

*SUMMARIES  
of  
INVESTMENT PROJECTS  
under IMPLEMENTATION and in PREPARATION*

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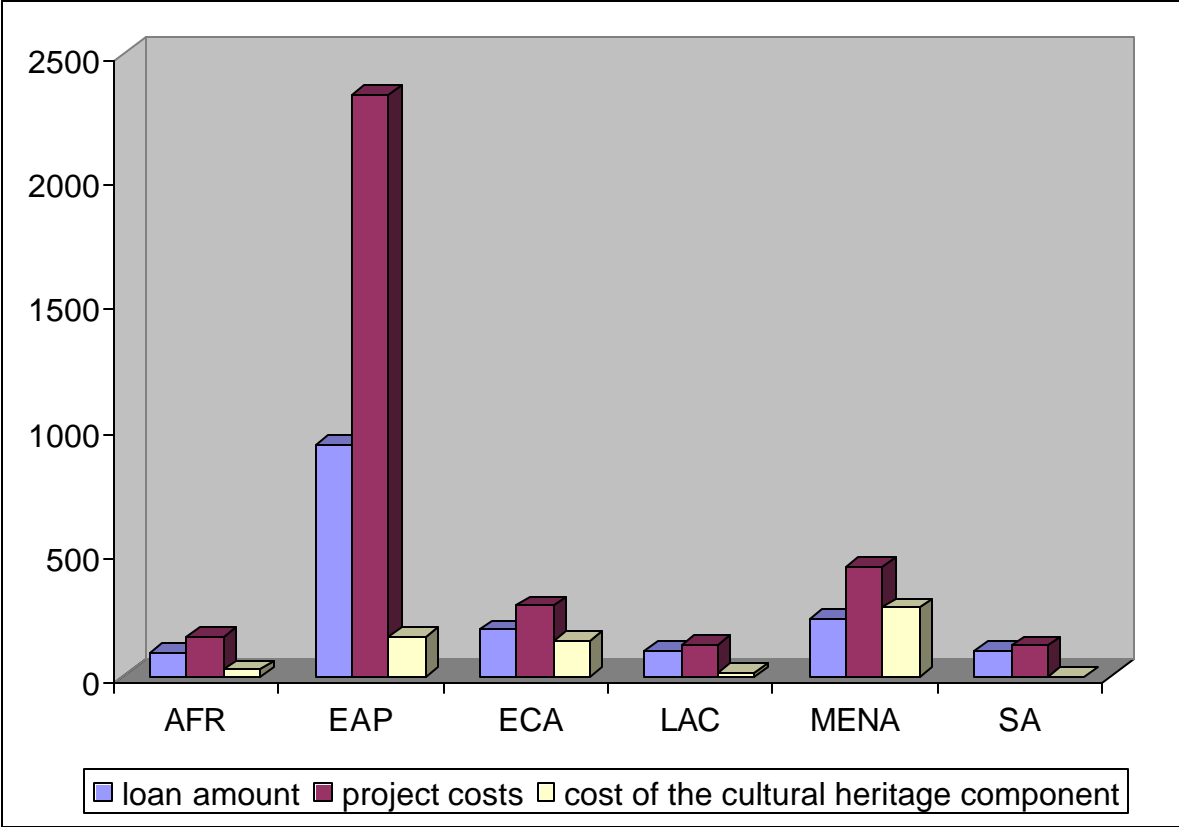
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**Financing Cultural Heritage Initiatives in the World Bank** (figures in million of dollars)

	Loan amount	Project costs	Cost of cultural heritage component
Eritrea Cultural Assets Rehabilitation Project	5	5.4	5.4
Ethiopia Cultural Heritage Project	5	5.7	5
Mali Urban Development and Decentralization Project	80	141.1	12.7
Mauritania Cultural Heritage Project	5	5	5
<b>Africa</b>	<b>95</b>	<b>157.2</b>	<b>28.1</b>
Cambodia Road Rehabilitation Project	45.3	47.6	1.6
Chongqing Urban Environment Project	200	535.9	4.9
Second Liao River Basin Environment Project	110	277.9	12.6
Shanghai Urban Environment Project	200	512.2	14.8
Sichuan Urban Environment	152	346	7.5
Zhejiang Urban Environment Project*	104	330.5	107.17
East Timor Second Community Empowerment Project	8.5	8.5	2
Bali Urban Infrastructure Project	110	278	10.4
<b>East Asia and the Pacific</b>	<b>929.8</b>	<b>2336.6</b>	<b>160.97</b>
Butrint National Park: Biodiversity and Global Heritage Conservation Project*	1.02	1.355	not identified
Azerbaijan Cultural Heritage Support Project	7.5	8.9	8.9
Bosnia and Herzegovina Pilot Cultural Heritage Project	4	15.8	15.8
FYR Macedonia Community Development and Culture Project	5	6.12	6.12
Georgia Cultural Heritage Project	4.49	5	5
Romania Cultural Heritage Project	5	6.9	6.9
St Petersburg Economic Development Project	161.1	239.8	101.5
<b>Europe and Central Asia</b>	<b>188.11</b>	<b>283.875</b>	<b>144.22</b>
Bolivia Indigenous Peoples Development Project	5	6.64	5.5
Ecuador Second Indigenous and Afro – Ecuadorian Peoples Development Project*	40	50	not identified
Guatemala Reconstruction and Local development Project	30	37.6	not identified
Honduras Interactive Environmental Learning and Science Promotion Project (Profuturo)	8.3	9.3	3.1
Honduras Regional Development in the Copan Valley Project	12	13.35	6.9
Honduras Sustainable Coastal Tourism Project	5	6.04	0.7
Peru Vilcanota Valley Rehabilitation Project*	5	5	not identified
<b>Latin America and the Caribbean</b>	<b>105.3</b>	<b>127.93</b>	<b>16.2</b>
Jordan Second Tourism Development Project	32	44	44
Jordan Tourism and Historic Cities Development Project*	20	30	30
Lebanon Cultural Heritage and Urban Development Project	31.5	61.89	61.89
Morocco Fes Medina Rehabilitation Project	14	27.6	27.6
Morocco Historic Centers Revitalization Program (Meknes)*	40	80	80
Tunisia Cultural Heritage Project	17	23.79	23.79
Yemen Second Social Fund for Development Project	75	175	10
<b>Middle East and North Africa</b>	<b>229.5</b>	<b>442.28</b>	<b>277.28</b>
India – Rajasthan District Poverty Initiatives	100.48	124.79	0.3
<b>South Asia</b>	<b>100.48</b>	<b>124.79</b>	<b>0.3</b>
<b>total</b>	<b>1648.19</b>	<b>3472.675</b>	<b>627.07</b>

\* Projects in preparation

**Status of Cultural Heritage Initiatives in the World Bank**  
*Per region distribution*



## SUMMARIES OF INVESTMENT PROJECTS UNDER IMPLEMENTATION AND IN PREPARATION

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### AFRICA

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#### *Eritrea*

#### **CULTURAL ASSETS REHABILITATION PROJECT**

#### **Cultural Heritage Sector**

**Project Number:** P058724 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$5.0 million/\$5.4 million

**Cost of Cultural Heritage Component:** \$5.4 million (100 percent of total project costs)

**Task Manager:** Arlene K. Fleming

**Fiscal Year of Bank Approval:** 2002

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

This multifaceted project will use aspects of Eritrea's cultural practices and expression for social and economic development. Its activities include:

- Promoting community-based planning and management of cultural sites in rural areas and in urban Asmara and Massawa.
- Developing the National Museum.
- Collecting and disseminating, through curricula, the oral traditions from the country's nine ethnolinguistic groups.
- Documenting the nation's history and struggle for independence.
- Conserving, expanding, and training management in the national archives.
- Conducting an inventory and promoting conservation of Christian and Islamic manuscripts.

As a new country, Eritrea does not have a national policy or central government authority for culture. This project is managed through a national Cultural Heritage Steering Committee comprised of officials from two municipalities and various government agencies with responsibilities for culture. During project preparation, support was given for the drafting of a national cultural policy. In addition, a national workshop on culture and sustainable development provided a forum for presentations and public discussions on the draft policy and on the use of traditional cultural assets in the process of modernization.

#### **Project benefits**

The project is related to and reinforces the objectives of several larger projects in the International Development Association's investment portfolio for Eritrea. Intended benefits include fostering economic development through community-based initiatives, strengthening school curricula as part of education reform, strengthening the civil service, and building social capital. So, while focused on the role of culture in development, the project is multisectoral, and enhances the investment strategy for Eritrea as a whole.

During project preparation and implementation the Bank provided technical assistance and examples of good practice. The Bank's investment also attracted interest and financial resources from other

sources. A grant from the Institutional Development Fund, together with support from the Bank-administered Norwegian Trust Fund, enabled thorough preparatory work. During the first year of implementation a U.S. nongovernmental organization, Pedals for Progress, contributed 800 used bicycles and spare parts to the project's Renovate Asmara Campaign, which has also stimulated in-kind contributions from owners of historic structures and small enterprises in Asmara.

An illustrated book on the unique Italian modernist architecture of Asmara will be published in the United Kingdom and marketed internationally in September 2003, and a documentary film on the city is being prepared. In addition, products resulting from the project will be sold to the Eritrean diaspora through an agreement with the U.S.-based Eritrean Development Foundation. Support for project activities is also being negotiated with the governments of France, the Netherlands, and the United Kingdom through their representatives in Eritrea. And the Italian Trust Fund for Culture and Sustainable Development, administered jointly by the Bank and the Italian government, has awarded a grant to train Eritreans in conservation and maintenance of historic structures in Asmara and Massawa.

**Preparation or implementation challenges**

Eritrea's slow demobilization after the end of its recent war with Ethiopia has exacerbated the scarcity of public and private workers, creating uncertainty about the execution of planned project activities. Moreover, government bans on travel and a variety of other activities are unpredictable and complicate the achievement of project objectives.

**Ethiopia**

**CULTURAL HERITAGE PROJECT**

**Cultural Heritage Sector**

**Project Number:** P057770 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$5.0 million/\$5.7 million

**Cost of Cultural Heritage Component:** \$5.0 million (88 percent of total project costs)

**Task Manager:** Hagos Araya

**Fiscal Year of Bank Approval:** 2000

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

This project seeks to develop, on a pilot basis, ways of more fully integrating cultural heritage conservation and management into local and national economic development. The project is focused on building capacity for the preservation of cultural heritage assets. It involves interventions to strengthen documentation for conservation planning, to mitigate threats, and to improve maintenance of archeological and historic buildings and sites. The project is also intended to help revitalize economic activities by testing models for small, crafts-based enterprises and capitalizing on tourism potential.

