President Zoellick asking about the details of the restoration of Huguang Huiguan Guild Complex, in the historic city of Chongqing (China), conserved with World Bank financing.


Historic Cities and Cultural Heritage at the World Bank

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An Output of the Renaissance
An Outcome for the Centuries to Come

Cosimo I de’ Medici (1519-1574), Banker and Duke of Florence (Italy)
Invested his bank’s resources to build the first modern museum in the world (galleria degli Uffizi)
Today, it attracts visitors and enhances social identity of local communities
Outline
1. The World Bank
2. The new Urban Development Strategy
3. Cultural heritage and historic cities
4. Monitoring and Evaluation (M&E)
5. Case study on M&E – China
6. Video on Bank-financed project – Tunisia
7. Discussion

Goals
- Understand the World Bank’s mission
- Learn about World Bank’s activities in cultural heritage and historic cities within the new urban development strategy
- Understand principles of M&E: PDO, project components, outputs, outcomes, indicators
- Apply principles to practical case studies in developing countries
- Suggest output and outcome indicators of an ongoing project
1 - The World Bank in a Nutshell

Q: When was the World Bank established?

The World Bank - Yesterday

- Established in 1944 at Bretton Woods (together with the International Monetary Fund), the World Bank aimed at financing the reconstruction of Europe after WWII.

- The Marshall Plan of 1947 caused lending by the World Bank to change as many European countries received aid that competed with World Bank loans. Emphasis was shifted to non-European countries.
The World Bank - Today

- The World Bank is a vital source of financial and technical assistance to developing countries. Its mission is to fight poverty with passion and professionalism for lasting results and to help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.

- The World Bank provides low-interest loans, interest-free credits, and grants to developing countries for a wide array of purposes that include investments in infrastructure, urban development, education, health, public administration, financial and private sector development, agriculture, environment, and natural resource management.

2 - The New Urban Development Strategy

Q: What are the trends in urban development?
New World Bank Urban Strategy - Data

- Urban settlements are home to more than 50 percent of the world’s population
- 2 billion new urban residents expected by 2030
- 90 percent of urban growth takes place in developing countries
- Urban population in Africa and Asia will double in the next 20 years
- Small and medium cities are growing the fastest

Figures in the charts are in thousands.

World Bank Urban Development Lending

Data is based on Urban Development Thematic Codes and only includes IBRD and IDA lending. Extracted from World Bank Business Warehouse System, 2009. Adjusted using constant dollars, 2007 = 1.
New World Bank Urban Strategy - Strategic Concepts

- In general: compact cities, economic diversification, urban agglomeration.

- For heritage: cities in developing countries often feature historic cores that house poor residents and feature valuable cultural heritage assets. These historic cores can be the pivot of sustainable urban development, the core of inclusive communities.

3 - Historic Cities and Cultural Heritage

Q: Who did provide the largest share of financing to rebuild the Mostar bridge?
Invest in Historic City and Cultural Heritage

- Create a symbiotic relation between communities and local economic development, with the objective of leveraging historic cities as service hubs for internal users and destinations for external users.
- Reduce poverty by creating permanent job opportunities and stimulate the local economy by supporting the private sector.
- Imply environmentally friendly and low-carbon technologies.
- Support social development for the benefit of local communities, involve them in bottom-up urban development addressing their basic needs.

Promote a Sustainable Solution to Development

Regenerate historic cities implies environmentally friendly and low-carbon technologies

- Save embodied energy by reusing the built environment.
- Cut carbon emissions to manufacture new building materials.
- Promote renewable resources and materials having limited carbon footprint (e.g., wood, lime, bricks, and fabric).
- Reduce debris landfill due to building demolition.
Regenerate historic cities helps sustainable tourism development

- Directly or indirectly, tourism employs more than 215 million people worldwide
- In the G20 countries, tourism represents 5 percent of their GDP and 6 percent of jobs
- In developing countries, tourism generates a growing contribution to their GDP, in many cases over 20 percent, it is the principal source of foreign currency revenue (in 83 percent of developing countries), and is the primary source of foreign exchange in the 49 least developed countries

Source: UNWTO

A recent study by the International Monetary Fund has demonstrated the positive relationship between tourism receipts (as a share of exports) and growth, especially when tourism is based on cultural heritage assets in historic cities.

