

# **1.0 INTRODUCTION**

## **PROJECT OVERVIEW**

# **2.0 PROBLEM DEFINITION**

## **Proposed Cultural Heritage and Tourism Development Project**

*“Tourism is like a fire: You can cook your soup on it, but you can also burn down your house with it.”  
Asian Proverb*

*After 11 years of peace, tourism and cultural heritage, two of Lebanon’s key sectors remain underdeveloped*

### **1.0 Introduction: Project Overview**

Tourism and a rich cultural heritage are two of Lebanon’s key assets. They are also traditional hallmarks of the country internationally, regionally and nationally. However, 11 years of post-war reconstruction have left the economic and social potential of this sector for Lebanon unrealized. This project aims to enhance the strategic links between Tourism, Antiquities, and key "cultural heritage" municipalities and their local communities in the cities of Tripoli, Jbeil (Byblos), Saida, Baalbek and Sour (Tyre). The objectives of such a link is to (1) address the problems associated with the degeneration/regeneration of historic cores in select cities, (2) enhance employment opportunities in targeted areas, (3) suggest sustainable long-term cultural and tourism development plans through the creation of community participation strategies, (4) assist in improving the necessary physical and institutional infrastructure for cultural management and tourism and (5) improve visitor experience and the management of cultural property.

This report will address the most pressing needs for effective urban regeneration, cultural heritage preservation and tourism site operation as well as institutional development activities and local capacity building in each of these cities. The long-term aim is to create the environment necessary for sustainable city growth and a decrease in urban poverty.

### **2.0 Problem Definition**

*Structural and physical issues constrain the potential for sustainable development; tourism or otherwise. These include a highly centralized system of decision-*

Several key issues characterize the cultural heritage and tourism sector in Lebanon. These concerns are both structural and physical. At the structural level, Lebanon’s institutional and legislative frameworks are not conducive for addressing cultural heritage and tourism from within a developmental perspective. Marked by a highly centralized system of decision-making, local Lebanese administrations are also

*making, the lack of human and financial resources, and an insufficient legislative framework.*

*These factors have led to a semi paralysis in local decision making,*

*deterioration in cultural heritage sites,*

*and the extreme politicization of cultural heritage issues.*

*Cultural heritage is identified as a non-productive sector in the public sphere.*

*Historic cores have witnessed severe deterioration as a result of: the increase in Lebanon's urban population due to war displacement and rural-urban migration, grave economic decline, the disintegration of local authority, the lack of maintenance, and disinvestment by property owners.*

*Urban populations will rise to 92.6% by 2015 further straining these cities*

severely constrained by the lack of resources, qualified personnel, a workable and multi-sectoral stakeholder strategy, and an insufficient legislative framework. These factors have had a considerable impact on the state of cultural heritage cities as well as the management and operation of archaeological sites. On the one hand, administrative bottlenecks amongst other factors have caused a semi-paralysis in local policy formation, decision-making and implementation process, which, in turn has, led to further deterioration of cultural heritage cities. On the other hand, the decrepit state of maintenance and operation at archaeological sites, which witnessed considerable tourist activity prior to 1975, is a direct outcome of the absence of a national policy for cultural heritage and tourism development, fragmented authority at the national and local levels, as well as insufficient human and fiscal resources. In turn, these factors have led to the extreme politicization of cultural heritage issues in some areas, with few formal mechanisms for resolving overlapping mandates and conflicting development agendas.

At the same time, the Lebanese public sphere has tended to identify cultural heritage as primarily a non-productive public sector question.<sup>1</sup> This view, endorsed at the institutional and popular levels by both the private and public sectors, often maintains that the preservation and conservation of cultural heritage is an infringement on development rights and a free market economy. As a result, Lebanese cultural heritage has been severely neglected and or/damaged with detrimental consequences for the cultural and touristic potential of the country.

At the physical level, a 15-year civil war, population movements and deteriorating economic circumstances have contributed to the general degradation of cultural sites especially in major cities. On the one hand, the disintegration of local authority during the war, led to ad-hoc growth and environmental pollution of both urban and rural areas. In addition, population movements, complex tenure conditions, declining economic conditions and the presence of politically displaced populations in some areas, dissuaded property owners from investing in the maintenance and upkeep of their properties. On the other hand, the sharp increase in Lebanon's urban population from 66.7% in 1975 to its current 88.5% placed tremendous pressure on already strained cities especially their historic cores, where old rents and a dilapidated environment meant affordable living. This population, according to the UNDP Human Development Report, will rise

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<sup>1</sup> This attitude is changing slowly at the institutional level. The current Minister of Culture has been consistently stressing the economic value of the sector.

to 92.6% by 2015 further straining these cities. Projects targeting the rehabilitation, upkeep and employment generation through cultural heritage and tourism development could play a critical role in alleviating future pressures on these cities.