The project has four components: site planning and conservation, site inventory and documentation, support for the development of artisan crafts, and support for project management. Central to the project's design is the idea that these components are closely related and must be conducted in a way that combines conservation of historic sites, support for living culture, and economic development through support for tourism and small enterprises. To achieve that outcome, the loan also seeks to teach new approaches to institutional cooperation. The project became effective on 11 December 2002 and required technical assistance during its startup period, through June 2003.

**Project benefits**

The project is expected to develop means for integrating conservation of cultural heritage with economic development efforts particularly by augmenting the potential for tourism geared toward cultural heritage. This learning project should also improve government policies for cultural heritage.

**Preparation or implementation challenges**

Ethiopia's recent conflict with Eritrea has reduced tourism in the region, limiting potential economic returns from the project. Another major challenge for the project is improving coordination between the multiple institutions involved, both between central and regional institutions and between governmental, nongovernmental, and religious organizations.

***Mali***

**URBAN DEVELOPMENT AND DECENTRALIZATION PROJECT**

**Urban Development Sector**

**Project Number:** P001750 – Specific Investment Loan

**Loan Amount/Project Costs:** \$80.0 million/\$141.1 million

**Cost of Cultural Heritage Component:** \$12.7 million (9 percent of total project costs)

**Task Manager:** Alison Cave

**Fiscal Year of Bank Approval:** 1996

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

This project's main development objective is to improve the delivery of urban infrastructure services by local governments in partnership with the central government, the private sector, and communities. The cultural heritage component is intended to help preserve historic cities and monuments classified as World Heritage sites, in cooperation with the United Nations Educational, Scientific, and Cultural Organization (UNESCO) and local communities. This component includes:

- In Timbuktu, restoring, preserving, and improving the environment of 15<sup>th</sup> century sanctuaries and mosques in Djingareyber, Sankore', and Sidi Yahia.
- In Djenne, preserving and promoting the archaeological site of Djenne-Jeno and the architecture of Djenne, and constructing a museum.
- In the Dogan country, preserving and promoting historic and cultural heritage, in part by providing training for local tourist guides, raising cultural heritage appreciation, promoting small civil works to make famous sites accessible to tourists, and constructing the Bandiagara Museum.
- In Bamako, constructing the National Library, National Center of Archives, and Center of Documentation.
- Providing technical and logistical support to reinforce the cultural missions of the Ministry of Culture and Communication in Bandiagara, Djenne, and Timbuktu.

**Project benefits**

The project's main benefits are conserving Mali's cultural patrimony and improving its capacity to manage cultural assets at the central and decentralized levels. These efforts have made local communities more aware of their cultural identities and have helped to develop tourism focused on cultural assets.

**Preparation or implementation challenges**

Implementation of the project's cultural heritage component does not pose any risks.

**Mauritania**

**CULTURAL HERITAGE PROJECT**

**Cultural Heritage Sector**

**Project Number:** P064570 – Learning and Innovation Loan

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

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

**Task Manager:** Christian Diou

**Fiscal Year of Bank Approval:** 2000

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

This project supports the conservation and valuation of cultural heritage and maximizes its economic benefits by creating small enterprises and promoting tourism. The project is also aimed at creating an institutional and financial framework to develop and implement a rational cultural heritage management strategy. To achieve these goals, the projects includes:

- the establishment of a National Foundation to build capacity and pilot partnerships with the United Nations Educational, Scientific, and Cultural Organization, World Monument Fund, and private organizations, laying the foundation for cultural heritage activities in Mauritania. A steering committee is responsible for allocating the foundation's resources.
- the conservation of cultural heritage in two ways: first, by designing, testing, and launching a model for the conservation of the historical sites, to be implemented on a pilot basis in several selected sites; second, by compiling an initial inventory of cultural heritage assets with the objective of developing both a methodology and the institutional capacity for their systematic recording and protection.
- the promotion and utilization of cultural assets in three ways: first, by developing a plan to promote cultural tourism; second, by organizing events that promote the traditional cultures of various communities; and third, by providing support and training to foster the production of handicrafts. This third component involves several activities, including: extending microcredit to craft workers; supporting professional associations to build capacity and facilitate training and information sharing; and creating regional centers for traditional crafts with the goal of creating an environment conducive to innovative handicraft production, stimulating the development of marketing techniques, and involving communities in cultural heritage conservation.

**Project benefits**

Conservation and valuation of cultural assets are intended to promote social cohesion and empowerment, generate revenue for the general public, and provide a foundation for sustainable, comprehensive economic development.

**Preparation or implementation challenges**

Mauritania has weak institutions and laws for cultural heritage development, and the government does not have a clear vision of how to proceed. Building capacity is crucial, as is promoting the involvement of local communities.

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## EAST ASIA AND THE PACIFIC

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### *Cambodia*

#### **ROAD REHABILITATION PROJECT**

##### **Transportation Sector**

**Project Number:** P004030 – Specific Investment Loan

**Loan Amount/Project Costs:** \$45.3 million/\$47.6 million

**Cost of Cultural Heritage Component:** \$1.6 million (3.4 percent of total project costs)

**Task Manager:** Sally Burningham

**Fiscal Year of Bank Approval:** 1999

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

The Cambodian government has launched a program to restore the national highway system, which has deteriorated due to decades of violent conflict, political instability, and insufficient maintenance. For example, the Voie Royale (National Road 6) is a major road connecting Phnom Penh to the national border and to Angkor (cradle of an ancient civilization that flourished between the 9<sup>th</sup> and 15<sup>th</sup> centuries, and now a World Heritage site). But because of severe damage, these connections were cut off for 20 years.

In 1999 an International Development Association credit was approved to rehabilitate high-priority primary roads, including the Voie Royale, and restore 10 ancient bridges and culverts, including Spean Praptos, one of the most distinguished monuments of Khmer architecture. As part of the credit, a participatory social assessment studied community attitudes toward the bridges and their potential significance, to take into account adaptive uses of this heritage. The project will provide traffic safety measures to slow motorized traffic on approaches to the bridges, segregate bicycle and pedestrian traffic, test for structural soundness and soil stability, and protect cultural treasures. All this work is being done according to international archeological standards.

#### **Project benefits**

The rehabilitation of the Voie Royale is intended to reopen the road connections from Phnom Penh to Siem Reap and Angkor, and to provide access to a large agricultural area where production has been severely constrained by weak and deteriorating roads. Upon completion, road rehabilitation will lower transportation costs for agricultural production, for freight between Phnom Penh and Siem Reap, and for tourists visiting Angkor. It will also facilitate the delivery of social services.

#### **Preparation or implementation challenges**

There is a risk that the government could have trouble meeting all its funding obligations for the project, which would endanger subprojects requiring local funds. Another risk involves Cambodia's recent history and political instability. To overcome the insufficient capacity of the institutions involved, the project implementation unit is being assisted by international consultants who advise and help supervise the project's civil works.

*China*

**CHONGQING URBAN ENVIRONMENT PROJECT**

**Water Sanitation and Flood Protection Sector**

**Project Number:** P049436 – Specific Investment Loan

**Loan Amount/Project Costs:** \$200.0 million/\$535.9 million

**Cost of Cultural Heritage Component:** \$4.9 million (0.9 percent of total project costs)

**Task Manager:** Tom Zearley

**Fiscal Year of Bank Approval:** 2000

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

This project's development objective is to provide a safe environmental setting for the sustainable long-term economic growth of urban areas in Chongqing. To achieve that goal, the project will help the municipality implement the first phase of a long-term program to recover from water and land degradation. One of the project's components will rehabilitate and reconstruct the city's cultural heritage sites based on a master plan now being prepared.

The plan will provide a framework for institutional policy development, conservation planning, design, technology, business planning for development and conservation viability, and promotion of interpretation and presentation of historic sites and museums for education and tourism. One of the historic sites is Huguang Huiguan, a 15<sup>th</sup> century merchant's house in the heart of the fast-growing Yuzhong district. The house is an important part of Chongqing's social, economic, and political history, and its architecture reflects the great artistic achievements of the Qing dynasty. Plans are under way to restore the house and upgrade public services for the densely populated surrounding neighborhood. The goal is to improve living conditions in the neighborhood and create a heritage site that becomes self-financing through tourism revenue.

The project is being undertaken with support from the Italian Trust Fund for Culture and Sustainable Development (ITFCSD), and the Getty Research Institute is working with the World Bank to review the project's strategy, direction, and preparation.

**Project benefits**

The completed project will demonstrate conservation practices of the highest international standards in the framework of the Chinese approach to conservation. It is also one of the most important development projects in Chongqing, generating a wide range of benefits by exhibiting and celebrating the city's culture and history. Chongqing's status as an important production and trade center will be reestablished by:

- Revitalizing its *huiguan* (guild) area.
- Building a cultural center in Huguang Huiguan that will host performing arts, visual arts, a museum on immigration in Chongqing, and a permanent exhibit on trading activities.
- Establishing major attractions for domestic and foreign tourists.
- Conserving and upgrading one of the few areas of the city that retain a traditional flavor, historic buildings, and an attractive riverside setting.

The theatre and museum that will be built in Huguang Huiguan will provide facilities unavailable elsewhere in Chongqing, because few other museums in the city deal with its folk customs and trading history. Moreover, there are no possibilities for building similar cultural facilities in the city in the near future. If this project is carefully managed, it will achieve financial sustainability. Thus the investment of public funds is fully justified from both an economic and financial perspective.

**Preparation or implementation challenges**

One of the main challenges in preparing a plan for the city's cultural heritage is to provide appropriate conservation measures while creating sustainable, self-supporting sites. Adaptable reuse is critical to the survival of the historic buildings in Chongqing, because without occupants using and caring for them they will be almost impossible to maintain. Such maintenance requires that the properties generate income from tourism, which can be stimulated by carefully organizing activities, aided by an events management office, and appropriately regulated commercial activities. But a major implementation challenge for the district government is to decide whether to manage the development of the sites directly or establish a public-private company to do so. The company's responsibilities would have to be clearly and legally defined for project development, management, and protection of the cultural heritage.

