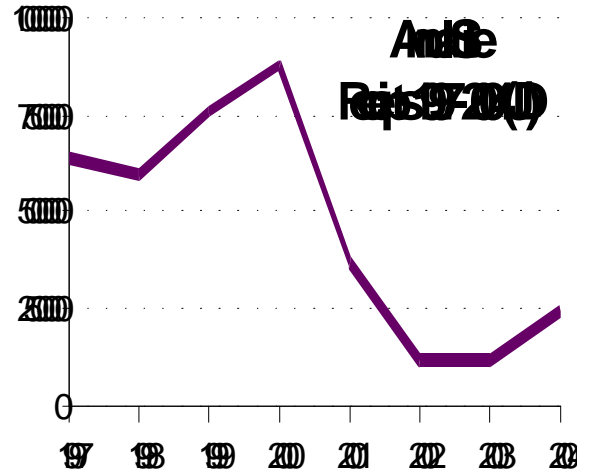
Region	Total	Intentions		
		Visit was too short	Would like to revisit	Would recommend to others
Petra (no.)	106	31	72	96
%	100	29%	68%	92%
Wadi Rum (no.)	74	31	34	34
%	100	42%	46%	46%

**Chart 1: Tourist Arrivals at Petra, 1997 – 2004 by Origin**



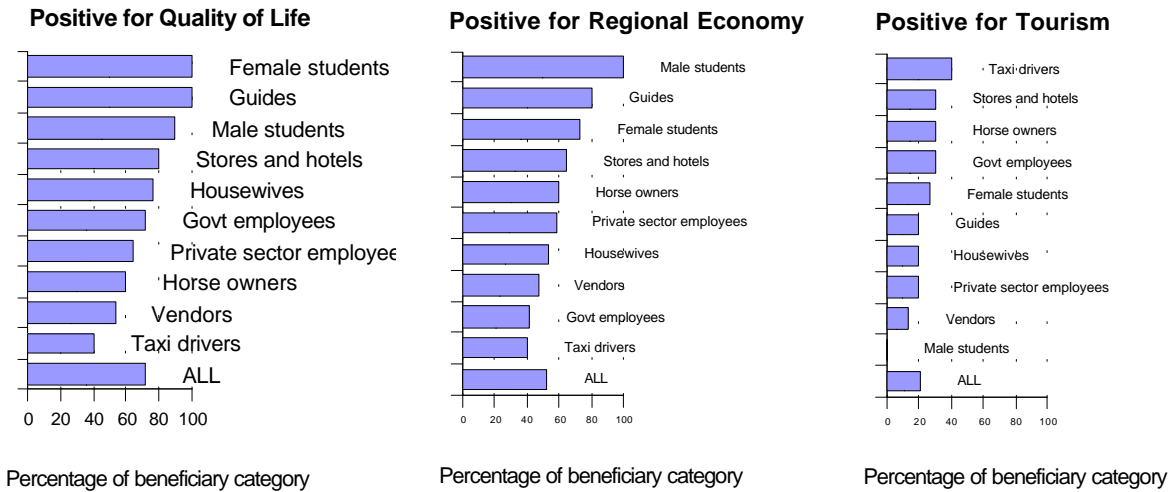
Source: World Bank, data from MOTA Statistics Department

**Chart 2: Tourism Revenues: Petra Site Receipts**

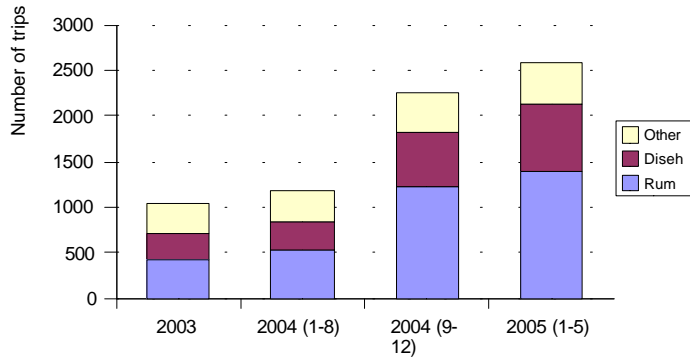


Source: World Bank, data from MOTA Statistics Department

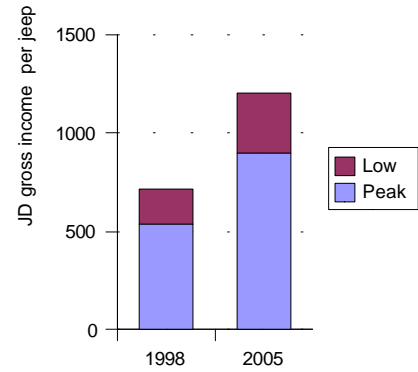
**Chart 3: Petra Region: Project's Positive Impacts, by Occupation (percent)**



**Chart 4: (a) Wadi Rum Jeep trips 2003- 2005;**

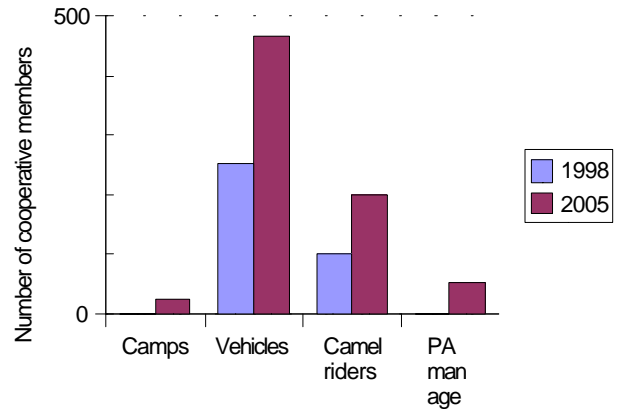
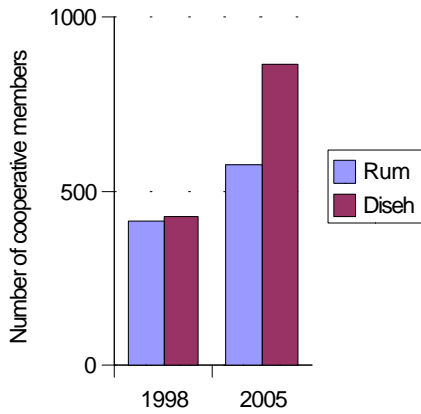