Address Challenges

- Work with local communities and include investments to support heritage-based income-generating activities in the broader community where the cultural heritage assets are located to mitigate the effect of potential gentrification.
- Tackle the land use and property rights issues. Historic cities might have weak property titling. Addressing this issue is crucial to ensure success.
- Along with infrastructure investments, promote local economic development through cultural industries (e.g., handicrafts, local food products) to benefit both local communities (city internal users) and visitors (city external users).
- Local institutional capacity can be very weak making implementation challenging. As in any urban projects, local skills in city management are decisive.
- Expect unforeseen circumstances (build in to project design). Historic city regeneration aims at improving living standards while conserving assets that might have been unknown in project preparation. E.g., while building an underground parking, the client might discover major structures that can house new income-generating activities (e.g., a Roman theater in a MNA country).

Lending in Historic City Regeneration and Cultural Heritage Conservation

- Since the 1970s, the Bank has financed about 250 operations focusing on or having components in historic city regeneration and cultural heritage conservation, for an investment of US$4.5 billion
- There are currently about 120 operations under implementation, for an actual commitment of US$2 billion
Approach Has Evolved Over Time

1. **1970-1980, “do not harm”:** avoid damaging cultural heritage assets in infrastructural projects

2. **1980-2000, “specific intervention”:** invest on single cultural heritage assets to develop tourism

3. **2000-now, “integrated approach”:** integrate cultural heritage in local economic development, consider tangible and intangible assets comprehensively, with a specific focus on historic cities regeneration

Components of a Typical Historic City Regeneration and Cultural Heritage Conservation Project

1. Conservation of key cultural heritage assets
2. Urban upgrading
3. Public-private partnerships, support to small and medium enterprises, or community development
4. Capacity building and project management
   - Usually implemented through SILs
   - Self-standing operations are increasing substantially
   - Remember this slide!!!
Portfolio Overview: Project 1
Fes Medina Rehabilitation Project in Morocco (1998-2005)

Total project cost: US$28 million
Bank commitment: US$14 million

1. Upgrade the housing stock
2. Improve access to basic services for the urban poor
3. Conserve key cultural heritage assets
4. Support social development
5. Enhance the institutional framework

Portfolio Overview: Project 2
Guizhou Cultural and Natural Heritage Protection and Development in China (2009 - ongoing)

Total project cost: US$90 million
Bank commitment: US$60 million

1. Improve basic living conditions of minorities in historic towns
2. Support sustainable livelihood for indigenous communities
3. Conserve tangible and intangible cultural heritage assets
4. Conserve natural heritage and cultural landscapes
5. Enhance the institutional framework
Portfolio Overview: Project 3

Cultural Heritage, Tourism, and Urban Development Project in Jordan (2007 - ongoing)

Total project cost: US$71 million
Bank commitment: US$56 million

1. Rehabilitate the built environment in historic secondary cities
2. Improve access to services for the urban poor
3. Conserve key cultural heritage assets
4. Encourage small and medium enterprises
5. Enhance the institutional framework

Make Historic Cities Regeneration Sustainable: Policy Tools

- Promote Transferable Development Rights (TDR), applied to privately-owned buildings in historic cities, whereby the owners would forgo the option of demolishing and re-building in return for additional surface they would be authorized to build elsewhere.

- Facilitate Public-Private Partnerships (PPP) by creating a favorable climate, facilitate the creation and operation of businesses relating to local production, commerce, hospitality, and real estate. Reduce the fiscal burden on their operations for the first number of years.

- Support housing programs to ensure social variety in historic cities, reduce involuntary resettlement, and mitigate the negative effects of gentrification.
**URBAN DEVELOPMENT**

**Make Historic Cities Regeneration Sustainable:**

### Financial Tools

- Set up tailored **development funds** to channel private and public investments, providing guarantees, capitals, and grants. These can be national in scope and could result out of a combination of budgetary resources and international financing.
- Facilitate access to **microcredit** for historic housing regeneration by poor residents, and support small and medium enterprises in the heritage sector (construction, handicraft, and accommodation industries).
- Solicit **private donations** from local individuals and companies interested in boosting their image and visibility by supporting the regeneration of key heritage assets, public spaces, and public facilities. These donations would be recognized via public signage.
- Establish **national lotteries** (following the British and Italian models), whose proceeds would be used to finance regeneration works.
- Raising funds from national and international **private foundations** as partners to finance specific regeneration projects.