*This report will try to assess the means through which an overall rehabilitation strategy for each of the cities under study could alleviate some of these constraints. In the process it will try to propose the kinds of action programs and projects that are required and/or possible*

**Particular facets of cultural heritage, tourism development and the alleviation of urban poverty face distinct but related impediments:**

**Cultural heritage preservation and development rights**

*Impediments: Preservation of cultural heritage is governed by an outdated law and hindered by a highly centralized system of public administration. Mechanisms for mediating between development rights and the public's right to access and to know its history through archaeological, or historic finds remain practically non-existent.*

**Urban regeneration**

*Impediments: lack of accessibility to various sites, environmental pollution and the general degradation of the urban environment. City master-plans have yet to effectively integrate the special needs of their historic cores.*

**Tourism site operation**

*Impediments: Overlapping institutional mandates and fragmented authority that sites are often badly organized and understaffed. Existing personnel is frequently unqualified. Visitor facilities such as information booths, proper signage, brochures and toilets are lacking.*

**Institutional capacities (National and Local)**

*Impediments: Considerably lacking in manpower, financial resources and autonomous decision-making capabilities. Organizational/administrative structure and experience are lacking.*

**Socio-economic conditions**

*Impediments: The dramatic rise in urban populations and deteriorating economic conditions have strained the infrastructural capacities of the cities in question. Many of the inhabitants of culturally significant areas live below the poverty line and thus lack access to basic necessities such as education and health care. They are unable, and due to insecure tenure often unwilling, to undertake any improvements to their habitat.*

**Legislative framework**

*Impediments: The most serious impediments include complex property ownership and occupancy patterns, rent regulations and an outdated antiquities law meant to regulate both archaeological finds and cultural heritage preservation.*

**Skewed public perception of cultural heritage potential**

*Impediments: Cultural heritage issue is viewed as a non-productive sector and an infringement on a free market economy. The private sector is focused on short-term gains rather than long-term resource management.*

## **2.1 Research Methodology, Scope and Structure of Study**

This project's research methodology included desk research, informal surveys, group interviews, structured observations, key informant interviews, and on site data collection.

Desk research focused on the identification and collection of primary data from key institutional sources such as the Central Bureau of Statistics, the Ministry of Social Affairs and local municipalities, as well as a rapid review of secondary literature on individual cities.

Data collection on the socio-economic and occupancy patterns in the cities in question was most problematic. Due to the dismal lack of standardized collection techniques and the prevalence of inter-agency bickering, meant that little reliable quantifiable data regarding socio-economic or occupancy patterns in the cities in question, could be obtained from government institutions be they local or national. When it could be found this data often conflicted, especially when spot checking of the information was carried out. With the exception of Saida and Baalbek, where in both instances surveys utilized for proposed projects or masterplan updates were used, consistent information on the rest of the cities remains elusive.

This situation is further compounded by the absence of statistics on property and occupancy patterns as well as proper property registration- something, which is currently being addressed by recently established National Asset Management Board. According to the Ministry of Finance, even though land registration and cadastral mapping commenced in Lebanon in 1926 during the French mandate, today only 80% of Lebanon is delineated but only 50% is surveyed. As a result:

- 50% of Lebanon has both title registers with area and survey maps
- 30% of Lebanon has title register but no area and survey maps
- 20% of Lebanon is neither surveyed nor delineated.

When registration and surveys did exist, they were found to be outdated. Therefore, even though the cities being examined in this project have both title registers with area and survey maps, the dilapidated state of the cadastre itself meant that no reliable information could be obtained.

Consequently, in the absence of comprehensive surveys, this project had to rely on available secondary literature/studies and on first-hand observations of the cities under study. This research was supplemented with direct interviews with key informants identified as critical to understanding the current and projected schemes for the management and development of the individual cities. Additional interviews were held with the main stakeholders who have a direct bearing on conservation and tourism activities.

These personal interviews were supported by focus group discussions or special workshops that brought several stakeholders together to debate critical issues regarding the future of their cities in the context of present and future socio-economic and urban development plans. The aim of these focused discussions was to define the various problems and conflicts that characterize the relationship of different stakeholders. These discussion groups also attempted to initiate a debate of suitable solutions and successful alliance strategies that could boost the development of cultural tourism and heritage conservation in the country.

## **Stakeholder Analysis**

**3.0**

**NATIONAL STAKEHOLDERS**

### **3.0 National Stakeholders**

A stakeholder analysis is usually the preliminary phase for most participatory work and/or social assessments. Such an analysis is used to gain a better insight into power relationships, influence and interests of the different stakeholders concerned with the development of a project or policy. Its results can provide initial and critical information about: who could influence the project (positively or negatively); who will be affected by the project (again, positively or negatively); which individuals, groups, or institutions (government, NGO's and civic associations) have to be involved in the project, and how; and finally what needs to be done (capacity building) to enable them to participate. According to this analysis, a plan for involving each stakeholder group in successive stages of the project or policy work is developed.

In what follows a list of the stakeholders involved in cultural heritage and tourism development at the national level will be outlined. Their interactions, conflicts, and potential development will be discussed thematically.

Stakeholders at the national level include state institutions directly concerned with cultural heritage and tourism, planning agencies, and civic associations (Please see Appendix I for detailed descriptions). These have been subdivided into a three-tiered systems, of first circle stakeholders without whom no cultural heritage and tourism development project can be undertaken; second circle stakeholders whose involvement is necessary but not critical and a third circle whose involvement would certainly enhance the quality of any project by drawing on existing qualified resources.

#### **A. First Circle of Stakeholders:**

1. The Directorate General of Antiquities (DGA) and the Ministry of Culture
2. The Ministry of Tourism
3. Municipalities
4. The Directorate General of Urbanism (DGU)
5. The Council for Development and Reconstruction (CDR)

#### **B. Second Circle of Stakeholders:**

1. UNESCO
2. Public and Private Claimants
3. The Ministry of Displaced

#### **C. Third Circle of Stakeholders:**

1. Associations for the preservation of the cultural heritage.
2. Lebanese and American universities (Archaeology, Conservation and Restoration Schools)
3. Orders and associations related to the development of a tourist industry.

The following table summarizes the concerns, jurisdictions, networks and relevance to the project of the various stakeholders on a scale of 1-5.