**China**

**SECOND LIAO RIVER BASIN ENVIRONMENT PROJECT**

**Water Sanitation and Flood Protection Sector**

**Project Number:** P074409 – Specific Investment Loan

**Loan Amount/Project Costs:** \$110.0 million/\$277.9 million

**Cost of Cultural Heritage Component:** \$12.6 million (4.5 percent of total project costs)

**Task Manager:** Rajagopal S. Iyer

**Fiscal Year of Bank Approval:** 2003

**Objectives, content, preparation plans or implementation status**

The second Liao River Basin Environment Project will continue the work of the first, and will further improve water resource management in the river basin and create a safe environmental setting for sustainable long-term economic growth. The Shenyang Urban Upgrading component of the loan designates \$12.6 million to support the preservation and promotion of cultural heritage in Shenyang City, thereby increasing awareness of China's historic values and facilitating increased tourism, employment, and commerce. The component will:

- Repair culturally significant built structures and landscape elements in the Imperial Palace compound, upgrade and reuse priority buildings, conserve the interiors, and improve lighting, fire safety, presentation, and management.
- Provide scientific and other equipment for a new storage and laboratory facility, to support education, research, conservation, interpretation, and presentation functions.
- Stabilize and repair the buildings and other prime assets in the Beiling and Dongling parks and the Qing dynasty tombs and adjacent structures, conserve the interiors, promote fire safety and site reuse, and improve lighting, presentation, and management.
- Implement a research and conservation program for the ancient pine trees for which the parks are famous.

**Project benefits**

The Shenyang Urban Upgrading component will improve the conservation status of Shenyang City's cultural heritage, arrest further deterioration of selected assets, and strengthen the local government's capacity for urban planning and upgrading. The component will also promote public understanding of the cultural significance and economic value of the city's unique cultural resource to the benefit of residents and national and foreign tourists. Selected cultural assets will be restored and promoted in preparation for applying for World Heritage status, which would make Shenyang a focus of public attention, particularly during major international events (such as activities related to the International Committee on Monuments and Sites and the Olympics).

**Preparation or implementation challenges**

No major risks have been identified.

**China**

**SHANGHAI URBAN ENVIRONMENT PROJECT**

**Urban Development Sector**

**Project Number:** P070191 – Adaptable Program Loan

**Loan Amount/Project Costs:** \$200.0 million/\$512.2 million

**Cost of Cultural Heritage Component:** \$14.8 million (2.9 percent of total project costs)

Task Manager: Mats Andersson

**Fiscal Year of Bank Approval:** 2003

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

This project will help Shanghai's municipal government:

- Ensure that economic growth is environmentally and institutionally sustainable.
- Provide major long-term environmental benefits to millions of citizens.
- Develop innovative policies, institutional reforms, and financing methods to support the environmental goals.

The project's cultural heritage component involves two activities. First, it will support a pilot program to upgrade urban services and promote adaptive reuse in a medium-density historic area. Second, it will prepare a cultural heritage development and management strategy that will promote proactive interventions for the conservation and adaptive reuse of the urban built heritage and develop broad approaches to support living culture and the arts. The primary goal will be to support and expand the catalytic impact of Shanghai's dynamism and creativity.

**Project benefits**

The project will improve the living conditions of all Shanghai residents while restoring and conserving the area's cultural heritage. It will also increase the municipal authorities' capacity to elaborate a strategy for urban and economic development based on revitalizing and maintaining cultural assets.

**Preparation or implementation challenges**

The main challenge affecting project implementation is the need to secure financing. In that regard, a major risk is the municipal government's inability to meet its funding obligations.

**China**

**SICHUAN URBAN ENVIRONMENT PROJECT**

**Water Sanitation and Flood Protection Sector**

**Project Number:** P043933 – Specific Investment Loan

**Loan Amount/Project Costs:** \$152.0 million/\$346.0 million

**Cost of Cultural Heritage Component:** \$7.5 million (2.2 percent of total project costs)

**Task Manager:** Stuart Whitehead

**Fiscal Year of Bank Approval:** 1999

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

This project's primary objective is to provide a safe environmental setting for the sustainable growth of urban areas in Sichuan province. The project's cultural heritage component aims at improving the management of historic assets and strengthening institutional capacity through the pilot implementation of a master plan and through the protection, renovation, and restoration of selected cultural heritage assets. During project appraisal four key projects were identified for the cultural heritage component:

- *The Leshan Grand Buddha Scenic Area Project* is intended to restore the Leshan Grand Buddha, which is carved into a cliff on the Ming river. This major tourism site is visited by thousands of Chinese every year, but is suffering rapid deterioration from the influx of visitors and from exposure to natural elements. Upon completion, the project will stabilize the Buddha and improve site management by developing new facilities and plans.
- *The Sanxindui Museum Project* is intended to improve the museum's facilities and visitor services.
- The construction of the *Center for the Restoration and Conservation of Cultural Relics* is intended to provide training and technical assistance to build management capacity and technical skills for conservation activities throughout the province.
- *The Sichuan Cultural Heritage Information System* is a database to register the province's cultural patrimony. This database can support the cultural heritage planning system and all activities concerned with education, cultural heritage promotion, and tourism development.

**Project benefits**

The Leshan Grand Buddha is nationally important and has been recognized as a World Heritage site. The Leshan project is intended to improve access, increase tourism capacity, and significantly boost trade. It also highlights the value and significance of cultural heritage and help Sichuan more fully integrate cultural heritage activities into its development planning.

**Preparation or implementation challenges**

The project has highlighted the importance of strengthening institutional and administrative capacity, technical design, and management of the historic environment in the provincial and local administrations. As a result there is growing awareness of the historic environment's value and significance and of the importance of community involvement. Still, protecting the province's historic and cultural heritage during modernization efforts remains a key challenge. Sichuan has valuable assets that require the support of political leaders and technical and managerial skills to realize the potential social, cultural, and economic benefits.

**China**

**ZHEJIANG URBAN ENVIRONMENT PROJECT**

**Urban Development Sector**

**Project Number:** P066955 – Specific Investment Loan

**Loan Amount/Project Costs:** \$104.0 million/\$330.5 million

**Cost of Cultural Heritage Component:** \$107.17 million (32 percent of total project costs)

**Task Manager:** Wiebe Moes

**Fiscal Year of Bank Approval:** In preparation

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

This project would enhance the efficiency and equity of waste management and improve urban infrastructure services, including the rehabilitation of inner waterways, lakes, and roads in the cities of Hangzhou, Ningbo, and Shaoxing. The cultural heritage component would focus on redeveloping the historic inner city in Shaoxing. It would provide renovation and infrastructure upgrading to improve living conditions for residents in old Ming and Qing dynasty housing, and would restore and partially rebuild historic and protected structures to prevent further deterioration and improve amenities of historic sites for residents and tourists. Strategies would be developed for urban upgrading that provide a foundation for sustainable growth and development while protecting the city's unique water-based character. Urban infrastructure and housing in targeted conservation areas would be upgraded in ways that are compatible with the city's historic character. The project would also work with local officials to develop an urban heritage conservation strategy and master plan to protect the city's cultural assets in the future. In addition, assistance would be provided to develop tourism based on the city's unique attributes.

**Project benefits**

The proposed project would support the redevelopment and modernization of Shaoxing's historic city center, while restoring and conserving its cultural heritage. It would provide the needed expertise for conservation, tourism development, and urban planning, finance the supporting infrastructure, and build institutional capacity to ensure sustainable operations.

**Preparation or implementation challenges**

The main challenge for project implementation stems from the need to secure financing to sustain the development of the city center: municipal governments and utility companies may not be able to provide timely and adequate counterpart funds. A major risk is related to tourism development, which could fall below expectations jeopardizing the economic growth needed to support the planned improvements.

***East Timor***

**SECOND COMMUNITY EMPOWERMENT PROJECT**

**Social Protection Sector**

**Project Number:** P072356 – Specific Investment Loan

**Loan Amount/Project Costs:** \$8.5 million/\$8.5 million

**Cost of Cultural Heritage Component:** \$2 million (23 percent of total project costs)

**Task Manager:** Jacqueline Pomeroy

**Fiscal Year of Bank Approval:** 2001

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

This project has embraced a participatory approach to reduce poverty and promote reconciliation. To facilitate the inclusion of local communities, it incorporates a cultural heritage component that includes documentation of oral history, a small grants program to support village cultural activities, and development of the National Heritage and Performance Center, which provides access and contributes to cultural and artistic initiatives.

**Project benefits**

The cultural heritage component will strengthen the social value of the cultural patrimony. The initiatives dedicated to preserving and promoting local culture complement the project's framework, which addresses poverty reduction through a participatory, bottom-up approach. These initiatives will promote awareness of cultural identity, stimulate social cohesion, and facilitate reconciliation.

**Preparation or implementation challenges**

Local communities have been given grants to own and manage the project activities, including the cultural initiatives. One risk involved in the project relates to the sustainability of these initiatives which will depend on the capacity of the communities to mobilize resources for continued financial support after the grants have been used. This risk may be mitigated by recruiting fund raisers to help mobilize other sources of financing.

**Indonesia**

**BALI URBAN INFRASTRUCTURE PROJECT**

**Urban Development Sector**

**Project Number:** P036047 – Specific Investment Loan

**Loan Amount/Project Costs:** \$110.0 million/\$278.0 million

**Cost of Cultural Heritage Component:** \$10.4 million (4 percent of total project costs)

**Task Manager:** George Soraya

**Fiscal Year of Bank Approval:** 1997

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

This project is intended to improve urban infrastructure services in Bali, thus meeting basic needs in urban centers. In particular, southern Bali is growing increasingly urban as a result of tourism and other economic activities. The cultural heritage component consists of improvements to the Besakih neighborhood, pilot conservation activities, the establishment of an inventory of historic places, strengthening of conservation capacity, and creation of signage in Indonesian and other languages at heritage sites. A workshop in Bali is intended to finalize these elements and secure bilateral funding and private sector support for the cultural heritage component.

**Project benefits**

The cultural heritage activities are designed to improve the preservation of built heritage landscapes and help achieve sustainable urban development in Bali.