**4 (b) Revenue per jeep, 1998 and 2005**

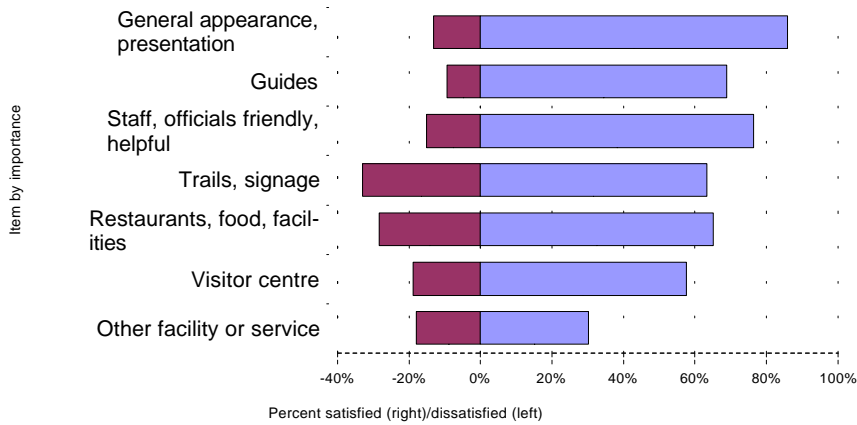


Source: MOTA, from ASEZA Rum PA Management data

**Chart 5: Employment and services growth:  
 (a) Wadi Rum Area Cooperatives Membership 1998 – 2005  
 (b) Wadi Rum PA Tourism Services and Employment**

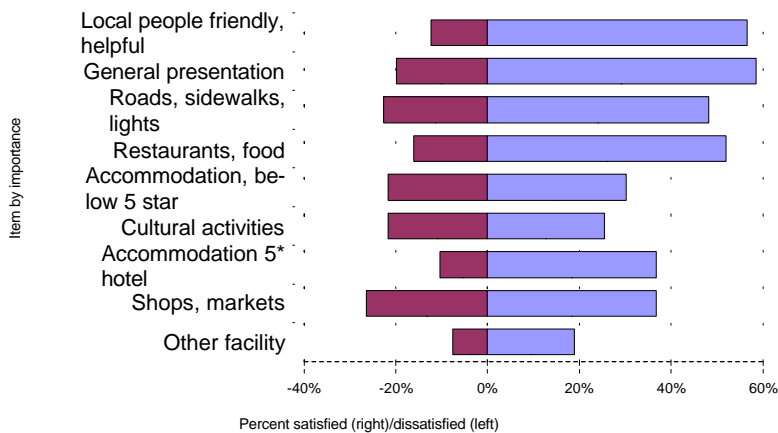


**Chart 6: Tourist Satisfaction in Petra Park, by Subject**  
(percent satisfied/dissatisfied)

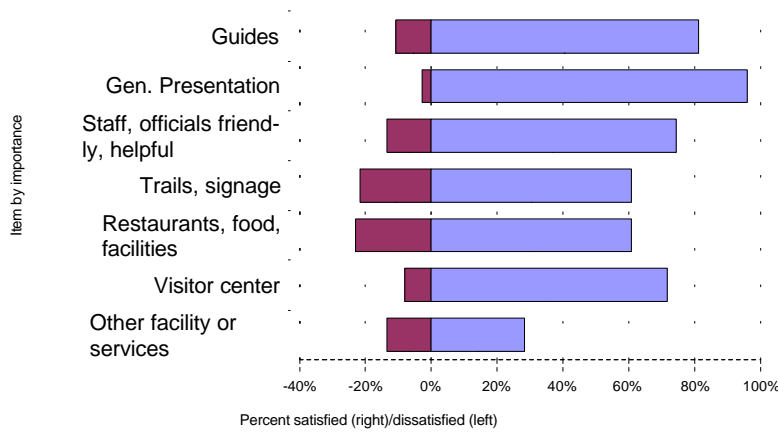


Seven items of park management are ranked by tourist priority with the highest at the top. The left side show those satisfied or better on a four-point scale, and right those dissatisfied. With non-responses excluded, the longer the line, the stronger the opinions, while a right shift shows greater satisfaction.

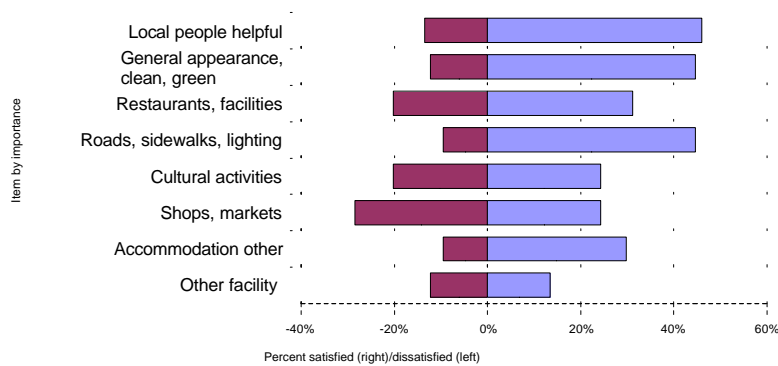
**Chart 7: Tourist Satisfaction in Petra Region/Wadi Musa, by Subject**  
(percent satisfied/dissatisfied)