Stakeholder	Interests, Concerns and Jurisdictions	Relevance to Project	Networks
<b>Institutional</b>			
DGA	Owner of all Archaeological sites. Final authority on restoration, preservation and rehabilitation standards. Must undertake master plans of historic centers with DGU	5	DGU, MOT, Municipalities, Schools, Associations, UNESCO
MOT	Site operation and management. Promotion and documentation. Information booths and tourist facilities. Strategic planning of tourism sector	3	Municipalities, DGU, Orders
Municipalities	Restoration of listed monuments. Expropriation of listed structures. Management of archaeological sites. The right to withhold building permits. The right to comment on master plans for their areas	5	DGU, MOT, DGA, Schools, Associations, Claimants
DGU	Master plans	5	Government, DGA, Municipalities
CDR	Identify needs, locate external sources of finance, preparation of technical documents, tender out select projects	5	All government institutions
MOD	Repatriation of displaced populations	2	Municipalities
<b>Community</b>			
Public and Private Claimants	Owners interested in the development of their properties while tenants would like to see the current rent caps maintained, and their habitats rehabilitated	5	Municipalities
<b>Organizations</b>			
UNESCO	Heritage conservation. Documentation of Heritage sites. Directly involved in three of the cities under study, placed on the World Heritage List. Aids the DGA overcome administrative bottlenecks	3	MOT, DGA, Municipalities
Associations for the Preservation of Cultural Heritage	Heritage conservation, preservation and promotion.	3	DGA, DGU, Claimants, Municipalities
LAU & AUB	Restoration of listed monuments. Documentation of heritage sites.	2	DGA, Claimants, Municipalities
Orders of the tourist industry	Development of various aspects of the industry such as hotels, tours, visitor facilities etc.	3	MOT, MOL
NGO's	Community development through vocational training, micro credit and the encouragement/enhancement of local skills.	4	Community, MOT, MOL

**Table 1: National Stakeholders**



*Impediments to the conservation and preservation of cultural heritage in Lebanon reach far beyond the need to coordinate between conservation management and the growth of tourism*

*First, strategic co-ordination between major institutional stakeholders is problematic and inadequate*

*Second, laws governing cultural heritage continue to rely on the 1933 antiquities law*

### **3.1 Conservation and Preservation of Cultural Heritage**

While tourism could form a potentially valuable source of funds for the conservation of cultural heritage, if not well managed, it can also damage those sites. In Lebanon, various impediments to the conservation and preservation of cultural heritage exist on both structural and legislative levels. These impediments reach far beyond the need to coordinate between conservation management and the growth of tourism in the country.

First, strategic co-ordination between the three major institutional stakeholders: the DGA, the DGU and the local municipalities, is often problematic due to overlapping mandates and conflicting visions (see Appendix A). This is most evident in conservation and preservation efforts as they relate to segments of an existing urban fabric. According to current urban planning laws, the DGU is required to hand over all urban planning matters related to historically and culturally significant sites to the DGA. However, staff shortages prevent the DGA from carrying out its responsibilities. At the same time, the decline in the DGU's technical resources and human capabilities has severely hindered its master plan update efforts (See Appendix A and 3.5) As a result, all master plan updates, including those for historically significant sites are being commissioned out by the DGU to private offices, many of which lack the qualified staff necessary for urban planning efforts. More critically, these offices are not required to include a preservation or conservation specialist on their team, nor do they have to consult with local municipalities regarding the special needs of these zones. The municipality's role in these efforts is often restricted to the granting or denial of permits.

Second, legislative bottlenecks hinder the preservation and conservation of cultural heritage. Lebanese laws governing archeology and cultural heritage date back to 1933, the period when Lebanon was under French Mandate. According to this law, all structures prior to 1750 are automatically considered archaeological heritage and thus protected under the law. All other structures of cultural or historic value have to be added to an open list of classified monuments and buildings; a process that is time consuming and severely hindered by bureaucratic red tape (which in one case entailed 149 signatures). The DGA and the municipality are also required to compensate owners, the fourth major stakeholders, for structures placed on this list.

As a result of financial constraints, neither institution is able to fulfill this particular aspect of its mandate. Moreover, this law does not take into account culturally significant neighborhoods or a segment of an urban fabric.

*Restricted to pre-1750 monuments, this law does not consider culturally significant neighborhoods*

Existing rental laws further hinder the preservation and conservation of culturally and historically significant buildings. The loss in income resulting from the maintenance of old rents discourages property owners from investing in the management and upkeep of their properties. Rehabilitation efforts, if undertaken by the owners, have no impact on rent levels. However, this same rental law has played a significant role in insuring the survival of a large sector of Lebanon's low-income population. As a result, tenants who are financially unable to undertake the rehabilitation work necessary within individual apartments currently occupy many of those culturally significant areas such as Sour, Tripoli and Sidon.

*Existing rent caps have succeeded in preserving these areas but hindered their restoration and rehabilitation*

Third, in addition to inadequate legislation, real estate market demand and the lack of financial incentives have accelerated the disappearance of 18<sup>th</sup>, 19<sup>th</sup> and early 20<sup>th</sup> century houses and buildings, especially in the capital Beirut and in other urban contexts. Currently, the real estate value of historic buildings is based on the development value of the land and the assumption that the prospective buyer intends to demolish the existing structure and build a high rise. At the same time, other forms of compensation, such as the enactment of an air rights law that would allow owners of properties of significant historic or cultural value to sell their development rights within specific zones and thus encourage investment in the rehabilitation of these structures and areas, have yet to be considered.