**Preparation or implementation challenges**

A main challenge affecting project implementation is the inadequate capacity of the local authorities to plan and implement investments in an environmentally and culturally sensitive manner, as well as with their inability to mobilize resources due to ineffective decentralization of management and finance.

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## EUROPE AND CENTRAL ASIA

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### *Albania*

#### **BUTRINT NATIONAL PARK: BIODIVERSITY AND GLOBAL HERITAGE CONSERVATION PROJECT**

**Environment Sector**

**Project Number:** Global Environment Facility Grant

**Loan Amount/Project Costs:** \$1.02 million/\$1.355 million

**Cost of Cultural Heritage Component:** Not identified

**Task Manager:** Adriana Damianova

**Fiscal Year of Bank Approval:** In preparation

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

This proposed Global Environment Facility project is a follow-up to an institutional strengthening project funded by the Institutional Development Fund (IDF) that was completed at the end of 2002. The main purpose of that project was to help the Ministry of Culture, Youth, and Sports develop local capacity to protect natural and archaeological assets in Butrint, and to establish a locally managed infrastructure system for Butrint Park. That project sought to:

- Increase community awareness of the natural and archeological values of Butrint.
- Establish a Park Management Unit to administer small-scale promotion and conservation programs involving the local community.
- Help the government authorities develop policies and laws for planning and managing Butrint Park and its buffer zone.

The proposed Global Environment Facility project is intended to:

- Design an environmentally sustainable model for promoting the Butrint wetlands, embracing biodiversity conservation while benefiting from utilization of the area's cultural heritage assets.
- Introduce an integrated approach for managing the park's large land area.
- Strengthen resource mobilization to ensure that long-term financing is available for conservation and promotion activities. This goal would be achieved by establishing the Butrint Conservation Fund with support from bilateral donors and private foundations. Creation of this fund is envisaged in the government's draft law on Butrint.

#### **Project benefits**

The project would promote local development based on appreciation of natural and cultural assets. It would provide a sustainable long-term management strategy for the park by:

- strengthening legal protection of the park's cultural and environmental heritage;
- developing a coherent strategy for tourism;
- securing financing for the park's conservation needs by facilitating transparent, efficient use of public funds and mobilizing donor contributions;
- establishing a public-private partnership for conservation of the Saranda region's natural and historical assets; and
- enhancing the region's development potential.

**Preparation or implementation challenges**

The main implementation challenge, made clear by the Institutional Development Fund project, is the escalating development pressure on the area's cultural and natural heritage and the insufficient institutional capacity and resources to deal with it.

**Azerbaijan**

**CULTURAL HERITAGE SUPPORT PROJECT**

**Cultural Heritage Sector**

**Project Number:** P058969 – Specific Investment Loan

**Loan Amount/Project Costs:** \$7.5 million/\$8.9 million

**Cost of Cultural Heritage Component:** \$8.9 million (100 percent of total project costs)

**Task Manager:** Giuseppe Fantozzi

**Fiscal Year of Bank Approval:** 2001

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

This project's original development objective was to increase awareness of and support for Azerbaijan's culture, and so help strengthen national identity and social cohesion contributing to stability and a favorable investment climate. Nearly three-quarters of the original loan focused on conserving and partially reconstructing four historical monuments of global significance, the Shirvanshah Palace in Baku, the Palace of Khans in Sheki, and the Karabaglar and Momine Khatum mausoleums in Nakhichevan. The rest of the loan was to be used to strengthen Azerbaijan's general capacity to conserve and restore historical monuments. The project was approved by the International Development Association's Board of Directors despite considerable criticism that it contribute little or nothing to IDA's overarching objective of reducing poverty.

In response to the board's criticism, the project team initiated a dialogue with the client to complement the original project activities with others aimed at fostering socioeconomic development in project areas. As a result the February 2003 mid-term review mission identified a variety of potential community-driven activities to promote Azeri culture and cultural tourism. But because the only funds available for these activities were those generated by project savings (about \$600,000), only six of these additional activities could be included in the project. Thus the overall project remains strongly focused on conserving and reconstructing project sites. Three of the additional activities will occur in the old citadel of Baku: creation of a visitor information center, support for environmental initiatives and quality of life improvements supported by local communities, and implementation of a community-organized festival. Two additional activities will occur in Sheki: a handicraft selling operation targeting international handicraft wholesalers and a bed and breakfast development activity targeting the local tourism market. One additional activity will occur in the autonomous Republic of Nakhichevan: short-term training for new tour operators in niche tourism areas (cultural, religious, and health), with support for the creation of the new enterprises.

With the probable exception of the restoration of the Sheki Palace, all the original project activities have been completed or are expected to be completed before the project's closing date. The additional community-driven development activities are in the pre-implementation phase. An extension of the project's current closing date (31 December 2004) will probably be sought to allow for completion of the civil works in Sheki and the community activities.

**Project benefits**

The project is expected to increase local tourism to the project sites and create an electronic archive, accessible by the public, of the Azeri cultural patrimony. Both outcomes will increase popular awareness and support for Azeri cultural heritage, and increased tourism and the community development activities will benefit populations living near project sites. Another important benefit is the increased capacity of the Ministry of Culture to identify, prepare, and implement innovative pilot

interventions aimed at protecting cultural heritage and fighting poverty in coordination with local authorities, the Ministry of Tourism, and the Ministry of Economic Development.

**Preparation or implementation challenges**

The biggest challenges have been identifying community-driven and culture-related activities on project sites and securing financing for their implementation. The first challenge has been resolved successfully, but the second has been a failure, as shown by the fact that only project savings will be used for this purpose. Implementation of the original activities has not and likely will not present any problems, because all contracts have been tendered and are completed or under way. But implementation of the additional community activities will probably be very challenging in terms of organizing and gaining support from communities and associations.

***Bosnia and Herzegovina***

**PILOT CULTURAL HERITAGE PROJECT**

**Urban Development Sector**

**Project Number:** P059763 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$4.0 million/\$15.8 million. In addition to the IDA credit, the government of Italy has provided \$3.1 million, the government of the Netherlands \$2.0 million, the Council of Europe Development Bank \$1.0 million, and the government of Croatia \$0.5 million—all channeled to the project through trust agreements with the World Bank. The United Nations Educational, Scientific, and Cultural Organization, Aga Khan Trust for Culture, and World Monuments Fund, in partnerships with the World Bank, have also made significant contributions. In addition, the city of Mostar is providing local funding according to an agreed schedule, and the governments of France and Turkey have made direct contributions to the project.

**Cost of Cultural Heritage Component:** \$15.8 million (100 percent of total project costs)

**Task Manager:** Lawrence M. Hannah

**Fiscal Year of Bank Approval:** 1999

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

This project aims to help foster reconciliation among social and ethnic groups in Bosnia and Herzegovina by recognizing and rehabilitating their common cultural heritage in Mostar. The project consists of:

- Reconstructing the Stari Most - a 27-meter stone bridge built above the Neretva river in the 16<sup>th</sup> century - and the adjacent Tara and Halabija towers.
- Restoring selected monuments in the city's historic district (Old Town).
- Preserving the Old Town's historic character through neighborhood initiatives.

Recent progress reports and Bank missions indicate that implementation is proceeding well. Reconstruction of the Stari Most is well under way, and the contractor is obligated and expects to finish the work by 25 December 2003. Procurement for reconstruction of the adjacent towers is nearly complete, and work will begin at the end of the summer 2003, and take about 10 months. Reconstruction of important monuments and rehabilitation of neighborhood infrastructure is also under way. Despite a slow start in securing support, donor financing has exceeded reconstruction needs for the bridge and towers, though additional funding is needed to complete all the intended monument restoration activities.

**Project benefits**

The project's immediate benefit is its restoration of a historic relic of Bosnia and Herzegovina that had been a symbol of coexistence among the people of Mostar. In addition, restoring the bridge, towers, and other important monuments will improve the city's urban environment, providing a better environment for its citizens and restoring its appeal to tourists.

**Preparation or implementation challenges**

Aside from financing needs, which have been largely resolved, the main remaining challenge is to create institutional arrangements that will ensure preservation of the Stari Most complex and the Old Town and that will maximize project benefits for Mostar. A plan addressing these issues has been prepared and - with the cooperation of all the project's partners - is expected to be implemented in the final year of the project (2004).

***FYR Macedonia***

**COMMUNITY DEVELOPMENT AND CULTURE PROJECT**

**Multisector/Community Action Sector**

**Project Number:** P063577 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$5 million/\$6.12 million

**Cost of Cultural Heritage Component:** \$6.12 million (100 percent of total project costs)

**Task Manager:** Mark Woodward

**Fiscal Year of Bank Approval:** 2001

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

This project's objective is to facilitate community-based socioeconomic development by creating culture-based industries (handicrafts and tourism) in areas adjacent to cultural heritage sites—while also improving the management of cultural assets, particularly at the local level. The project has two components to achieve this objective:

- *Integrated site development.* The project's primary activity involves funding the development of interrelated subprojects in and around a limited number of communities containing sites and other assets of cultural importance. These subprojects and sites will be selected through a competitive, demand-driven process. The subprojects will receive support in developing skills for community-based site and business management.
- *Institutional development at the national level.* This component involves national-level institution building activities that are critical to the success of the integrated site development component. As a result national government institutions will be better able to provide needed information on cultural assets, facilitate marketing of the country's cultural assets, and coordinate project implementation.

The pilot for integrated site development is being implemented and, based on its lessons, expansion to additional sites began in May 2003. The pilot phase drew 212 proposals, of which 30 subprojects received \$197,700 in grants. At the national level, conversations with relevant cultural institutions have led to a plan for institutional capacity building and to the development of terms of reference for technical assistance in conducting a cultural assets inventory and an assessment of the handicrafts industry.

**Project benefits**

The project's benefits include promoting tourism and craft industries organized around cultural assets at pilot sites, building community capacity to manage cultural assets and related activities (enhanced by technical assistance and training), and building national-level capacity to support the mobilization of cultural assets for community development (also enhanced by technical assistance and training). In addition, government policies on cultural activities will be improved in three ways. First, the existing national inventory of cultural sites will be further developed as a national and regional planning tool by making it more accessible and operational and by integrating community participation. Second, the handicrafts assessment will determine the scope of existing handicrafts and make recommendations for developing the industry. Third, a tourism assessment will examine the sector's current organization, performance, needs, and opportunities.