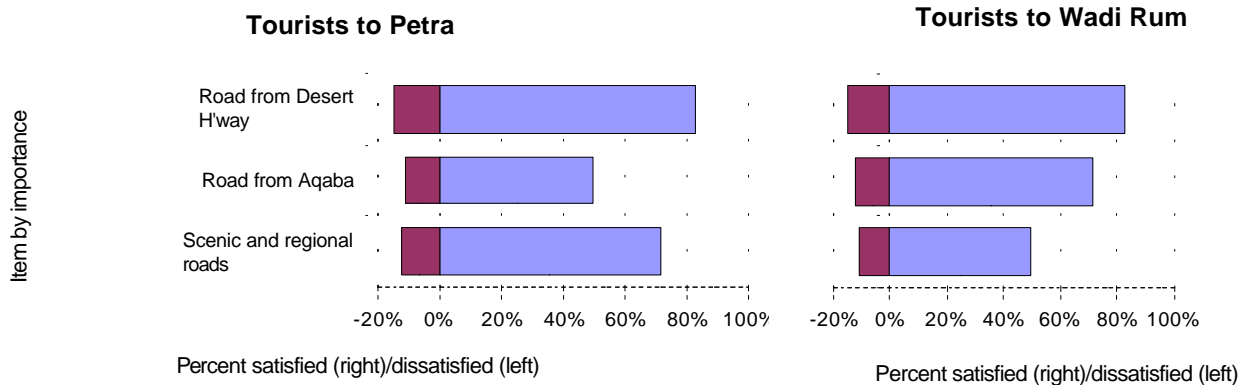
**Chart 8: Tourist Satisfaction in Wadi Rum PA, by Subject (percent satisfied/dissatisfied)**



**Chart 9: Tourist Satisfaction in Rum Village, by Subject (percent satisfied/dissatisfied)**



**Chart 10: Tourist Satisfaction with Roads (a) Tourists to Petra Region (b) Tourists to Wadi Rum region**





## **Annex 9. Stakeholder Workshop Results**

The Intensive Learning ICR requires that during its preparation, a beneficiary survey and workshop be conducted. This requirement was fulfilled through a one day ICR stakeholder workshop held in Amman on September 25, 2005, followed by a late lunch for participants. About 50 participants attended (see list attached). Present at the workshop were key officials, including the Minister of Tourism and Antiquities; the Secretaries-General of MOTA and Planning; the Assistant Secretary-general of MoPWH; the Directors-General of ASEZA, PRA and the Department of Antiquities; the Director of Petra Archaeological Park; the head of Karak Development Corporation; representatives of the local beneficiary communities: the tour guides association of Petra; and the heads of the Rum and Disii tourism cooperatives; representatives of NGOs in the fields of environmental conservation and cultural heritage preservation; the project director (Assistant Secretary-General of MOTA); project staff and representatives of the World Bank who had worked on the project and the ICR report.

The first workshop session set the scene, including introductions, expectations, a review of project activities and achievements, and a video presentation to present the end-of-project status. The second and longest session addressed project achievements and challenges site by site: Wadi Rum, Petra, and the cities of Jerwas taken up with stakeholder responses and discussion from the Jordanian side. This lively session included prepared and spontaneous interventions from all major stakeholder groups, including community beneficiaries, and a question and answer session. A third short session comprised three presentations from the World Bank covering, respectively, the overall evaluation of the project achievements, the social and institutional aspects, including the findings of the consultant beneficiary assessment [see Annex 8], and the key lessons learned, followed by a discussion. The summary draws on a 7-page report of workshop proceedings and the individual presentations.

### **Conclusions**

The workshop provided a forum and opportunity for exchange of views between different stakeholder groups not customarily brought together, and for dialog between Jordanian stakeholders and the Bank on a range of issues and lessons learned. Certain broad conclusions emerged, some by consensus and some deriving from a productive exchange of different viewpoints.

The workshop focused on outputs, accepting that this was an ambitious project that covered four very different sites and planned outputs that included infrastructural development, regulation, institutional development and capacity-building, together with local economic development that included tangible employment and income gains for local beneficiaries. The overall view from the Jordanian side, including that of the beneficiary communities, was that the project was greatly appreciated, that it was well focused and addressed relevant development needs, and that there was a clear wish for a follow on project that would incorporate improvements and lessons learned from this Second Tourism project. The Bank agreed, adding emphasis on the need to ensure sustainability through focus on operation and maintenance (O&M), maintaining focus on continued institutional management capacity building for effective regulation, and developing greater coherence of vision among stakeholders through demonstrated benefits.

The infrastructural work had been mostly completed, although significant delays in contracting had been encountered. The quality of work was generally satisfactory with the exception of some specific technical issues on specific sections that pointed to some deficiencies in design. The central problem, however, was how to ensure maintenance, without which the investment would be prejudiced. The Wadi Rum visitor center had been completed and was in use as a tourist gate and center for protected area monitoring and

management. However, the choice of location outside Rum village was still not accepted by all, particularly the local tour operators of Rum village. In Wadi Musa, the renovation of Elgee had been completed, but final design and agreement on the Visitor Center plan had come too late for works to be undertaken. In Karak, the plaza infrastructure had been a successful initiative.

The extent to which benefits had begun to flow to beneficiaries, and the extent of consultation and participation brought some diversity of assessment. Beneficiary representatives from all communities felt that consultation should have been much greater. While consultation had taken place during project preparation, this input suggested: a) that the intensity or effectiveness of consultation had not been sufficiently maintained during implementation, particularly where the local community had not understood or agreed with certain features of project actions or design; b) that there had been insufficient local awareness and consensus on benefits accruing to the communities. This conclusion was reinforced by a presentation of the findings of the beneficiary assessment [*Annex 8*] which indicated that the outcomes to beneficiaries, including tourism-derived incomes and employment, were somewhat greater than beneficiaries represented. Several participants pointed out that infrastructure would not secure long term results unless it brought a change in mentalities, attitudes and behavior, which would take time and effort. In this case, the lesson learned was that consultation had to be maintained throughout the project and indeed beyond its life in order to ensure sustainability, with periodic opportunities during implementation to review and fine tune project components without opening the door to constant challenges to its basic design decisions. At the same time, it was important for managing institutions to maintain consistency of purpose; the contrary example was cited in the case of Karak, where just at the time when initial local opposition to pedestrianization of the area in front of the castle was being overcome, the decision to exclude private vehicles was reversed.