*Third real estate market demand and the lack of financial incentives have helped accelerate the disappearance of heritage buildings*

Fourth, while laws governing the protection of archaeological sites themselves are sufficient, mechanisms of implementation are not. On the one hand, the DGA, the sole institution responsible for the maintenance and preservation of archaeological sites, lacks both the institutional autonomy as well as the human and financial resources to undertake the necessary provisions for the protection of ancient sites. On the other hand, the lack of co-ordination with the DGU and municipalities has resulted in the intrusion of public roads and buildings, as in Baalbek, onto these sites. The maintenance of these sites is further thwarted by the absence of clear, protective boundaries; a factor, which in the past 20 years has facilitated the progressive encroachment of illegally constructed housing onto these sites. This is the case particularly in Sour and Baalbek. Attempts to regulate these constructions is hindered by the perception of local residents who derive little or no economic benefits from these sites, and

*Fourth, mechanisms of implementation are insufficient*

thus view them more as an obstacle to the real estate development of their cities than as a potential source of future income and benefit.

*International and local NGO's have played a crucial role through the provision of expertise, fundraising, documentation, research etc. and in the case of UNESCO in bypassing administrative red tape.*

In this context, international and local NGO's have played a crucial if limited role in projects connected to the preservation and restoration of cultural heritage. Given their varying capacities, the work of these NGO's has tended to focus on individual projects and is usually geared towards fundraising, restoration and, on rare occasions, the initiation of public awareness campaigns. International NGO's, such as UNESCO or the German Archaeological Institute (GAI) amongst others, have aided in the provision of professional expertise for the restoration and documentation of objects and edifices. UNESCO paid for the restoration of projects displayed in the National Museum, the GAI undertook the scientific documentation and technical presentation of artifacts in the Baalbek museum. Local NGO's and private associations have limited their efforts to the restoration of individual edifices. While the National Heritage Association (previously known as the Friends of the National Museum Association) helped raise funds for the restoration and the rehabilitation of the National Museum, various other private foundations and companies such as the Hariri Foundation and Audi, have financed the restoration of individual structures around the country (see the next section). Other associations such as APSAD have carried out individual listings of culturally significant structures and have undertaken several campaigns to save various historic buildings from demolition especially residential structures (See Appendix I). These efforts are somewhat critical given the difficulties faced in placing privately owned residences on the list of protected monuments, not least of which is the resistance of the owners themselves.

*The proposed new framework for the DGA, renamed the DGAH will address two of the most serious bottlenecks hindering the preservation of cultural heritage; fragmented authority over historically significant sites and budgetary constraints.*

Currently a new administrative framework for the DGA, to be renamed the Directorate General of Archaeology and Heritage (DGAH) is being discussed. The proposed framework will give the DGAH the flexibility necessary to carry out efficient and consistent work. Most critically perhaps, the new framework will address two of the most serious bottlenecks hindering the preservation of cultural heritage; fragmented authority over historically significant buildings and budgetary constraints. For the first time, heritage buildings and not simply archaeology will be included under the jurisdiction of the DGAH, giving it sole authority over their fate. At the same time, the DGAH will be granted unprecedented fiscal autonomy to hire specialists and carry out work it deems necessary in the restoration,

promotion etc. of structures. Under this new structure, the DGAH will be on a more equal footing with other major stakeholders such as the Ministry of Tourism and the CDR, which currently dominate the scene. Moreover, it will also be in a better position to negotiate legislative changes with direct impact on cultural heritage and archaeological sites.

### **3.2 Cultural Heritage Restoration, Presentation, Promotion and Appreciation by the Public**

The restoration, promotion and public appreciation of cultural heritage faces several impediments which include the absence of strategic co-ordination between the major stakeholders at the national and local level, complex ownership patterns of specific sites, lack of sufficiently qualified personnel, and the prohibitive cost of restoration.

*Heritage restoration is of direct concern to the DGA and local property owners. However, major bottlenecks and disincentives prevent the DGA and property owners respectively from partaking in most restoration schemes.*

The DGA and local property owners are the most critical stakeholders directly involved in cultural heritage restoration. Under current laws, all cultural heritage edifices or archaeological remains are to be restored directly by or under the supervision of the DGA. However, the financial expense of restoration projects forms a major impediment to such efforts. Labor and infrastructure costs are high with potential return almost negligible. In the absence of **a)** an amended legislative framework that would consider the particular needs of cultural heritage cities, **b)** revised and more affordable restoration standards, **c)** a comprehensive national tourism development strategy; something the Ministry of Tourism is supposed to undertake, and **d)** other direct and indirect incentives, private investors and local property owners will continue to shy away from such projects.

*Public administration laws also form a particular obstacle*

Moreover, as in conservation and preservation efforts, laws that govern all public administrations in Lebanon, form a particular and critical obstacle to cultural heritage restoration projects. Under these laws, the strategic planning and financing capabilities of most public institutions, including the DGA and local municipalities, is contained by a highly centralized system of governance ill-suited for either local governance or the needs of cultural heritage restoration (See Appendix I for details). In this context local and international NGO's play a crucial role in bypassing these bureaucratic bottlenecks and thus in enabling these institutions to carry out their work. For example, a local NGO, the Friends of the Museum fundraised about \$3 million dollars needed for restoration and rehabilitation of the National Museum. In another example, the DGA allocates almost half of its budget annually to UNESCO,

*NGO's have played a role in overcoming these bottlenecks*

to spend the money on its behalf whenever needed and to supply the requisite technical personnel. In return, these organizations have acquired certain leverage over the DGA. While the Friends of the Museum sometimes interfere in the management of the museum, UNESCO charges the DGA 13% of this budget for its services.