**Preparation or implementation challenges**

One of the main challenges for project implementation is the legacy of the government's centralized approach and attitudes. These have resulted in the National Steering Committee sometimes overstepping its authority in local decisionmaking. The highly politicized nature of national and

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local governments resulted in some inappropriate decisions being made during the pilot's initial selection process because it occurred just before national elections. Though these issues took several months to resolve, corrections have been made and the project is back on track.

**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, Signnagi, 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 Signnaghi 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.

**Romania**

**CULTURAL HERITAGE PROJECT**

**Cultural Heritage Sector**

**Project Number:** P058284 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$5.0 million/\$6.9 million

**Cost of Cultural Heritage Component:** \$6.9 million (100 percent of total project costs)

**Task Manager:** Thomas Blinkhorn

**Fiscal Year of Bank Approval:** 1998

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

This project's development objective is to help Romania improve its cultural heritage strategy in order to preserve important cultural heritage sites and assets. The revised strategy will test different types of partnerships - public-private, community based, national-international - with the aim of improving management and making it more sustainable and cost-effective. The project focuses on the Brancusi sculptural ensemble, Brancovean palace ensembles, Saxon villages development, and institutional capacity strengthening.

Despite a slow start and difficulties in implementation, performance is satisfactory, and the project is expected to achieve its development objective. Restoration of the main project component - the Brancusi sculptural ensemble, one of Romania's most revered artistic complexes - is mostly complete. In addition, work is nearing completion at the two 18<sup>th</sup> century Brancovean palace ensembles, located just outside Bucharest. These important cultural assets should contribute to the development of tourism.

Work is also complete or nearing completion in three Saxon villages in Transylvania (including the villages of Viscri and Mosna, where Britain's Prince Charles has taken an interest and provided some assistance); the work has supported cultural preservation as well as community-based income-generating activities. At the government's request, the project closing date has been extended by a year to 31 December 2003. Project savings, estimated at about \$2 million, are being used for a variety of cultural preservation activities related to the original project objectives.

**Project benefits**

Key elements of the improved national strategy for cultural heritage are in place, including two new laws regulating management of cultural assets. In addition, a national cultural inventory is being conducted with assistance from the project; the inventory will be a critical element of the national strategy and enhance management of national patrimony. The government, particularly the ministries of culture and finance, appear committed to testing different partnership approaches for the preservation of priority cultural sites and assets. This should also make overall management more sustainable.

**Preparation or implementation challenges**

No risks are expected for the final implementation of the project.

**Russia**

**ST. PETERSBURG ECONOMIC DEVELOPMENT PROJECT**

**Urban Development Sector**

**Project Number:** P069063 – Financial Intermediary Loan

**Loan Amount/Project Costs:** \$161.1 million/\$239.8 million

**Cost of Cultural Heritage Component:** \$101.5 million (42 percent of total project costs)

**Task Manager:** Richard Clifford

**Fiscal Year of Bank Approval:** 2003

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

This project is intended to help St. Petersburg enhance its prospects for sustainable medium- and long-term economic growth and allow it to more fully benefit from its position as the Russian Federation’s “window to the West.” To support this development objective, the project includes a cultural heritage component that will:

- *Rehabilitate cultural assets.* Financing to repair and rehabilitate historic buildings housing eight major cultural institutions will protect them from further deterioration, increase the institutions’ capacity for exhibitions and activities, increase the facilities’ operational safety and efficiency for both visitors and personnel, and better protect displayed artwork from physical damage, theft, and other hazards. Financing will be provided to the Hermitage Museum (east wing of the general staff building), Mariinsky Theatre, Russian Museum, Peter and Paul Fortress Museum, Shostakovich Philharmonic Academy, Rimski-Korsakov Conservatory (English Church), Tsarskoye Selo Palace Museum (Hermitage Kitchen and Turkish Baths), and Pavlovsk Palace Museum (Temple of Friendship).
- *Create a Cultural Investment Facility.* Grants will be provided to eligible cultural institutions, on a competitive basis, for small investments and institutional strengthening activities designed to increase the institutions’ commercial revenue, make their cultural assets and activities more accessible to the public, conduct critically needed investments to preserve buildings and assets (including investments in security systems and other protective equipment and emergency restoration work), and improve financial management, budgeting, and investment planning.
- *Strengthen institutions.* Technical assistance will be provided to the Mariinsky Theater and Russian Museum to increase their capacity for financial management, including budgeting, accounting, planning, and financing of operation and maintenance, in accordance with international standards and to improve marketing and business development efforts.

**Project benefits**

The project’s cultural heritage component will help preserve and promote St. Petersburg as a major center for culture and the arts, and increase its appeal for domestic and international tourism.

**Preparation or implementation challenges**

Rehabilitating buildings always carries a risk of unforeseen costs, regardless of the quality of preparatory studies. This risk is greater for cultural and historic monuments, potentially leading to cost overruns. Moreover, rehabilitating theatres and museums poses specific special engineering and construction challenges.

These risks have been mitigated by hiring firms specialized in such work, to conduct the feasibility and technical design studies, and, in the case of the Mariinsky Theater, by selecting (through competitive bidding) an internationally experienced design firm. During project preparation the Bank has been assisted by the chief architect of the Chateau de Versailles (France), an expert in

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rehabilitating and renovating internationally recognized historic buildings. Risks will be further mitigated by the creation of a group of international experts who will advise the Ministry of Culture on preservation issues.

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## **LATIN AMERICA AND THE CARRIBEAN**

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### ***Bolivia***

#### **INDIGENOUS PEOPLES DEVELOPMENT PROJECT**

##### **Social Protection Sector**

**Project Number:** P057416 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$5.0 million/\$6.64 million

**Cost of Cultural Heritage Component:** \$5.5 million (83 percent of total project costs)

**Task Manager:** David Tuchsneider

**Fiscal Year of Bank Approval:** 2001

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

This project finances, on a pilot basis, demand-driven initiatives involving communities and small producers. The initiatives are designed to improve how indigenous peoples produce and sell their products and services, and will be culturally based reflecting the knowledge and resources of different ethnic groups, which in many cases give them a comparative advantage in improving their position in the market. Grants will be given to pre-investment studies, technical assistance, small works, goods, and operating costs for investments in handicraft production and marketing, ethno- and eco-tourism, productive management of plants and animals, and other culturally based investments.

#### **Project benefits**

The project recognizes the cultural identity of indigenous people as an asset for economic development. Through a locally based participatory approach, the project assists indigenous communities in developing small-scale handicraft production and tourism by utilizing their cultural and traditional resources. These communities should benefit from job creation and its effect on poverty reduction, as well as from capacity building and institutional strengthening that would help them develop, in the long run, their own cultural heritage strategies.

#### **Preparation or implementation challenges**

Two major risks affect project implementation. The first is that communities may have insufficient capacity to manage their investments and so fail to trigger and monitor effective use of investments by beneficiaries. The second risk is that national and municipal governments may ignore participatory follow-up of the projects carried out at the local level. The first risk is being mitigated through technical assistance and training interventions. For the second, a participatory monitoring and evaluation and dissemination strategy is being promoted to ensure the involvement of the national and municipal governments.

*Ecuador*

**SECOND INDIGENOUS AND AFRO-ECUADORIAN PEOPLES DEVELOPMENT PROJECT**

**Social Protection Sector**

**Project Number:** P077257 – Specific Investment Loan  
**Loan Amount/Project Costs:** \$40.0 million/\$50.0 million  
**Cost of Cultural Heritage Component:** Not identified  
**Task Manager:** David Tuchsneider  
**Fiscal Year of Bank Approval:** In preparation

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

Using a multicultural framework, this project aims to empower indigenous and Afro-Ecuadorian communities and organizations to manage development activities based on their needs and perspectives. The project's cultural heritage component will conserve and strengthen these groups' rich cultural patrimony by promoting their traditional knowledge, and supporting archaeological, historic, and cultural sites of importance to them.

**Project benefits**

The project relies on features of indigenous and Afro-Ecuadorian cultures, including their strong sense of ethnic identity, to mobilize labor and capital for development efforts. As a result it is an effective vehicle for promoting local employment and sustainable social growth.

**Preparation or implementation challenges**

Shifting the standard approach to achieving development goals, from one based on filling basic needs to one based on integrating ethnic identity, will require concerted efforts to foster wealth-generating initiatives based on the cultures of indigenous and Afro-Ecuadorian peoples. Thus participatory local planning should be informed by discussions with and priorities set by the cultural producers (artisans, tourism entrepreneurs, shamans) of these groups.

**Guatemala**

**RECONSTRUCTION AND LOCAL DEVELOPMENT PROJECT**

**Social Protection Sector**

**Project Number:** P049386 – Specific Investment Loan

**Loan Amount/Project Costs:** \$30.0 million/\$37.6 million

**Cost of Cultural Heritage Component:** Not identified

**Task Manager:** Andrea Vermehren

**Fiscal Year of Bank Approval:** 1998

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

This project seeks to raise living standards and achieve sustainable self-development in 16 extremely poor municipalities in San Marcos and Huehuetenango. One project component finances community-based cultural heritage subprojects that are prioritized, formulated, and managed by the communities involved. The subprojects focus on restoring and conserving historic documents and sacred sites, teaching and disseminating indigenous languages, and compiling the history of participating municipalities and other types of cultural history.

**Project benefits**

The cultural heritage subprojects are encouraging communities to preserve and promote their cultural patrimony and making them more aware of their cultural identities. By strengthening the social value of cultural patrimony, the subprojects enhance the social stability of post-conflict reconstruction in Guatemala.

**Preparation or implementation challenges**

The sustainability of individual subprojects is determined by the level of beneficiary participation in selecting, formulating, executing, operating, and maintaining them. A critical requirement is transferring technical know-how to the beneficiaries and municipal governments in formulating such projects and in identifying and managing financial resources to implement, operate, and maintain them.