### Fiscal Tools

- Introduce **Value Added Tax (VAT) exemptions** for regeneration works as well as income tax reductions for the amounts invested.
- Earmark a fixed percentage of the **Value Added Tax (VAT)** to the dedicated institutions for investments in heritage regeneration, museums, infrastructure, networks, roads, parking, public spaces, signage systems, and street-level furnishings.
- Improve the efficiency of **regular tax collection** and earmark a percentage of the additional local taxation revenues to regeneration works.
- Accrue **additional tax revenues**, as regeneration raises property values and therefore makes available additional fiscal resources to local institutions, and earmark those revenues towards rehabilitation works.
- Establish **special taxes** applied to hotel and guesthouse visitors, and earmark the additional revenues for regeneration works.
- Tailor the **admission tickets** to heritage sites, museums, and other cultural institutions to different users (nationals and foreigners), and earmark these funds to regeneration works.
4 - Monitoring and Evaluation

Monitoring and Evaluation (M&E): Definitions

According to the Organization for Economic Cooperation and Development (OECD):

- **Monitoring** is: “a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.”

- **Evaluation** is: “the process of determining the worth or significance of a development activity, policy, or program [...] to determine the relevance of objectives, the efficacy of design and implementation, the efficiency or resource use, and the sustainability of results. An evaluation should enable the incorporation of lessons learned into the decision-making process of both partner and donor.”
Monitoring and Evaluation (M&E):
Objective

- M&E provides an efficient methodology to improve design of any development activities, supervise their implementation, and track results.

- M&E of development activities provides government officials, development managers, and civil society with better means for learning from past experience, improving service delivery, planning and allocating resources, and demonstrating results as part of accountability to key stakeholders.

- Yet there is often confusion about what M&E entails.

Monitoring and Evaluation (M&E):
Keywords

- M&E at the World Bank increases accountability by assessing how the objectives of strategies, programs, or projects have been achieved. The World Bank has adopted a result-based approach for the evaluation of any strategies, programs, or projects.

- M&E is done by measuring:
  1. inputs, or financial resources needed to perform an activity;
  2. processes, or flow of actions to perform an activity;
  3. outputs, or tangible deliverables associated with an activity;
  4. outcomes, or objectives generated by the activity at micro level; and
  5. impacts, or higher level objectives generated by the activity at macro level.

Q: How do we measure monitoring and evaluation?
Monitoring and Evaluation (M&E): Indicators

- Indicators are the used to measure M&E
- Indicators may include qualitative, quantitative, timing, cost, and place parameters
- Indicators are measurable in terms of three main metrics: quality, quantity, and time (QQT). Location and cost can also be added for certain indicators
- The concept of indicators is connected with the LogFrame, Theory-Based Evaluation, Cost-Benefit and Cost-Effectiveness Analysis, and Impact Evaluation

Monitoring and Evaluation (M&E): CAS and Goals

- The goal of any project designed in developing countries by the World Bank has to follow the Country Assistance Strategy (CAS), a document developed by staff and client countries, which defines high level development goals and priorities for the country.
- The CAS includes several strategic or program goals. Projects, in practice, are tools to implement the CAS.
- For cultural heritage, the goal stated in the CAS could be defined as “achieving local economic development by maximizing benefits from a country’s cultural heritage assets”.

Q: Define a potential CAS goal for cultural heritage
Monitoring and Evaluation (M&E): PDO and Outcomes

- Each project has a **Project Development Objective (PDO)**, stated in the **Project Appraisal Document (PAD)**, which is prepared by staff during project design, in close consultation with client countries.

- The PDO is the **main outcome of the project** and is definable by the change in beneficiary behavior, systems, or institutional performance.

- The **PDO is linked to corresponding outcomes**. Outcomes are defined as the results of a successfully implemented PDO.

- **In a cultural heritage project**, a sample **PDO** could be “an organized and managed system of conserved and sustained cultural heritage.”

- **An outcome indicator** can be a percentage indicating the “increase in cultural heritage-related permanent jobs,” or “increase in residents’ satisfaction for improved service delivery.”

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Monitoring and Evaluation (M&E): Components and Outputs

- In order to achieve the PDO, the project features various **project components, which correspond to outputs**. Project components are used to hold the project accountable to its promises. Project components are a set of clearly **defined activities necessary to execute the project** successfully and achieve the PDO.

- **An example of components in a cultural heritage project** can be “establishment of a separate entity responsible for cultural heritage conservation,” “creation of an inventory of architecturally and historically significant structures in the historic city,” or “conservation of key cultural heritage assets.”