*The presentation, promotion and appreciation of cultural heritage and archaeological sites are characterized by overlapping mandates and the lack of effective co-ordination between the major stakeholders: the DGA, MOT and local municipalities.*

The presentation, promotion and appreciation of cultural heritage and archaeological sites are handled mainly by the Ministry of Tourism, the Directorate General of Antiquities and local municipalities. Rather than encouraging effective co-ordination between the different stakeholders, complex stakeholder interests and overlapping jurisdictions over various sites further hinder the effective promotion of these sites. The Ministry of Tourism is responsible for formulating a national tourism policy and for the promotion, marketing and operation of cultural heritage sites. The Directorate General of Antiquities is in charge of actual restoration of artifacts and their presentation, while local municipalities are responsible for site control and the supply of local personnel. In the case of single monuments or an urban fabric, municipalities may also be involved in the restoration process.

*No national strategic vision for the promotion of Lebanon's cultural heritage, nationally, regionally and internationally has been drawn up*

At the national level, very little co-ordination efforts have been undertaken to draw up a strategic plan for the promotion of Lebanon's cultural heritage, nationally and internationally. A Strategic plan, the *Reconstruction and Development of Lebanon's Tourism Sector* was undertaken in 1995 by the Ministry of Tourism and the World Tourism Organization, and in partnership with UNDP. This plan recognized the value of Lebanon's cultural heritage and the importance of community participation in the development of these sites. Unfortunately, the schematic outline, which the plan proposed, was never developed. In the absence of such a plan, the National Council for Tourism, the body in charge of promoting Lebanon as a tourist destination abroad, has not been effective in its marketing drives (see 2.3 and Appendix I for details).

*Mechanisms for resolving local disputes over these sites are also non-existent.*

At the local level, thus far, no mechanisms for resolving problems arising from competing interests and visions have been created. Disputes between the MOT, which allows the use of some of Lebanon's archaeological sites for summer festivals, and the DGA which believes that such uses damage these sites and should be discontinued, are resolved with the prevalence of the most politically significant agency, in this instance the MOT. For example, in the case of the Baalbek summer festivals the marginalization of the DGA and its technical teams has resulted in physical damage to some of the structures.

*The absence of tourist facilities is detrimental to the promotion of these sites*

In addition, the absence of tourist facilities on most of these sites, such as proper signage, information booths, and public toilets, is also detrimental to the promotion of these sites. For example, with the exception of Baalbek, most of the archaeological sites remain insufficiently documented and thus incomprehensible to the visitor. In this context, the DGA, in coordination with the MOT, needs to create explanatory brochures that provide a comprehensive and clear explanation of all the monuments, which are or will be placed on the visitor's road map. These explanations (history, reconstruction plans, building techniques, function and role of the monument, cultural relations) should be available both on site and in an illustrated brochure.

*Promotion carried out until now, in a limited way by local and international NGO's for specific monuments/sites*

Again, given the lack of a comprehensive strategy, the promotion of these sites has been partially addressed by national and international organizations such as UNESCO and local cultural heritage associations. By placing several Lebanese sites such as Sour, Baalbek and Jbeil on the World Heritage Sites list, UNESCO was able to raise international awareness of these sites and thus aid in future preservation efforts. Placing them on this list indicates an international recognition of their cultural value and helps in their promotion nationally and internationally. As was evident in the case of Jbeil, this also partially guarantees their protection as well as their immediately surrounding environment since all proposed changes have to comply with international standards for the preservation of these sites (See Appendix I).

*The new restructured DGAH will resolve some of the bottlenecks related to restoration*

As with the previous theme, current plans for restructuring the DGA will go a long way towards resolving some of these issues, particularly building standards that currently regulate restoration efforts (see section on Sour). While the revision of these standards should be undertaken so as to make such effort more affordable to local property owners, other forms of direct and indirect subsidies should also be considered.

*However, more effort needs to be spent on promotion and presentation.*

For presentation and promotion efforts to be more effective, more efforts need to be spent on co-coordinating between the different institutional stakeholders. In this context, the NCT can play a crucial role in representing Lebanon internationally (see next section).

### 3.3 Development of a Tourism Industry

Recent worldwide growth in the tourism industry has transformed this sector into perhaps the biggest with a 12% share of the global GDP. However, this growth is a double-edged sword for developing countries whose cultural heritage is of considerable interest. On the one hand, tourist turnover, if not well managed, could cause significant damage to these sites. On the other hand, sustainable tourism, or development tourism can play a vital role in addressing the needs of developing countries such as poverty, unemployment, poor infrastructure and a decline in a nation's sense of identity. It can also be a vital source of funds for the conservation of these sites.

*Strategies for addressing the potential conflict between cultural heritage conservation and tourism development in Lebanon have yet to be formulated.*

Many of these issues have yet to be tackled in Lebanon. Even though Lebanon boasts a wide range of cultural heritage sites and monuments, the tourism industry suffers from the absence of a national vision, an underdeveloped infrastructure, as well as the lack of a comprehensive strategy that would include the different stakeholders. Moreover, strategies for addressing the potential conflict between cultural heritage conservation and tourism development have yet to be addressed or formulated.