**Honduras**

**INTERACTIVE ENVIRONMENTAL LEARNING AND SCIENCE PROMOTION  
PROJECT (PROFUTURO)**

**Education Sector**

**Project Number:** P057350 – Distance Learning Center Supplemental Credit

**Loan Amount/Project Costs:** \$8.3 million/\$9.3 million

**Cost of Cultural Heritage Component:** \$3.1 million (33 percent of total project costs)

**Task Manager:** Maria-Valeria Pena

**Fiscal Year of Bank Approval:** 1999

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

This project's development objective is to encourage and expand Honduran scientific, environmental, and cultural knowledge and management in the context of the country's sustainable development needs and ethnic diversity. The cultural heritage component supports:

- 21 emergency subprojects to repair areas in Copán Archeological Park damaged in 1998 by Hurricane Mitch.
- Research on pre-Hispanic cultural practices and scientific knowledge.
- Training for university students and teachers on Mayan culture and history and the region's natural history.
- Building the capacity of local residents, including indigenous communities, by teaching about the Mayan world, developing skills to guide tourists, and improving foreign language skills.
- A small learning center in Copán with interactive exhibits on the Maya.
- A management plan for Copán Park to guide future investments in preservation and rehabilitation.
- A cultural census of Honduras.
- An exhibit room in Chiminike dedicated to Honduras and its people, to highlight the country's diversity and unity.

**Project benefits**

The project's cultural heritage activities have generated many benefits. In Copán various stakeholders, including government policymakers and local residents, have improved understanding of cultural heritage and the economic opportunities it offers, allowing for improved management and planning for its use. Efficient management of cultural heritage, with participation by local organizations, could extend the benefits of cultural tourism to many local groups with clear gains for poor people. Training indigenous populations in areas related to cultural tourism has enabled their participation in Copán's economic development and, just as important, has increased their dignity based on new knowledge of their history and culture.

**Preparation or implementation challenges**

This project has been under implementation for nearly four years. All the activities related to cultural heritage have been executed successfully. Indeed, the activities led to a new project, Regional Development in the Copán Valley, that views cultural management and tourism within a comprehensive, multisectoral local development framework (see below).

The original project had a very positive impact in Copán because its cultural heritage activities were small, targeted, and mostly implemented by a local, well-respected nongovernmental organization. Still, because men have traditionally dominated income-generating activities related to cultural tourism, future work should create more opportunities for women.

**Honduras**

**REGIONAL DEVELOPMENT IN THE COPÁN VALLEY PROJECT**

**Cultural Heritage, Environment, and Social Protection Sectors**

**Project Number:** P081172 – Specific Investment Loan

**Loan Amount/Project Costs:** \$12.0 million/\$13.35 million

**Cost of Cultural Heritage Component:** \$6.9 million (52 percent of total project costs)

**Task Manager:** Maria-Valeria Pena

**Fiscal Year of Bank Approval:** 2003

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

This project is intended to achieve sustainable tourism development based on the cultural and natural patrimony of the Copán Valley and surrounding areas. The cultural heritage component is designed to preserve and promote Honduras' cultural resources, contributing to the development of an archeological tourism circuit consisting of Copán Archeological Park and other significant archeological sites. The project will finance activities identified in the management plan for Copán Park prepared under the Interactive Environmental Learning and Science Promotion Project (see above), and prepare and implement management plans for four other archeological sites. The project's approach will be based on a strategic participatory planning process involving government agencies at all levels, civil society, communities, and the private sector in managing cultural resources and developing tourism. It will also create a Prosperity Fund to support training and technical assistance for local and indigenous communities in activities related to cultural tourism development.

**Project benefits**

This project supports development of cultural and eco-tourism so that local residents, particularly the poorest, can benefit from the protection and utilization of their natural and cultural resources. Specific benefits include training local residents and supporting the creation of employment related to cultural tourism and management of archeological sites, protecting cultural resources by installing security systems and improvements in infrastructure and visitor access, and strengthening government capacity for managing cultural heritage.

**Preparation or implementation challenges**

A major risk involves the lack of coordination among the government institutions involved in the project, a shortcoming that could affect the institutional framework governing project implementation. During project preparation a main challenge was defining institutional arrangements and responsibilities, because the government selected the Honduras Institute of Tourism as the implementing agency, but the Honduras Institute of Anthropology and History is legally responsible for all cultural patrimony sites. To address this issue, the two institutions will sign an implementation agreement governing all project activities to be implemented in archeological sites.

**Honduras**

**SUSTAINABLE COASTAL TOURISM PROJECT**

**Environment Sector**

**Project Number:** P057859 – Learning and Innovation Loan

**Loan Amount/Project Costs:** \$5.0 million/\$6.04 million

**Cost of Cultural Heritage Component:** \$0.7 million (12 percent of total project costs)

**Task Manager:** Maria-Valeria Pena

**Fiscal Year of Bank Approval:** 2001

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

This project's development objective is to use a learning and participatory approach to develop and manage sustainable tourism along the North Coast mainland and offshore Bay Islands of Honduras, both of which have significant cultural and natural diversity. The project is designed to foster participation by economically and socially disadvantaged groups whose traditions and lifestyles are tied to local cultural and natural assets in the development of cultural and eco-tourism. The project finances culturally appropriate economic development activities through innovative subprojects in local communities, including indigenous communities. Activities in support of cultural and eco-tourism include training and technical assistance for marketing. In addition, the project prioritized the restoration and preservation of Trujillo, Central America's oldest coastal town and a significant cultural heritage site. Working with the Spanish Cooperation Agency, the project has restored sites and buildings around the Trujillo fort to preserve areas of historical interest and attract tourists.

**Project benefits**

Because a competitive natural and cultural tourism industry would benefit poor people, the project is expected to assess the potential for cultural and eco-tourism on the North Coast and determine the feasibility and desirability of future investments in the sector. In addition, the project is expected to strengthen cultural heritage and environmental awareness at all government levels and benefit a wide variety of stakeholders, including central, regional, and municipal governments, civil society, local communities, and the private sector.

**Preparation or implementation challenges**

This project has been under implementation for one year. The restoration work in Trujillo has been completed successfully, and the regional and local participation strategy and innovative subprojects were recently initiated. The main challenge, due to a long preparation time and significant community consultation, is managing the high expectations among community members about what the project will provide. The participatory strategy will communicate the project's main objectives and activities and share information about how communities can benefit from the training and technical assistance, and financial support.

**Peru**

**VILCANOTA VALLEY REHABILITATION PROJECT**

**Solid Waste Management and Subnational Government Administration Sectors**

**Project Number:** P082625 – Learning and Innovation Loan

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

**Cost of Cultural Heritage Component:** Not identified

**Task Manager:** Roberto Chavez

**Fiscal Year of Bank Approval:** In preparation

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

This project's cultural heritage components include:

- Approving the Machu Picchu master plan prepared with support from Finland and in consultation with the United Nations Educational, Scientific, and Cultural Organization.
- Drafting and approving cultural and ecological rules for use of the Machu Picchu Historical Sanctuary.
- Building sanitary facilities along the Inca Trail using off-grid, green technologies (solar-powered water treatment and wastewater recycling).
- Identifying irrigation and other Inca infrastructure to be rehabilitated.
- Developing a long-term strategy for the sustainable development of Machu Picchu, the Inca Trail, and the Sacred Valley of the Incas.
- Supporting the government of Peru and the National Geographic Society in recovering Machu Picchu treasures from Yale University.

The Learning and Innovation Loan is expected to leverage government, local, and private resources of \$15–20 million, and lead to the sustainable preservation of the Machu Picchu Sanctuary, the Inca Trail, and the Sacred Valley, as well as to the economic development of rural and urban communities in the Vilcanota Valley basin.

**Project benefits**

The historic citadel of Machu Picchu is Peru's "window to the world," as one official put it. But with 400,000 tourists visiting the site every year, there is growing risk to the country's greatest biological, ecological, historical, and economic asset. Peru's recent political realignment provides an opportunity for a relatively small, fast, knowledge-intensive Learning and Innovation Loan that may be sufficient to trigger a virtuous cycle involving communities, governments, the private sector, and donors in ensuring the rehabilitation and sustainable management of Machu Picchu and the towns of the Sacred Valley.

**Preparation or implementation challenges**

Complex and interdependent social, cultural, political, economic, environmental, and cultural heritage issues pose serious challenges to the project. But in addition to the potential benefits just described, a fast-acting Learning and Innovation Loan would test the Bank's ability to respond quickly to a highly complex set of problems, leveraging its global knowledge. The loan would also enable the Bank Group to work across sector lines and respond with a multidisciplinary approach, drawing on its various departments (Environmentally and Socially Sustainable Development), networks (Poverty Reduction and Economic Management; Finance, Private Sector, and Infrastructure), and organizations (International Finance Corporation, World Bank Institute). Finally, the Bank could test its new and evolving safeguards on environment, resettlement, indigenous

peoples, disaster management, and cultural property. Were these efforts successful, they would considerably mitigate the challenges posed by the project.

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## **MIDDLE EAST AND NORTH AFRICA**

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### *Jordan*

#### **SECOND TOURISM DEVELOPMENT PROJECT**

##### **Urban Development Sector**

**Project Number:** P035997 – Specific Investment Loan

**Loan Amount/Project Costs:** \$32.0 million/\$44.0 million

**Cost of Cultural Heritage Component:** \$44.0 million (100 percent of total project costs)

**Task Manager:** Mohammed Feghoul

**Fiscal Year of Bank Approval:** 1997

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

This project, which is closing at the end of 2003, had two development objectives. The first was to create conditions to increase sustainable, environmentally sound tourism in Petra, Wadi Rum, Jerash, and Karak. The second was to increase tourism-related employment and income-generation potential at project sites. The project, executed by the Ministry of Tourism and Antiquities, is focused on developing tourism. But Petra and the historic cities of Karak and Jerash represent built cultural heritage, so the project can also be seen as dealing directly with cultural heritage issues. In addition to addressing physical upgrading and management issues at the sites, the project upgraded access roads and urban infrastructure in areas adjacent to the sites, implemented land planning controls, and provided services to communities living next to the tourist attractions. It also included pilot tourism and cultural heritage conservation activities and feasibility studies for a broader program for Karak, Jerash, and Madaba. In addition, technical assistance is being provided to the Ministry of Tourism and Antiquities for tourism development and institutional reform. The project has had satisfactory implementation progress and will likely achieve its development objectives.

#### **Project benefits**

The project has identified important institutional and knowledge gaps in cultural heritage management policies. A site management unit and plan are being implemented for Petra Archeological Park. Urban heritage management issues have been raised by the feasibility studies for Karak, Jerash and Madaba. The Ministry of Tourism and Antiquities plans to play a coordinating role for cultural heritage management reform and to create a specialized department that would work closely with the Department of Antiquities and municipalities.