The most substantive issues were raised on the institutional side in relation to project sustainability. The National Park Service component had been implemented, but the continuing institutional and financial weakness of the service was emphasized, including its inability effectively to regulate behaviors in the protected area. Several participants spoke to continuing lack of clarity about the roles and responsibilities of different institutions, including PRA and even ASEZA, and the role of the ministry itself, suggesting that greater initial specificity of the nature and type of institutional development was needed. However, when PRA complained about an institutional vacuum, it was pointed out that it was precisely that vacuum that it had been created to fill. The conclusion drawn here was that both in the Petra and the Wadi Rum, there was a continuing need to strengthen the institutions and for the institutions to gain the confidence and trust of the public, an acceptance of their role, and a clear and enduring commitment to the integrity of the concept of sustainable tourism development, through the implementation of regulations, and effective protection of the natural and cultural heritage of the place. To do this effectively, there had to be a concerted attempt to enhance and maintain the flow of economic benefits to local communities and key stakeholders.

It was agreed that the key lessons learned would be fully taken on board in the preparation of the upcoming successor project.



**Stakeholder Workshop  
Amman - September 25, 2005  
List of Participants**

<b>Name</b>	<b>Organization</b>
Dr. Alia Bouran	Minister of Tourism and Antiquities
Farouq Hadidi	MOTA Secretary General
Mohamed Feghoul	WB, Task Manger
Dr. Kamel Mahadin	Ex. PRA Director General, Ex. Minister of Water
Abdallah Abu Ulaim	Petra Region Authority (PRA), Director General
Fawas Alkhraisheh	Department of Antiquities (DoA), Director General
Shhadah Abu Hdaib	Ex. PRA Director General, Housing and Urban Development Corporation (HUDC), Director General
Ihab Amarin	MOTA, Assistant Secretary General, STDP Project Manager.
Ramez S. Habash	JTP Jordan Tourism Project
Fares Hmoud	Department of Antiquities
Malcolm Duff	EC/MoTA
Aysar Akrawi	Petra National Trust (PNT)
Abdelmajid Kabariti	Ministry of Public Works and Housing
Sa'ad Rawajfeh	Petra Region Authority (PRA)
Saber Al-Jawazneh	Karak Development Corporation (KDC)
Mahmoud Bdour	Aqaba Special Economic Zone Authority (ASEZA)
Ahamad Jabri	Aqaba Special Economic Zone Authority (ASEZA)
Diala Khana	Jordan Tourism Project (JTP)
Caroline Haddad	Jordan Tourism Project (JTP)
Nisreen Abdelhadi	
Shatha Kreaishan	Ministry of Planning and International Cooperation (MoPIC)
Yousef Batshoun	Ministry of Planning and International Cooperation (MoPIC)
Katia Massey	WB
Rosanna Nitti	WB
Kingsley Robotham	WB
Keith Rennie	WB
Akram Massarweh	MHS, Ex. MoTA Secretary General
Eric Johnson	USAID
Issam Balbisi	Consolidated Consultants (CC)Engineering Office
Fawaz Hasanat	Petra Hotels
Ahed Shamaseen	
Sulaiman A. Rewihe	
Suleiman Farajat	Petra Archaeological Park (PAP) Director
Abdallah Hlalat	PRA
Saleh F. Saleh	
Marah Khayyat	MoTA
Ghada A. Said	MoTA
Abeer Al-Saheb	MoTA
Krayyem Al-Hashem	MoTA
Reem Bani Hani	MoTA
Nemer Bitar	Bitar Consultants
Bashar A. Bitar	Bitar Consultants
RaeD Aldabbas	

Mohammad Ayesh	Jordan Hotels Association
Hilal Zwebh	
Bouran Kamal	Ministry of Municipal Affairs (MoMA)
Mohammad Abdelkader	MoTA
Omar Al-Fanek	JTB
Kamal Jalouqa	SIGMA
Ms. Reem Al-Fayez	MoTA
Reham Fakhouri	Al Rai News Paper
Mervat Ha'obsh	MoTA
Nisreen Najjar	MoTA
Walid Ghawi	MID Contracting
Mohammad al-Zalabia	Rum Tourism Cooperative
Mazen Talhouni	MoTA
Nisreen Karyouti	MoTA
Hesham Abaddi	MoTA
Husam Hamdouni	
Husam Maharmeh	MoTA
Jamal Shafaqouj	MoTA
Jeries Mdanat	Restaurants Association
Sameeh Akel	Restaurants Association
Omar al-Hayek	MoTA
Omar Basioni	MoTA
Yaser Najjar	MoTA

## Additional Annex 10. Borrower's Comments

THE HASHEMITE KINGDOM  
OF JORDAN

Ministry of Planning and  
International Cooperation

AMMAN

Ref. No. 7/2/5/10771

Date 18/12/2005



المملكة الأردنية الهاشمية

وزارة التخطيط والتعاون الدولي

عمان

الرقم .....  
التاريخ .....  
الموافق .....

Mr. Joseph Saba  
Director  
Middle East Department  
Middle East and North Africa Region  
The World Bank  
Washington, D.C. 20433  
U.S.A.

Dear Mr. Saba,

In reference to the Second Tourism Development Project (Loan No. 42140-JO) Draft Implementation Completion Report (ICR), kindly find attached the comments received from the relevant agencies (borrower's comments).

I would like to take this opportunity to thank the World Bank for its efforts towards attaining sustainable social and economic development in Jordan.

Sincerely,

For Suhair Al-Ali  
Minister of Planning and  
International Cooperation

Maher Madadha  
Secretary General

هاتف : ٨٥ / ٤٦٤٤٣٨١ - ٧٠ - ٤٦٤٤٤٦٦ / ٦ (+٩٦٢-٦) فاكس : ٤٦٤٩٣٤١ - ٤٦٤٢٢٤٧ بريقياً NPC جو - ص.ب ٥٥٥ عمان ١١١١٨ الأردن  
Tel.: (+962 6) 4644466 / 70 - 4644381/85 Telefax: 4649341 - 4642247 - Cable: NPC Jo - P.O.Box 555 Amman 11118 Jordan  
E-mail : mon@mon.gov.jo

## **Comments from official parties involved in project implementation and management:**

### ***General overview:***

Generally, the STDP accomplished its goals despite some setbacks regarding the Terms of Agreement. The implementation of the project's components went according to World Bank guidelines for appointing Consultants and Contractors, and tendering and tenders evaluation. The positive impact of the project is evident in the development and enhancement of the areas involved, in terms of its infrastructure and road network.