*Absence of a comprehensive vision has had a significant impact*

On a national level, the absence of a comprehensive vision for the future of the tourist sector in Lebanon has had a significant impact on the development of the industry. **First**, few promotional campaigns for Lebanon have been undertaken, in large part due to the current status of the National Council for Tourism, (NCT), which is responsible for marketing Lebanon abroad (see Appendix I). Moreover, promotional campaigns have yet to identify the market niche that Lebanon is supposed to be catering for. **Second**, the lack of a vision and thus strategy has directly impacted the quality and development of tourist related industries and human resources nationally and locally. Severely damaged by a 15-year civil war the tourism industry, despite major improvements in the last 11 years, remains ill-equipped to address the needs of the contemporary tourist. Little co-ordination has taken place between the different ministries that are directly or indirectly involved such as the MOT, the MOC, the Ministry of Transport and Public Works, as well as the different syndicates such as the Association of Hotel Owners and the Syndicate of Restaurant Owners, the Syndicate of Furnished Apartments, the Syndicate of Tour Operators, amongst others. At this time, Lebanon is often added as a one-day stop on regional itineraries. **Third**, as the 1995 MOT/UNDP Plan for the Reconstruction and Development of Tourism in Lebanon points out, with few exceptions there are very little incentives for tourists to stay longer in Lebanon. On the one hand, the dilapidated state

of the surrounding environment, such as in Baalbek or Tripoli, discourages tourists from venturing beyond the immediate site of visit. The inability of local authorities to project strategic visions for their individual cities further detracts from their appeal. On the other hand, unqualified personnel and badly equipped sites also devalue visitor experience to these sites.

*Due to fragmented authority, key and secondary stakeholders have undertaken individual efforts, which have not contributed in any significant way to improving the overall tourist potential of the country.*

As a result of this fragmented authority, key and secondary stakeholders, including the Ministry of Tourism, the Association of Hotel Owners, the Order of Restaurant Owners, and various travel agencies and tour operators, have undertaken individual and fragmented efforts which have not contributed in any significant way to improving the overall tourist potential of the country. The most positive initiative thus far was the creation of an updated star system for hotels; a project which was initiated by the Tourism Committee in the International Chamber of Commerce with a grant from USAID, and carried out by the Stanford Research Institute in collaboration with the Ministry of Tourism and the Syndicate of Hotel Owners. This law has been passed by the Council of Ministers and published in the official gazette. However, despite its potential for the improvement of quality control and service provision, this law's impact will remain limited if it is not incorporated into a larger strategic framework for the country.

*As a result, the disjuncture between the needs of Lebanon's tourism sector and the supply of qualified human resources has yet to be addressed*

At the same time, the disjuncture between the needs of Lebanon's tourism sector and the supply of qualified human resources has yet to be addressed. Currently, tourism education and training programs in Lebanon are graduating students with inadequate technical backgrounds and poor managerial skills. As a result, in the absence of any cooperation amongst cluster members, employers have been incurring excessive costs to design and administer appropriate training programs. In addition, the industry also suffers from a high employee turnover, the lack of communication amongst industry players, the lack of trainers and teachers, the absence of practical experience and from gender and culture discrimination.

*On a micro-scale, no co-ordination has been undertaken with key cultural heritage municipalities*

On a micro-scale, no co-ordination has been undertaken with key cultural heritage municipalities to strategize locally and to promote private investment into tourist related activities in individual cities. In turn, the continued lack of a varied range of tourist facilities has further hindered the development of the tourism industry.



*Government needs to adopt a multi-pronged strategy that would include both the public and the private sector.*

To overcome these impediments, the government must adopt a multi-pronged strategy, which would include private and other identified stakeholders. In the short term, the Ministry of Tourism should undertake co-ordination between the different stakeholders, both public and private. This could occur either through the inclusion of other members of key government stakeholders on the National Council for Tourism, currently only responsible for the promotion of Lebanon abroad. Here, the mandate of the board would be enlarged to include the creation and implementation of a vision plan for the development of the industry. Alternatively, a parallel board within the ministry can be created to undertake these efforts. Like the NCT, this board should also include representatives of the private sector, especially the syndicates. Many of these syndicates are financially powerful with the potential to play a strategic role in the constructive development of the industry.

*Powers of implementation will be crucial for the success of any initiative*

Powers of implementation will be crucial for the success of any initiative. Of critical interest to the development of the industry, are proposals that include mechanisms for streamlining procedures for the creation of hotels, restaurants and other tourist-oriented facilities. Those will face legal as well as procedural impediments. For example, under current rules and regulations it would take almost a year to get a permit to construct or transform a building in a historic area into a hotel. In this context, municipalities can also be instrumental in the promotion of symbiosis rather than conflict between the needs of conservation management and tourism by facilitating various procedures at the local level.

*Municipalities can be instrumental in the promotion of symbiosis rather than conflict between the needs of conservation management and tourism.*

At the same time, the private sector can also be encouraged to adopt a long-term view towards a sustainable tourism development industry. This encouragement can take the form of incentives or disincentives, which can also be direct or indirect. Direct incentives could include access to low interest loans and training programs. Indirect incentives can include certified programs that can lead to market advantage as well as select access to specific sites according to qualifications. Disincentives can include fines and levies when a site is negatively impacted. In this instance, environmental impact assessment programs can be launched. Local and international development agencies can play an important role by generating the necessary information, financing the training and certification programs amongst other things.