#### **Preparation or implementation challenges**

The project revealed that Jordan's tourism is highly dependent on the region's fragile political situation and showed that increased tourism and related benefits cannot be the sole economic justification for spending on cultural heritage preservation. To ensure a sustainable strategy for preservation, communities around tourist sites and residents of historic cities require investments and assistance to stimulate local economic development, and with economic growth become more appreciative of and responsible for their cultural heritage. Other significant implementation challenges include complex land ownership rights dating back generations and short-term development interests of private individuals.

**Jordan**

**TOURISM AND HISTORIC CITIES DEVELOPMENT PROJECT**

**Urban Development Sector**

**Project Number:** P081825

**Loan Amount/Project Costs:** \$20.0 million/\$30.0 million

**Cost of Cultural Heritage Component:** \$30 million (100 percent of total project costs)

**Task Manager:** Mohammed Feghoul

**Fiscal Year of Bank Approval:** In preparation

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

This project has two key development objectives: creating conditions for sustainable urban revival and increased tourism in the historic centers of selected secondary cities, and improving the national framework for tourism and cultural heritage. The historic cities of Ajlun, Jerash, Karak, Madaba, and Salt have been identified as likely candidates for developing a network of cultural cities that are easy to reach from Jordan's capital, Amman. City development and marketing strategies will be elaborated, encouraging land use improvements and proposing measures to make local real estate markets more dynamic, complemented by creating startup business opportunities and an enabling environment for local residents and creative newcomers. The project's components will:

- Improve urban spaces, infrastructure, and housing.
- Provide assistance to community activities and businesses related to culture and tourism.
- Improve central and local management capacity, including elaboration and implementation of a National Cultural Heritage Strategy and "cultural districts" plans.
- Improve approaches to preserving cultural heritage in historic urban centers, including developing planning tools, preservation norms, and a database of heritage assets.

The project is building on the experiences and outputs of the Second Tourism Development Project, currently nearing completion (see above). The Italian Trust Fund for Culture and Sustainable Development has provided financing for additional preparation work and will finance city development and management strategies, stakeholder, social, and environmental assessments, institutional and needs assessments of heritage and tourism authorities, and a national cultural heritage strategy. Project preparation is expected to be completed by the end of 2004.

**Project benefits**

The project is expected to benefit the populations of the project cities through urban revival and development of cultural and tourism industries. At the national level, the project will complement the national tourism strategy by developing and implementing a national cultural heritage strategy and helping the government bridge the gap between urban planning and cultural heritage preservation. The project also intends to fill gaps in knowledge about Jordan's cultural heritage assets (understood broadly, beyond the concept of "antiquities"), develop databases of available skills and enterprises qualified in restoring historic buildings, mosaics, and archeological objects, and set standards for restoring and adapting historic buildings for modern uses.

**Preparation or implementation challenges**

Promoting development while encouraging preservation in historic cities is a complex urban planning undertaking that requires coordinated efforts, ownership and support from many national and local stakeholders, and good legislative coordination between planning, heritage, and tourism authorities. The Ministry of Tourism is expected to champion the process based on experience

gained through the Second Tourism Development Project, but cooperation from other ministries and full ownership by concerned municipalities will be critical.

**Lebanon**

**CULTURAL HERITAGE AND URBAN DEVELOPMENT PROJECT**

**Urban Development Sector**

**Project Number:** P050529 – Specific Investment Loan

**Loan Amount/Project Costs:** \$31.5 million/\$61.9 million

**Cost of Cultural Heritage Component:** \$61.9 million (100 percent of total project costs)

**Task Manager:** Mohammed Feghoul

**Fiscal Year of Bank Approval:** 2003

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

This project's objectives are to increase economic development and enhance the quality of life in the historic centers of five secondary cities of Lebanon, and to improve the conservation and management of Lebanon's built cultural heritage. Of the five secondary cities, Tripoli and Saïda possess compact historic centers with well-preserved old medinas and impressive citadels, while Baalbeck, Tyre, and Byblos are famous for their archeological sites (which are on the United Nations Educational, Scientific, and Cultural Organization's World Heritage list). All five cities have suffered serious physical damage, lack social services, and are experiencing economic stagnation. The proposed urban regeneration programs are tailored to each city's character and potential, but all include:

- Implementation of heritage-sensitive zoning and building regulations, allowing for urban revival and growth.
- Investments in public services and beautification.
- Measures to support economic development, including, in some cases, rehabilitation of private housing.

Physical investments and site management assistance are being prepared for the archaeological sites of Baalbeck and Tyre. To better achieve its proposed goals, the project is also building the capacity of participating cities and of national authorities responsible for cultural heritage preservation and urban planning.

The project was approved by the Bank's Board of Directors on 17 April 2003 and became effective on 1 July 2003. It is being cofinanced by the Agence Française de Développement and the governments of France and Italy. Extensive work has been conducted with the participating cities and central heritage authorities, who fully own the project. Project management staff are now being contracted.

**Project benefits**

Through its historic cities rehabilitation program, the project supports preservation and adaptive reuse of historic built assets and reinforces the heritage-related economic base of the five project cities. It will strengthen the cities' capacity to respond to the socioeconomic needs of their inhabitants by developing tourism and related services and products, and supporting local economic initiatives related to cultural activities. It will also support the institutional reform of cultural heritage authorities and help update and rationalize heritage laws and regulations. The project's main contribution to government policies for cultural heritage is expected to be achieved by developing and testing innovative urban planning tools in urban heritage areas (preservation and rehabilitation plans, zoning and building regulations, heritage preservation norms and incentives) and by rationalizing cultural heritage asset management practices (inventorying heritage assets, reporting, planning, and evaluating preservation operations throughout the country).

**Preparation or implementation challenges**

The project's main preparation challenges included:

- Establishing a trusted working relationship with the central cultural heritage authorities, who had already initiated regulatory and institutional reform.
- Learning about and responding to the rehabilitation needs of the five selected cities.
- Building partnerships and consensus with and securing financing from other international donors participating in the project.

Overcoming the financial and technical capacity limitations of the participating cities and national cultural heritage authorities is expected to be a major implementation challenge for the project.

**Morocco**

**FES MEDINA REHABILITATION PROJECT**

**Urban Development Sector**

**Project Number:** P005524 – Specific Investment Loan

**Loan Amount/Project Costs:** \$14.0 million/\$27.6 million

**Cost of Cultural Heritage Component:** \$27.6 million (100 percent of total project costs)

**Task Manager:** Roberto Chavez

**Fiscal Year of Bank Approval:** 1998

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

Fes Medina, designated as a World Heritage site by the United Nations Educational, Scientific, and Cultural Organization and the center of Moroccan commerce and culture, has a high concentration of poverty and substandard living conditions. This project's primary objective is to help conserve and rehabilitate Fes Medina, especially its historic housing and urban environment. To achieve that objective, the project is expanding and accelerating current conservation efforts and strengthening partnerships between public and private actors, the World Bank, and other donors. In addition, the project is using the rehabilitation activities to alleviate poverty. Project activities include:

- Conserving cultural heritage through a variety of priority rehabilitation activities aimed at upgrading historic housing and expanding tourism.
- Providing emergency public services in the center of the medina and facilitating logistical activities for residents and businesses, thereby creating favorable conditions for urban development and private investment.
- Reducing poverty by creating employment through labor-intensive public works linked to rehabilitation efforts.
- Strengthening the capacity of the municipality and local agencies to plan and implement proposed improvements.

An agreement between state representatives (the ministers of the interior, cultural affairs, and economy and finance), the two municipalities (Fes Medina and Fes Jdid), and the Agence pour la Dedensification et la Rehabilitation de la Medina de Fes (ADER-Fes) defines each party's responsibilities. ADER-Fes is the project's executing agency. The project will be coordinated by a technical committee chaired by the governor of Fes Medina and with members representing the two municipalities and the Ministry of Culture. In addition, a consultative steering committee - chaired by a provincial government official (the Wali of Fes) and composed of representatives of local governments, central government agencies, the University of Fes, the United Nations Educational, Scientific, and Cultural Organization, and the World Bank - has been established to resolve policy issues, particularly in cultural heritage conservation.

Although the project became effective in September 1999, the government asked that the project launch be delayed until April 2000. In June 2002 a donor conference occurred with support from the Italian Trust Fund for Culture and Sustainable Development. One of the conference's main recommendations for the project was to increase consultations with local communities. The project's mid-term review took place in January 2003, and the project is now being restructured and extended to reflect donor recommendations from the review. In June 2003 the restructured project has been presented to a group of donors, including new components and programs requiring donor support.

**Project benefits**

The program is expected to directly benefit the residents of Fes Medina, especially poor people. General benefits will come from improvements in infrastructure, and specific benefits for poverty

alleviation will be achieved through the creation of 10,000 person-years of unskilled labor over the life of the project. Project benefits should also extend to professionals and artisans working in the medina, individuals receiving training and technical assistance, the tourism industry, and local institutions, universities, nongovernmental organizations, and neighborhood associations involved in rehabilitating the medina. But the ultimate beneficiary will be the city of Fes, which will prosper from the maintenance and rehabilitation resulting from the project. There will also be benefits at the national level, because the experience in Fes has served as a model for another Bank program loan now being prepared.

**Preparation or implementation challenges**

The project has faced a number of implementation challenges. At the beginning, political disagreements between the ministries of the interior and the economy led to long delays in negotiations and effectiveness. As a result the project loan, which was estimated at \$64 million at appraisal, was reduced to \$14 million. Moreover, when project implementation began, ADER-Fes was essentially bankrupt. Thus a plan to restore its solvency had to be implemented, leading to serious delays in disbursements. Another challenge was cultural: it was difficult to foster community participation. Finally, in retrospect, a Learning and Innovation Loan may have been more appropriate, because, among other challenges, there was a large learning curve in how to conduct rehabilitation without displacing residents. The mid-term review tried to resolve many of these problems, and it now appears that the project's objectives will be achieved.