The World Bank's support, both financially and technically, highly appreciated. Such support helped in the implementation of the various projects/components, and established qualified technical units where needed. The capacity building part, which the World Bank focused on through the STDP, is a very essential part for the sustainability of the projects. The said units are now capable of carrying on the development and improvement process of all projects implemented, and run the daily requirements for their sustainability and management, all to lead to a better control and quality in developing the Tourism Sector.

### ***Ministry of Tourism and Antiquities (MOTA):***

- ❖ The project set good infrastructure bases for tourism development in its targeted sites, with a good road network leading to and around Petra being the highlight of infrastructure interventions. The physical interventions in general were successful, with clear impact on improving the environment around targeted sites.
- ❖ The project established a level of technical and managerial capacity among the involved parties that needs to be fostered to sustain the project achievements.
- ❖ Focus should continuously be targeted at participation of local communities and their representatives, as open discussions, continuous interaction and dialogue are necessary to gain community support and ownership feel among them.
- ❖ Support at highest levels is needed for reconciling individual and public interests at locations with national importance.
- ❖ An important outcome of the project is providing a basis (through project outcomes/outputs) to prepare the Third Tourism Project. The urban and tourism development studies conducted for Jarash, Karak, Madaba and Ajloun represent the backbone of this future project that represents the continuous collaboration between the Government of Jordan and the World Bank.

### ***Rum Component – Wadi Rum Authority (WRA) & Aqaba Special Economic Zone Authority (ASEZA)***

Some of the issues that affected the project and represented points of dispute with the local community are highlighted below:

- ❖ Design works should have been revisited to address local community aspects & achieving comprehensive goals through a comprehensive study before starting execution. This is related to the location of the Visitor Center (VC).
- ❖ Open discussions with the local communities should be mandatory to obtain their involvement.
- ❖ The architectural designs should be examined and verified by the project team to ensure compatibility with the main goals of these projects before implementation.

It is also important for designers to take into consideration the operational aspects of such projects.

#### ***Petra Component – Petra Regional Authority (PRA)***

The importance of taking the following into account prior to project design and implementation was highlighted, as it would have served to ensure smooth implementation of the project:

- ❖ Open discussion with local authorities and the community must be undertaken prior to project start.
- ❖ Discussing & raising awareness of regulations & applicable laws.
- ❖ Continuous coordination with local government is essential.
- ❖ Sustainability of projects to be considered while planning for projects
- ❖ Planning should be realistic and planned accordingly to consider potential consequences, such as Dana area and compensation. Maintenance should be considered as separate projects.

#### **Lessons learned as stated in PRA presentation**

- In land use the project has created new phenomena that allows for the protection of archaeological environment and the right for people to benefit from their own land.
- The project has helped in finding a base for sustainable development by protecting the unique site of Petra, and by providing the needed infrastructure, which will ultimately benefit the people.
- Petra is to be taken as a leading example and the experience is successful enough to be followed in other comparable areas in the country.
- To protect property rights and zoned land, the prevailing laws, finance and the people's rights should be taken into consideration.
- When zoning sensitive areas, the new land use regulations should take into account the environmental aspects of the area and the people's ownership.
- All of the parties, including funding agencies, government bodies and the local population should be involved in a fully transparent manner from the beginning.

#### ***Petra Archeological Park- (PAP-Department of Antiquities (DOA))***

Despite the comprehensive work done through the project, the PAP highlights some of the obstacles that hinder their work:

- ❖ PAP and sanctuary draft bylaw has not been adopted.
- ❖ 2005 budget is minimal (JD 100,000), which is not sufficient.
- ❖ Lack of staff, as well as underpaying of available staff.

#### ***Ministry of Public Works and Housing (MPWH)***

The MPWH highlighted the Unaizah – Shobak Road, which was delayed due to problems with the main international contractor. However, the local sub - contractor took over & completed the project. The MPWH also requested that Shobak Municipality and the PRA take over the landscaping of the road.

## **Additional Annex 11. Borrower Implementation Completion Report**

The Hashemite Kingdom of Jordan

The Second Tourism Development Project

Implementation Completion Report, ICR

Ministry of Tourism and Antiquities

September 2005

### **[Abridged Document]**

#### **List of Abbreviations**

AMIR	Achievement of Market Friendly initiatives and results
ARA	Aqaba Regional Authority
CAS	Country Assistant Strategy
DOA	Department of Antiquities
GDP	Gross Domestic Product
GOJ	Government of Jordan
KPI	Key Performance Indicator
MOTA	Ministry of Tourism and Antiquities
PAP	Petra Archeological Park
PRA	Petra regional Authority
PRC	Petra Regional Council
PMU	Project Management Unit
RSCN	Royal Society for Conservation of nature
RTC	Rum Tourism Corporation
STDP	Second Tourism Development Project
TDD	Technical Development Department
TOR	Terms of Reference
USAID	United States Agency for International Development
WB	World Bank
WRA	Wadi Rum Authority

Project Manager: Ihab Amarin, Assistant Secretary General

Main authors: Abeer Al Saheb  
Ghada Al Said

Planning Unit, Technical Development Department  
Ministry of Tourism and Antiquities, Jordan

## Executive Summary

The Second Tourism Project was initiated in June 1997 and completed by June 30th 2005. Its total expenditure mounted to \$42.4 millions. The Project implementing agency was the Ministry of Tourism and Antiquities. It aimed at fostering sustainable and environmentally sounds tourism development in Petra, Wadi Rum, Jerash and Karak destinations in Jordan, and tourism employment generation at projects sites. The main components of the STDP entailed infrastructure development, sector and institutional reform, institutional capacity building and, introduction of regulatory and environment protection regimes at Petra/Wadi Musa and Wadi Rum..

