

**Georgia**

**CULTURAL HERITAGE PROJECT**

**Cultural Heritage Sector**

**Project Number:** P055573 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$4.49 million/\$5.0 million

**Cost of Cultural Heritage Component:** \$5.0 million (100 percent of total project costs)

**Task Manager:** Janis D. Bernstein

**Fiscal Year of Bank Approval:** 1998

**Project objectives, activities, and preparation plans or implementation status**

This project aims to improve the management and promotion of Georgia's rich cultural heritage by testing approaches that could revive the country's once-dynamic tourism industry and by engendering social cohesion and national identity during the current difficult economic transition. To achieve these objectives, the project provides both investment and technical assistance. The investment component has two subcomponents:

- An emergency rehabilitation program (\$1.08 million) provides grants for projects that safeguard cultural properties under imminent threat of destruction. These projects are proposed by government agencies, nongovernmental organizations (NGOs), and individuals, and are selected through a competitive process.
- A pilot project for cultural heritage sites (\$2.10 million) involves restoring the original images of important architectural complexes at four sites: Old Tbilisi, Shatili, Signagi, and Uplistskhe. These efforts were designed to promote private-public partnerships and revive culture-based tourism by establishing visitor centers and folk hotels. Local management bodies and communities actively participated in the restoration. The Neighborhood Fund, created by the pilot, provided small grants (\$1,500 for individual proposals and \$4,500 for collective ones) for properties in Old Tbilisi and Signaghi listed by the Monument Protection Board. The grants financed repairs to roofs, entrances, balconies, stairs, doors, windows, and facades.

The technical assistance component involves strengthening the skills of the project implementation unit in project management, procurement, and financial administration, preparing an integrated conservation master plan for the Old Tbilisi, conducting training and study tours, implementing a public awareness program and community participation program, and conducting monitoring and evaluation.

Nearly all the project components have been completed, with the exception of the works at the Caravansarai in Old Tbilisi. In addition, cost savings will allow for rehabilitation work on three additional streets in Old Tbilisi.

**Project benefits**

The project helped break up the monopolistic system for managing cultural heritage typical of the Soviet period. More than 30 independent consulting and restoration companies were created, and market-oriented systems of cultural heritage management (such as solicitation of bids for work) were adopted. Local communities seem to be more actively involved in making decisions and raising funds, as evidenced by the increase in local initiatives, and increasingly recognize the potential for income from cultural heritage and related cultural tourism. The project's community-based participatory approach significantly increased the sense of ownership by local communities. The project also showed that cultural heritage can stimulate social and national cohesion even in multiethnic and conflict zones, as with the projects implemented in Javakheti and in South Ossetia

(Ikorta, Azmana, Tighva), where people of various nationalities and religions worked side by side and continue to maintain the monuments.

The project helped reduce poverty by employing more than 2,000 people, including 500 specialists. Project activities also boosted tourism. In Shatili several towers were converted into guest houses and a museum will be opened, likely providing income-generating activities for the local community. In Uplistsikhe a visitor center was constructed and the site infrastructure enhanced. In Old Tbilisi project activities encouraged local investors to take more interest in the district and increased the number of visitors, bringing additional income to local cafes, art galleries, and craft studios. Project activities also encouraged local residents to convert their houses into folk hotels. The project helped build capacity in cultural heritage management and restoration. The subprojects tested and adopted new methods and technologies (as with reinforcement of rocks in Uplistsikhe and biocide treatment of murals in Kintsvisi).

Georgia's law on cultural heritage protection significantly improved management of and institutional arrangements for cultural heritage. This and other laws were drafted under the framework of the project, drawing on experience in Europe. The loan also improved management and promotion of cultural heritage through the media, bulletins, journals, brochures, Websites, and exhibitions, all of which focused on the role of cultural heritage and the significance of certain monuments.

### **Preparation or implementation challenges**

Tourism did not grow as planned due to political and economic conditions in Georgia. Poor economic conditions also made it impossible for local communities to contribute financing to heritage preservation, despite their desire to do so. The Law on Sponsorship and Charity in the Sphere of Culture, which could have spurred major private sector involvement in cultural heritage activities, has not been adopted. Thus cultural heritage remains dependent on support from the government and foreign donors. Moreover, the country's taxation system creates serious problems, because 35–40 percent of funding obtained for restoration and conservation activities must be used for tax payments. And in terms of project implementation, there have been problems caused by delays in receiving counterpart funds from the central budget.