**Morocco**

**HISTORIC CENTERS REVITALIZATION PROGRAM (MEKNES)**

**Urban Development Sector**

**Project Number:** P076921 – Adaptable Program Loan

**Loan Amount/Project Costs:** \$40.0 million/\$80.0 million

**Cost of Cultural Heritage Component:** \$80.0 million (100 percent of total project costs)

**Task Manager:** Anthony G. Bigio

**Fiscal Year of Bank Approval:** In preparation

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

This proposed program is intended to revitalize Morocco's urban and rural historic centers - medinas, kasbahs, and ksours - which are considered the main repositories of the country's built, mobile, and intangible cultural heritage, as well as valuable assets for promoting cultural tourism and economic growth. The project's development objectives include helping the Moroccan government revitalize historic centers and manage built cultural heritage, as well as promoting cultural tourism to alleviate poverty and improve the quality of life for nearby residents. The program's design is consistent with the recommendations of a recent World Bank policy paper for Morocco, "Harnessing the Resources of the Cultural Patrimony for National Development."

The program would unfold in two five-year phases. The first phase would:

- Provide institutional support to the ministries of culture, tourism, and housing in managing historic centers.
- Conserve monuments, public spaces, and other historic urban elements, and promote socioeconomic development and cultural tourism in the historic city of Meknes.
- Conduct studies on revitalizing other priority historic centers.

The second phase would:

- Support the establishment of a permanent coordination mechanism for managing historic centers.
- Make physical and other investments in priority urban and rural historic centers studied in the first phase.
- Conduct further studies and develop investment plans for the continuation of the program.

Meknes was chosen as the first program site after a preparatory mission and discussions with the government in 2002. The identification mission occurred in January 2003, and the Project Concept Document was approved in April 2003. Program preparation started in May 2003, and Board approval is expected in May 2005.

The program is strongly supported by the local authorities of Meknes and its region (the Wali, governor, president of the urban community, mayors), who have participated in preparatory studies. The ministries of culture, tourism, housing, and urban planning will also play key roles. Support for program preparation is being sought from the Italian Trust Fund for Culture and Sustainable Development (ITFCSD), which supported project identification, and from the Japan Policy and Human Resource Development Fund (PHRD).

**Program benefits**

The program will provide three types of benefits. The first are societal, and include conservation of unique assets and increased capacity to manage cultural heritage at the central and local levels. The second are economic benefits, and include increased foreign currency revenue from cultural tourism, fiscal benefits, private investments, job creation, and increased real estate values. The third are poverty reduction benefits, and include professional training, support for the creation of revenue-

generating activities, and better infrastructure, urban services, and public spaces and housing in the historic centers.

**Preparation or implementation challenges**

The biggest challenge is ensuring coordination among relevant institutions at the central level—crucial given the need to integrate perspectives from different sectors. At the local level, in Meknes the Wali’s authority should ensure effective coordination, while the main uncertainties are the outcomes of the forthcoming municipal elections and reorganization of the city administration. In addition, it is essential that sufficient resources be secured for thorough program preparation.

**Tunisia**

**CULTURAL HERITAGE PROJECT**

**Urban Development Sector**

**Project Number:** P048825 – Specific Investment Loan

**Loan Amount/Project Costs:** \$17.0 million/\$23.79 million

**Cost of Cultural Heritage Component:** \$23.79 million (100 percent of total project costs)

**Task Manager:** Chantal Reliquet

**Fiscal Year of Bank Approval:** 2001

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

This project is intended to help the Tunisian government provide sustainable management of the country's cultural heritage in order to develop cultural tourism and, in time, generate revenue.

Project components include:

- *Strengthening the legal framework and relevant institutions.* The country's cultural heritage policy will be improved by preparing by-laws facilitating implementation of existing legislation (*Code du Patrimoine*), developing new national policies for museums and site management (including regulations for site development), and recruiting and training staff and reorganizing the two agencies responsible for preserving cultural heritage: the Agence de Mise en Valeur du Patrimoine et de Promotion Culturelle and the Institut du Patrimoine.
- *Developing markets for tourism and cultural products.* This component will prepare a strategy for cultural tourism (including a tariff policy, documentation on cultural heritage assets, promotion and marketing, and road and site signs), develop and market museum products, and organize cultural events for foreign and domestic tourists, including schoolchildren and students.
- *Developing and managing sites.* Activities in six sites representative of Tunisia's national heritage - Carthage, Bardo Museum, Kairouan Medina, Sousse Medina and Museum, Djerba Island, and the Oudhna archeological site - will focus on improving access, tourist facilities, and security, and on museum development.

The project became effective in February 2002, and implementation is following the six-year projected schedule. Studies have been commissioned for the development of the three project components, prior to work on the sites. The project has generated great interest worldwide from highly qualified firms interested in submitting bids, and from donors. The project serves as a model for similar projects elsewhere in the region.

**Project benefits**

Immediate benefits include improvements to the project sites (including restoration of monuments), better marketing and documentation for Tunisia's cultural heritage, and employment opportunities created by construction and restoration work and development of handicrafts. Longer-term benefits include a coherent national policy for managing cultural heritage, increased capacity of local communities to manage cultural assets, new opportunities for the private sector, increased tourism and revenue, enhanced national pride, and the demonstration effects of the country's first comprehensive project for cultural management.

**Preparation or implementation challenges**

The project's main challenge is improving the organization and management of a potentially buoyant sector in an environment that is reluctant to change. Efforts are needed to upgrade legislation, make the management of cultural institutions on par with international counterparts,

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attract private sector involvement when needed, encourage community participation, and develop and maintain international support.

**Yemen**

**SECOND SOCIAL FUND FOR DEVELOPMENT PROJECT**

**Social Protection Sector**

**Project Number:** P068830 – Specific Investment Loan

**Loan Amount/Project Costs:** \$75.0 million/\$175.0 million

**Cost of Cultural Heritage Component:** \$10.0 million (6 percent of total project costs)

**Task Manager:** Yasser El-Gammal

**Fiscal Year of Bank Approval:** 2000

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

This project will continue support for Yemen's Social Fund for Development (SFD), which was created in 1997 and has played a significant role in Yemen's efforts to spread the benefits of growth and protect poor people. The project's development objective is to raise the living standards of poor Yemenis through a combination of community development, capacity building, and microfinance programs.

The government of Yemen and the World Bank decided to include among the projects eligible for SFD financing those dedicated to the promotion and conservation of cultural assets and to promote the social valuation of cultural patrimony. There were two main reasons for this decision. First, the SFD works closely with local communities, which own and manage the projects it finances. This participatory approach is based on a vision of community-driven development that benefits, in terms of promoting social cohesion and awareness, from the valuation of local cultural patrimony. Second, the SFD, which selects and monitors the cultural heritage projects, is an efficient, reliable, and accountable organization in the context of Yemen's public administration.

Projects financed to date include:

- Restoration of historic buildings, city walls, major mosques, and sites of historic and cultural importance, such as the ancient garden in the city of Sana'a and traditional water supply systems.
- Creation and promotion of museums, which are often in buildings of historic and artistic value.

In conducting these activities, the SFD works closely with the government authorities responsible for preserving and managing the national cultural heritage, and mobilizes resources from various donors.

**Project benefits**

Using the SFD's locally based participatory approach, cultural heritage projects encourage local communities to preserve and promote their cultural patrimony and help them recover awareness of their cultural identity. By strengthening the social value of cultural patrimony, the projects also enhance the social sustainability of the SFD's development objectives.

**Preparation or implementation challenges**

The main risks affecting implementation of cultural heritage projects financed by the SFD are the lack of counterpart funding and the institutional relationships between the SFD and government authorities. The government may have a hard time following up on SFD activities, that is developing supportive policies and meeting future funding obligations. Another risk for project implementation is the insufficient capacity of the government institutions involved, which may endanger coordination with the SFD.

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## SOUTH ASIA

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### *India*

#### **RAJASTHAN DISTRICT POVERTY INITIATIVES**

##### **Health and Other Social Services (Agriculture)**

**Project Number:** P010505 – Specific Investment Loan

**Loan Amount/Project Costs:** \$100.48 million/\$124.8 million

**Cost of Cultural Heritage Component:** \$0.3 million (0.2 percent of total project costs)

**Task Manager:** Luis Constantino

**Fiscal Year of Bank Approval:** 2000

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

This project's long-term goal is to reduce poverty in seven districts of Rajasthan that are among the poorest in the state. The project's development objective is to improve economic opportunities, living standards, and the social status of poor people in selected villages in these districts. The cultural heritage component seeks to preserve, revitalize, and increase selected craft production and folk performances in Rajasthan, leading to higher and more stable incomes for craft producers and folk performers, better-quality crafts, increased knowledge of these crafts in local and global markets, and better quality of life for producers and performers. These goals would be pursued together, while the larger project could provide grants to producers and performers living below the poverty line and improve their living environments through support for village infrastructure, environmental improvements, health care, and education. This comprehensive approach would enable craft producers and folk performers to improve their activities in a meaningful, sustainable way. Cultural heritage activities would include:

- Conducting a comprehensive study of craft producers and folk performers in the seven districts and in other areas to which these groups are directly linked.
- Select producers and performers for a program that would provide design inputs and technical upgrades, capacity building (including increased awareness, skills, and human and physical resources), marketing support, links to institutional credit, quality control and certification procedures, access to information and communication technology, and assistance to improve their living situations.
- Providing management training to enhance local tourism, business development, quality control procedures, and art, craft, and cultural traditions.
- Developing marketing activities, including fairs, exhibits, niche marketing (national and international), and links to retailers and national and international marketing organizations.
- Organizing national conferences to generate government and policy support for preserving crafts.
- Organizing international conferences in India and participating in international conferences abroad for craft producers and technical and managerial support workers.
- Developing "cultural districts" to provide onsite support to craft production and folk performances.

The project's cultural heritage component is being financed through a grant from the Italian Trust Fund for Culture and Sustainable Development. This grant was approved in the late 2002, and the planned activities recently began.

**Project benefits**

The proposed interventions would lead to better-quality products sold at higher prices, better organization of craft production and folk performances, direct links to markets and increased market acceptability and export opportunities, access to institutional finance, and higher living standards in arts and crafts households (including more widespread schooling for children, increased use of health services, and empowerment of women).

**Preparation or implementation challenges:** The project's main challenge relates to the caste and class tensions between local populations, which could prevent poor people from fully benefiting from the project. For the cultural heritage component, these tensions could hinder the recognition that poor people's crafts and folk performances are an important part of local cultural identity. Another challenge involves the project's ability to secure adequate support from government and financial institutions.