- **In a cultural heritage project**, **output indicators**, respectively, can be “establishment of a regulatory framework for conservation,” “number of listed buildings,” or “number of conserved buildings.”
### Monitoring and Evaluation (M&E): Summary

<table>
<thead>
<tr>
<th>Constituents</th>
<th>Indicators</th>
<th>M&amp;E</th>
<th>Risks &amp; Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Assistance Strategy (CAS)</td>
<td>Program performance indicators</td>
<td>Program evaluation system needs to be set up</td>
<td>Risks regarding strategic impact</td>
</tr>
<tr>
<td>Goals</td>
<td>Outcome indicators, impact assessment, return on the investment</td>
<td>Client, community, processes, and sources of data needed for an</td>
<td>Risks regarding program level impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>effective project evaluation system</td>
<td></td>
</tr>
<tr>
<td>Project Development Objective (PDO)</td>
<td></td>
<td>Monitoring system needs to be established at the early stage of</td>
<td>Risks regarding implementation and efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>project design. Outputs established and monitored</td>
<td></td>
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<tr>
<td>Project components</td>
<td></td>
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<td></td>
<td>Output indicators, tangible project results</td>
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</tbody>
</table>

### 5 - Case study on M&E – China
Case Study on M&E:
Shandong Cultural Heritage Project

- US$130 million project, Bank soft loan of US$50 million
- Scheduled for Board Approval in May 2011
- Addresses cultural heritage conservation and historic city upgrading in Qufu, Zoucheng, and neighboring sites.

Opportunities:

- Shandong, a province in eastern China is home to the cities of Qufu and Zoucheng, where Confucius and Mencius—two prominent philosophers—lived
- UNESCO recognized the temple, cemetery, and family mansion of Confucius in Qufu as World Heritage Sites in 1994, while a number of other assets in the two cities, which are included in the World Bank-financed project, are on the World Heritage Tentative List
Case Study on M&E: Shandong Cultural Heritage Project

Challenges:

- Many of the historic structures are under risk of collapse due to structural weaknesses and there is not adequate signage and display to facilitate visitor orientation and appreciation.

- Historic cities of Qufu and Zoucheng have poor living standards for local residents and are unattractive to city internal and external users, meaning local resident and tourists.

- In spite of these problems, a steady growth in the number of tourists is evident. However, the average length of stay for tourists in both cities is less than a day, a result of poor cultural heritage management and tourism planning.
**Case Study on M&E:**
**Shandong Cultural Heritage Project**

<table>
<thead>
<tr>
<th>PDO</th>
<th>Outcome Indicators</th>
<th>Use of Monitoring</th>
</tr>
</thead>
</table>
| Assist Shandong Province to enhance cultural heritage conservation and tourism management in Qufu and Zoucheng | • Average per capita income of residents in project areas out of tourism activities  
• Average expenditure of visitors  
• % of visitors staying over 1 day  
• Number of cultural heritage sites pending conservation  
• % of local residents with access to improved urban services | Feed into government’s strategy to enhance and sustain cultural heritage conservation |
### Case Study on M&E: Shandong Cultural Heritage Project

<table>
<thead>
<tr>
<th>Component</th>
<th>Output Indicators</th>
<th>Use of Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component A</strong></td>
<td></td>
<td></td>
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<tr>
<td>Physical conservation</td>
<td>• Number of cultural heritage assets adaptively reused</td>
<td>Gauge implementation progress and adjust plans and management to address problems, possible delays and design issues</td>
</tr>
<tr>
<td>and adaptive reuse of cultural heritage assets</td>
<td>• % of visitors satisfied with heritage presentation and interpretation</td>
<td></td>
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<tr>
<td><strong>Component B</strong></td>
<td></td>
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<tr>
<td>Historic city regeneration</td>
<td>• % of residents satisfied with the historic city upgrading</td>
<td>Gauge implementation progress and adjust plans and management to address problems, possible delays and design issues</td>
</tr>
<tr>
<td>and infrastructure upgrading</td>
<td>• Level of visitors’ satisfaction with historic cities and scenic areas</td>
<td></td>
</tr>
<tr>
<td><strong>Component C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community participation</td>
<td>• % of visitors satisfied with quality of souvenirs and services by local residents</td>
<td>Low levels may flag either poor program design or quality of the technical assistance commissioned</td>
</tr>
<tr>
<td><strong>Component D</strong></td>
<td></td>
<td></td>
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<tr>
<td>Capacity building and project</td>
<td>• % of trainees applied the knowledge learnt in their daily work</td>
<td>Low levels may flag either poor training program or quality of the technical assistance commissioned</td>
</tr>
<tr>
<td>management</td>
<td>• % of visitors satisfied with management of heritage sites and scenic areas</td>
<td></td>
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</tbody>
</table>

Q: Which are possible project components and their respective output indicators?

6 - Video on Bank-Financed Project
An Output of the Renaissance
An Outcome for the Centuries to Come

Output  Outcome
7 - Discussion

For more information

Website
www.worldbank.org/urban
-> topics -> cultural heritage and sustainable tourism

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