The project fully and partially achieved a wide range of outputs. However, the three major achievements of the project in terms of their impact on tourism in Jordan and contribution to the project objectives can be summarized by:

- Providing a well serviced accessibility network to Petra. Hence, achieving an important condition for enhancing tourism flows into the main tourism destination in Jordan. The evaluation results indicate an increase in the economic benefits of the intervention that presented itself in the reduction of traveling costs and time, and lowering of accidents risk along the main roads leading to Petra. The impacts also show in the new tourism potentials and tourism experiences created along the Taybeh –scenic road, and the Um Seyhun-Little Petra road, in addition to the increased integration of the adjacent communities with the tourism activities in Wadi Musa.
- The creation of a promising tourism management system in Wadi Rum that has the bases of environment protection, visitors services and management and employment generation.
- Laying the bases of institutional, regulatory reforms within MOTA to assume more comprehensive tourism products development and management. This is represented in the creation and consolidation of expertise of the Technical Development Department in MOTA, the adoption of regional tourism development and the building on the STDP to prepare the Third Tourism Project on bases of public- private partnerships, hardware and software citywide interventions.

The STDP was more successful on the physical intervention side more than on the institutional, regulatory and sector strategy development sides. Several factors contributed to this result, most important of which are:

- Tourism is still a growing sector in Jordan, tourism institutions and city management bodies were/ are still, to a certain extent, premature to respond fully to interventions such as strategies formulations, tourism promotion, and management of visitors services and protection of tourist environments. Local communities are also still unaware of tourism potentials of their destinations, which make them unwilling to give short term benefits that jeopardize tourism assets sustainability. Low capacity levels and lack of commitment and awareness were not fully addressed in the project to combat their negative impacts.
- The availability of expertise needed to lead and achieve good levels of local governance over tourist destinations and their localities is very limited, hard to be acquired and maintained in remote cities far from major urban centers.

The sustainability of the project achievements requires attention and enhancement of the current management structures that were established and/or supported under the project, namely Wadi Rum Administration WRA, Petra Regional Authority PRA and Petra Archeological Park PAP. In the case of Petra, national and central level are required to enable an efficient leadership to take place and to ensure allocation of sufficient financial and human resources. In Rum, ASEZA is required to remain alert in keeping and fostering the rather delicate achievements to secure sustainability and community buy-in of the

project outputs.

The STDP brought important lessons, the most important of which is the necessity of properly assessing the local contexts in which interventions are being introduced. Social, administrative and political networks and capacities need to be addressed well enough to allow proper communication between all the concerned stakeholders.

This report in its following sections does not give full description of the project and its implementation, it mainly points out aspects that are found of significance in shaping the project results. It is being supported by some annexes to illustrate a general description and overview of the project. It also includes an annex that covers the minutes of the ICR workshop that was held in Amman on September 25th 05. This workshop is part of the production of a learning ICR, and intended to bring all the concerned stakeholders and discuss the main lessons learned of the project.

### **Assessment of Development Objectives**

The project's development objectives are to: (a) Create the conditions for an increase in sustainable and environmentally sound tourism in Petra, Wadi Rum, Jerash and Karak; and (b) Realize tourism-related employment and income-generation potential at project sites.

Considering the state of tourism in Jordan's economic context, both objectives are seen as clear and justified. Tourism is crucial to Jordan's economy. It was ranked second in its foreign currency contribution to Jordan's GDP in 1995 mounting to (9.8) %, and ranking first in 2004 by a (11.6%) contribution to the GDP. The objectives are consistent with the country assistance strategy CAS, with each other and with Jordan's economic plans, which evolved during the project duration to target tourism as a major activity to boost Jordan's economy. The state of tourism development in Jordan, which was and still, in its initial phases, requires both; the development of basic infrastructure services around its main tourism sites, and the creation of sustainable modes of development to protect and sustain the wealth of these sites, which can be jeopardized if the random and insensitive development around these sites continues. The first objective is clearly responding to these requirements, which aim at achieving well maintained and serviced environments for attracting tourists at a continuously growing base. It also responds to the need of creating the basic infrastructure needed to induce private sector investment and growth, thus achieving consistency with CAS. The second objective stands by itself as an important objective and justifies the sizable investment in tourism, taking into consideration that the targeted sites are located in areas where economic activities are limited and employment opportunities are modest. This objective also can be looked at as a direct goal of the first, in the sense that increasing sustainable tourism means increased demand on tourism services.

The objectives were challenging for the following reasons:

- Dealing with the conditions that comprise the tourism environment on a city level entails the involvement of many stakeholders (i.e. local authorities and communities, central government, service agencies and the private sector). To succeed, a system of city management that can engage the different actors to work together should be established. Such a system didn't exist before, and the common aspect among most of the stakeholders was the low capacity to handle such matters. Aside from MOTA, tourism was not deeply rooted or integrated in the work of any other public actor. Also, MOTA was not equipped enough to manage a city scale intervention, the capacity has to be established and Government support should be strong.
- Creating the conditions of sustainable tourism in a locality and linking it with employment opportunities is difficult and hard to be measured due to the several forces that bring tourists and tourism activities to a locality. Many of these are beyond the limits of physical actions and the



locality itself. They require understanding and response to the socio economic life of a locality, which sometimes can be hard to achieve within the scope of a time and intervention bound project. An exception to this, can be intervening in a location where the variables are limited and easier to be controlled. In this regard, Rum component was a good case, though it was not a common case that would achieve the employment generation objective in its totality.

## **Assessment of the Project Design and Implementation**

### **Project Targeted locations**

The selection of the targeted locations was successful in terms of diversity and balance. The relative size of funds allocation versus tourism importance of the selected sites was also successful. Petra, which is the most important tourist destination in Jordan, and in bad need for better services and management took the biggest share of the focus. Wadi Rum, a prime location that forms a main pillar in the Jordan southern tourism triangle (i.e. Petra, Aqaba and Rum) was severely under-utilized, and has significant lost opportunities of economic benefits to its local communities and to Jordan as a whole. Karak and Jerash represent supporting destinations to the main two chosen location. The choice of both cities contributes to the geographic distribution of the project benefits .Jerash is located in the northern part of Jordan, close to Amman and comes second in its tourism importance in terms of the no. of visitors to its Roman City. Karak is located half way between Amman and the golden triangle with an asset represented in the morphological structure of the old city and its castle that has promising potentials, if properly maintained. In a later stage, Madaba and Ajloun were targeted due to their tourism importance in adding more diversity to the Jordanian tourism product.