*Through incentives or disincentives, the private sector can be encouraged to adopt a long-term view towards a sustainable tourism development policy.*

### 3.4 Creation, Enhancement or Capture of Secondary Economic Benefits

*The capture of secondary economic benefits from cultural or tourism related activity has been minimal. Most production is taking place in an ad-hoc manner.*

The capture of secondary economic benefits from cultural or tourism related activity has been minimal. Inhabitants of all of the cities being considered have seen little economic benefit from the existence of cultural heritage or archaeological sites in their midst. Currently most industrial production which is directly linked to the tourism industry is taking place in an ad-hoc manner, namely under the auspices of local and international NGO's. Hindered by the absence of a national coordinating body and of direct incentives for investment in small-scale micro-enterprises, the growth of these benefits has also been impeded by the lack in local institutional capacities, especially municipalities. In this context, the ability of municipalities to foster symbiosis rather than conflict between cultural management and tourism development has been effectively constrained.

*Thus far, secondary economic benefits have been limited mainly to the production of handicrafts and artisanal goods. Rather than supporting the industry, the government has entered into direct competition with local NGO's.*

Thus far, secondary economic benefits have been limited mainly to the production of handicrafts and artisanal goods. This sector is facing a series of problems; namely that most of the "traditional" Lebanese handicrafts are in fact common to the region, the high cost of raw material much of which is imported, difficulties in modernizing traditional designs, constantly evolving market needs, and the small size of the local market amongst other factors. The lack of government support has further compounded the problem. In fact according to key stakeholders, by opening a store for the sale of such goods, some of which are manufactured at lower cost in neighboring Syria, the government has entered into direct competition with local NGO's such as the Artisanat du Liban.

*International experience indicates that the Ministry of Tourism, in coordination with local municipalities and NGO's can play a critical role in identifying traditional industries that can be revived, produced and marketed.*

International experience indicates that the Ministry of Tourism, in coordination with local municipalities and NGO's can play a critical role in identifying traditional industries that can be revived, produced and marketed. On the one hand, and as is the case in Tunisia, in coordination with other ministries and government agencies, the MOT can propose tax relief measures on raw materials used in the production of such goods, as well as other such measures, to promote and encourage the spread of secondary economic benefits. In this context, individual municipalities, in co-ordination with NGO's, can play a critical role in creating financial and other incentives for the development and enhancement of local industries depending on the region Vocational training programs in crafts associated with restoration and rehabilitation efforts, such as master builders, or stonemasons, could be launched. The production of high-quality artisanal goods could be further encouraged while existing micro-credit programs could be expanded to include loans for the development of agro-industries and other folkloric

*Local micro credit  
NGO's, can be  
encouraged to provide  
small scale loans for the  
development of tourism  
related industries.*

*Stakeholders proposed  
the creation of a  
government sponsored  
design center.*

*Institutional structure of  
decision-making hinders  
local-national  
cooperation*

*Shortages in financial  
and human resources  
affects the performance of  
the two major  
stakeholders; the DGA  
and the DGU*

traditions such as local singing, dancing and theater. Other local NGO's, such as al-Majmoua, that provide micro-credits for small enterprises can be encouraged to provide small-scale loans for the development of tourism related industries (See Appendix I). Stakeholders also proposed the creation of a government sponsored design center, similar to that established in Tunisia, that would support artists whose intent is to "modernize" traditional designs, as well as address the tangible and intangible aspects of marketing specific products.

On an international scale, the MOT in co-operation with the Ministry of Culture, should also play a more active role in promoting Lebanese goods, sites and culture in international expositions. Lebanon's existing "reputation" as a center for Arab literature and cultural activity can be used as a base for a marketing campaign.

### **3.5 Integration of Cultural Heritage Into Master Plans**

Obstacles which hinder the integration of cultural heritage into master plans vary in nature between the institutional structure of decision making, the particular needs of the relevant institutions, in this case the DGA, the DGU and the municipalities, and the general legislative framework for planning and construction in Lebanon.

Even though the institutional structure of decision-making encourages inter-sectoral participation in urban planning studies and master-plan proposals for cities with significant cultural heritage sites, it also hinders local-national cooperation in identifying the needs of these locals. Local agencies, such as municipalities, are not involved in drawing up the initial terms of reference and thus in identifying the needs of their communities for planners commissioned to do master-plan studies. Moreover, though they are given the right to comment on plans after they have been submitted to the DGU, the time allotted to this activity is often insufficient for effective changes to occur. More critical perhaps, is that once completed, all master plans are subject to modification in the Council of Ministers leaving them wide open to the mercy of private interests and inter-sectoral bickering.

The 15-year paralysis of state institutions during the war continues to affect the post-war performance of both the DGA and the DGU, the two most critical stakeholders in the integration of historic cores into city master plans. Shortages in technical, human and financial resources mean that the DGA is often unable to participate in all master-plan studies in areas of archaeological importance, and as required by law. At the same time, due to these deficiencies the DGU is unable to fulfill the

25-year gap in master-plan updates for most Lebanese cities. As a result, private offices are being commissioned by the DGU to undertake master plans for individual cities under the supervision of a newly recruited engineer or architect. According to the terms of contract under which these offices operate, archaeological surveys have to be undertaken in areas suspected of containing significant cultural heritage. All significant archaeological remains, historic or cultural sites must be identified and incorporated into the master plan. However, these contracts do not require the presence of an archeologist on the team. Moreover, the necessary socio-economic assessments, economic development scenarios, land suitability and hazardous use maps are not requested. At the same time, a large number of the offices that have been commissioned to draw up these plans also suffer from inadequate human resources. Most are staffed with civil engineers, rather than specialized urban planners, and lack the qualified personnel to undertake such work.

*Following the sixties approach to urban planning most city centers and their surroundings are classified as commercial zones allowing for maximum exploitation.*

*Integration of cultural heritage sites continues to be regarded as a technical issue and thus ignores the socio-economic context in which it is operating.*

*A need based and location specific approach is necessary.*

Under current laws, most city centers are designated as commercial zones, allowing for the highest development rights. As a result, badly planned or illegally constructed modern edifices, many of which have caused a significant deterioration in the urban environment, surround and sometimes infiltrate Lebanon's main cultural heritage sites and historic cores.