Nevertheless, the combination of the targeted sites may not be the ideal one if judged from tourism development point of view merely, where other locations may have greater tourism potentials such as the Dead Sea, the desert castles and salt. However, it can be argued that the project nature was directed towards cities and localities of cultural significance that represent an opportunity for their local economic development, which they wouldn't enjoy otherwise, considering their limited resources, and lack of other economic activates within their reach..

### **Key Performance Indicators**

Some of the adopted key performance indicators KPI's need revision. They do not enough justice to the project impacts and achievements due to the following reasons:

- The achievement of CAS objectives is measured by indicators that were impacted by the political instability in the region, which dramatically lessened the numbers of foreign tourist and foreign revenues from tourists between 2000 and 2004 (see annex 1), regardless of any impact the project might had on these indicators. In addition, it is difficult to link and isolate the project impacts, especially when related to infrastructure outputs directly to the numeric increase of economic revenues, where so many other factors inter into the equation. Alternate possible indicators may be:

A set of indicators that measure the change in tourism laws and regulations that allow private sector growth, a qualitative measurement of the contribution of the project in shaping tourism development strategies in Jordan. Referring to annex (2) and to the above mentioned contribution of the STDP in the development of a longer sector strategy, positive contributions attributed to the STDP in achieving CAS objectives can be an indication of partial achievement of the objective.

Measuring infrastructure impacts can be by comparing the percentage of change in tourists' numbers in Petra and Rum to the percentage of change in other tourist destinations in Jordan.

Applying this indicator shows that 2004 tourist numbers in Petra, Rum, Karak ,Jerash Ajloun, and Madaba comprised 89%, 92%, 84%, 62%, 72%,62% of 1998 respectively. This indicates that Petra and Rum scored the highest, which can be considered an indicator that the project impacted tourism size in these locations versus other cities which weren't targeted.

The same can be said about the KPI's related to measuring the achievement of project objectives through the growth of tourism in Wadi Rum, which can be replaced by the second alternate mentioned above.

The realization of 100% increase in tourism related employment can be discounted to cater for the decrease in tourism growth in Wadi Rum due to the political instability in the region. Tourism only increased by (5%) at the end of 2004, while it increased by 63% in 2000 before the political crises of 2001. Tourism employment increased in Rum by at least (25% All Figures of the increase in tourism employment couldn't be consolidated totally, however 122 new jobs were formally registered in the Visitor's Center records, which forms 25% of the total employment in 1997 which equals 477 jobs.) from base year in 1997. Such an increase can be considered a good increase when compared to the marginal increase in tourism, thus indicating a moderate achievement of the second objective.

- The set KPI's of many of the project outputs were linked to a proposed date of starting the activity. A note can be made here about the late start of many components, which means that the project anticipated a level of readiness for launching many activities that didn't exist. Inability to meet dead lines doesn't necessarily indicate a failure or partial achievement of the output. Nevertheless, many of the outputs, other than infrastructure components, and Wadi Rum management plan and its operation, had their studies launched later than anticipated and their implementation was not achieved fully or partially such as; tourism promotion activities of PRA, RTC accounts restructuring and reporting, longer term tourism strategy, PRA operating procedures, PAP site and visitor's management plans. A conclusion can be made that these indicators were not enough to measure the final achievement of outputs. An alternate or additional result oriented set of indicators were needed.

## **Performance by the Bank**

### **Bank lending**

The Bank procedures were cleared to both PMU procurement and financial officers. The bank quick and smooth response in approving certain contracts along with its variation orders due to their set guidelines made it easier for the procurement officer to communicate with their needs. Few projects were needed to be included under the STDP due to local communities requests. It was felt that long procedures were adopted in verifying the reasons and objectives of such added projects.

The financing procedures followed were smooth and consistent. Initially when the STDP started, a private company was hired to set a financial accounting system at the PMU. Annual auditing was conducted by MOTA through an independent third party, which reports to MOTA and WB. During the STDP period the WB arranged for one auditing through it directly.

### **Bank Supervision:**

Throughout the project duration, the Bank team continuously engaged in managing and following up the project. This is clearly seen from the aid-memoirs that painstakingly traced the project progress and responded with actions to solve any obstacles or hinders when appeared. An example to this is the bank reaction to the decision made about the construction of the university in the Dara Area in Wadi Musa (see annex 2). The team kept a steady base of project monitoring in terms of risks and performance rating. For example, the team identified the high rate of risks arising from the lack of Government support to PRA to enforce regulation and environment protection since 2000 onward. The team also realized the

unsatisfactory progress of Petra site enhancement and visitors services. These were two main components that had continuously been pointed out by the bank as pressing issues that required further attention.

There were two supervision missions each year. Missions included in addition to the task manager, three to four consultants or bank staff that possess the required expertise to follow-up on the different tasks. In addition, the Bank team core was always available for phone and electronic communications with the PMU staff on permanent bases for any consultation or advice that might be needed. All this formed an adequate base for follow-up from the bank side.

The Bank team provided a lot of technical assistance to the PMU. The team prepared TORs and reviewed studies and designs of the sub-components and provided comments on them. It also advised on decisions that have to be taken to keep the project on its track. Such a matter created a special work relationship between the WB team and the PMU that can be characterized by continuous interaction and joint responsibility over work follow-up and joint ownership of the project. The offspring to this is the proceeding with the preparation of the Third Tourism Project with the same PMU core under the institutional setup of the TDD.

## **Borrower Performance**

### **Preparation**

From the early stages of the STDP, the borrower assigned a counter part team within MOTA to engage in the project preparation. The preparations were continuous and allowed adequate room for information sharing and collaboration. MOTA showed commitment at this stage by dedicating a sum of 570 000 \$ of its budget to support preparation activities. Due to lengthy arrangement of staff hiring, some delays were encountered in building the PMU, which made some of the project activities dragging behind schedule.

### **Government Performance**

During the project implementation, Government support increased rapidly to the development of the tourism sector. During the late years of the project, Government economic policies were focusing on tourism development. In its 2004-2006 economic development plan, tourism was one of the main pillars that local economic development and poverty alleviation relied on. The launching of the National tourism strategy in 2004 shows the readiness and support of Government towards tourism development.

The Government allocated its share of the project funding in a smooth manner, and responded to the requests made concerning the project in terms of approving the amendments to the tourism law and the new laws and bylaws that were initiated by the project.

Government also approved the hiring of the PMU staff outside the civil service system, which allowed bringing selected expertise and skills to MOTA. In 2004 Government also approved the creation of the TDD within MOTA as a department that is entrusted with tourism product development and management.

The one critical decision that was made by the Government is the approving of PRA to become an independent entity from MOTA, which had negative consequences on the outcomes of Petra management components due to the decreased possibilities of coordination and follow-up between MOTA and PRA.

### **Implementing Agency Performance**

Throughout the project duration, MOTA provided political and administrative support to the project and enough power and autonomy to the PMU to manage it. However, the capacity of the Ministry of Tourism and Antiquities MOTA as an implementing agency of the project was not built up at the beginning of the project. The project preparations had to move parallel with the establishing of the PMU, which made it a reactive management more than a management with a planned operation schedule. This is coupled with the lack of sufficient staffing, which made it difficult to have a management structure with distributed

responsibilities among its members. Although this situation created a sense of responsibility and enthusiasm within the PMU to handle the project matters and produced a strong attachment to the project, it created a pattern of management that is dependent more on personal attitude and capacity.

It is apparent that the Project management unit (PMU) has always been under-staffed, through the course of the project. The technical staff members who were engaged in following and managing projects and studies were not more than two, an architect and a civil engineers who was also at most of the project duration managing projects procurements. In addition, a financial officer, a secretary and an administrative officer were also part of the team. At a limited period, there was also an economist. The PMU head has been, for most of the project duration, the Secretary General Assistance, which meant that a considerable share of his time was dedicated to matters outside the project scope. In average, about six projects and studies were requiring follow up yearly, in addition to the overall follow up of various components that lie outside contracted works. Considering the very limited staff no., it was difficult to sufficiently follow up projects and coordinate with different entities as well as providing comprehensive monitoring and progress reporting.

The PMU was acting as a separate unit with its own resources and responsibilities within MOTA. Even with the existence of the projects directorate, where some expertise could have been exchanged and integrated, no real collaboration was taking place. On the other hand, the STDP benefited the Ministry in terms of bringing new skills and expertise, new scope of work with more diverse and comprehensive approach towards tourism development, and better provision of office and computer equipment, which all raised the capacity of MOTA. The creation of the TDD can be considered the major outcome of such an impact.

### **Lessons Learned**

In situations where development sectors are building up, and external forces can impact greatly their evolution, projects should have a mechanism to assess sub components, their achievement and key performance indicators versus the performance of the sector to respond to trends and changed situations. This should not be looked at from a crises management point of view, but as a planned process impeded in the follow up system. Indeed, the tourism sector in Jordan falls under this category. During the STDP, the sector grew dramatically in a way that changed the position of the STDP and its contribution to the sector.

Both, the tourism sector and city management are complex and multi disciplinary. Projects that target both should understand how their hardware and software components intervene. Areas of intersection between the two should be understood. Aspects of sites management, tourism promotion, assets protection and private sector investment should be addressed from a tourism sector perspective as well as urban.

Strategy formulation and launching can't be achieved within a project scope as one of its subcomponents. It requires a different path of preparation, political support gaining, commitment and partnerships that lie within policies formulation levels and sectors development frameworks. Strategies should be up-front, and projects can be designed to implement their action plans.

National level support and higher management streamlining are essential when dealing of matters of national interest or assets not to create conflicts, power games, and government changing mind in terms of authorities. Therefore all anticipated parties in decision making shall be contacted and kept informed with the progress to eliminate any probable conflicts.

Regulatory components which entail loss of individual rights to common benefits should be designed in a manner that ensures:

- Achieving a balance between community needs and national interests. A system that combines compensation for loss of development rights and application of a strong control mechanism

should be adopted. It should be based on understanding of local contexts and their social networks to avoid manipulation of the system.

- Commitment and understanding of the relevant administrative bodies by providing sufficient incentives, justification, power and capacity to implement and control.
- Realization of the objectives to be achieved by regulations, and making them clear to the relevant communities and administrative bodies. More efforts should be paid to articulate and demonstrate a desired images rather than coming up with sets of procedures that might be difficult to comprehend.
- An initial level of capacity to implement and manage projects should exist within implementing bodies and agencies that is sufficient enough to set the bases, otherwise delays and weak performance will be hard to eliminate. If this can't be achieved, then the best forms of capacity building are those that ensure continuous interaction and follow-up, by adequate technical expertise especially in cases of newly established entities and remote ones. The key success factor is to establish a structure and work procedures that are safe guarded by key staff members and well chosen leadership.

Management structures should be designed realistically to ensure that they can be filled. Projects should seek to provide organized qualified personnel who is fully acquainted and committed to the targets with the “know how” to be appointed in the upper management levels and key positions. Provisions of attractive remuneration packages should be part of the institutional design of the project. They should be compatible with public hiring systems to ensure their approval.

Open discussions and continuous communication between all parties is a must. Actions formulated shall be the result of these discussions to gain commitment. Consulting the local community at one point is very essential to sense their willingness and reactions towards a certain project / set up within their time current formation.

Consultation with the local community and keeping them aware of things progress is very essential

Adopting international standards and models is great in terms of providing the know how, and the solid base of things however, everything should be tailored to meet the local special requirements and acceptance over time

Environmental related projects requires coordination with all entities to prepare a comprehensive plan to eliminate the foreseen problems as well as its related cost implications

Prequalification mechanism should be carefully designed, rated and followed prior to awarding contracts either consultancy or construction to ensure competence and understanding.