Finally, the integration of cultural heritage cores into master plans is not just a technical issue but a socio-economic one as well. The current approach to master plans in Lebanon focuses on the physical aspects of planning, rather than its role as an effective instrument of systematic strategizing for the needs of a growing city. Here, historic cores are addressed as mainly another zoned area, rather than a critical component in an overall master vision for the city.

What is required is a need based and location specific approach that helps identify connections between economic activities, population distribution and urban infrastructure which are critical for identifying bottlenecks such as the cost of land, transportation, limited local material etc. In the absence of legislative changes, and given the complex tenure conditions of current inhabitants, various incentives also need to be adopted to encourage tenant investment in residence rehabilitation. For example, affordable standards, economic benefits from rehabilitation projects etc. can be used to encourage just such investment.

*Establishing city or regional based committees could help in the implementation of this approach.*

In the long-term, the establishment of a regional- or city-based committees could go a long way in identifying critical concerns and challenges which need to be addressed by the national government, local institutions and communities. As a forum for stakeholder consultations such a committee would be used as an institutional mechanism for capacity building in the identification of needs, generation of data related to those needs, analysis and dissemination of information and eventual policy formation for more effective urban management.

**4.0**

**STUDY METHODOLOGY**

## **4.0 Study Methodology**

### **4.1 Conceptual Approach**

*Aim is to utilize the cultural and historic wealth of different ancient urban cores, to increase their economic potential*

The aim of the project is to utilize the cultural and historic wealth of different ancient urban cores, to increase the economic potential within these areas and in their vicinities through tourist-oriented activities. By improving the economic and social conditions in the ancient cores the project will 1) facilitate the sustainable maintenance of the urban fabric 2) generate income for the municipalities to expedite subsequent development operations and 3) cover the costs of mitigating actions that have been made necessary by the transformation of the existing situation.

### **4.2 Tourist Base in Lebanon**

#### **4.2.1 Types of Tourists**

*The direct impact of tourism on economy will remain limited given the types of tourists Lebanon does and can attract*

The TOR stresses the role of tourism-related activities as a main pillar in the economic development process. In most of the concerned cities, and for various reasons, we think that the direct impact of tourism on the economy will remain limited. This is partly due to the types of tourists Lebanon most probably attracts: Gulf nationals, who are mostly interested in a pleasant climate and social entertainment; Lebanese immigrants seeking to develop family ties; and business tourists, who can spare only a limited time for excursions. These tourist categories are in general not particularly sensitive to cultural tourism.

In contrast, Lebanon would probably be unable to attract mass or youth tourists, because of a number of structural reasons: the very high comparative cost of living, the scarcity, if not absence, of free access to the seashore and the total inadequacy of lodging facilities for such tourists.

#### **4.2.2 Spending Patterns**

*Spending patterns of tourists not conducive to the substantial development of a tourist economy.*

The spending patterns of tourists interested in cultural sites generate a limited income for the ancient cores of the cities. Other than small tourist articles, such as post cards and souvenirs, little can be purchased at lodging facilities. Also, the small size of the country makes it possible to reside in Beirut or its immediate environs and make daylong trips to each site, without having to stay there. Moreover, the highly inflated cost differential between Lebanon and Syria, particularly where “traditional handicrafts” are concerned, means that such

articles will continue to be produced in Syria, leaving only a small margin for local retailers.

### 4.3 Urban Regeneration

*Revitalization of urban cores will yield more significant economic results at city and national level than mere tourist oriented activities.*

*This process will also avert musification and moderate gentrification*

*Potential of each of the concerned cities is different*

*Projects should examine functions that can/should be upgraded/enhanced, relocated and created.*

*Assessment should have a city wide perspective*

*Proposals must be accompanied by the proper regulatory framework*

In contrast to the limited direct impact of tourism on the economy, more significant results could and should be sought by revitalizing the function of the historic urban core in relation to the city in which it is located (see following table for comparison of two approaches). Targeting tourists increases the risk of musification and/or gentrification as was the case in Jbeil. It would also marginalize both local tenants and lower income property owners who may not be able to undertake the required renovation of their premises. More critically this process cannot attract sound economic activities that can meet local and city-wide demands. By adopting a wider and more comprehensive approach, which combines physical rehabilitation and economic regeneration with “soft” interventions into the institutional and regulatory environment, the project can help reintegrate these historic cores into their wider context and thus transform these centers into natural poles of attraction for tourists. In the process, the requisite modification of the current economic functions of the areas in question, would help temper the potential gentrification that may occur whilst averting the risk of total musification of these zones. From this perspective, the situation and potential of each of the five concerned cities are significantly different.

Project proposals should, therefore, examine the actual function of the ancient core within each city. Keeping a city-wide framework in mind, each proposal should try to identify the various urban functions that should be re-allocated or removed from those ancient cores. These should include urban functions that are characterized by broad attraction radiuses or that significantly help in a more just and even distribution of wealth and activities within each city. However, this process must be accompanied by the proper fiscal and/or regulatory and/or developmental actions that restore, to the benefit of the community, part of the transferred wealth in order to cover the costs of the following items:

- Preservation and maintenance of the ancient structures and urban fabric
- Relocation of the residents and businesses that would need to be moved out
- Compensation for losses that might be incurred by specific stakeholders, either because of expropriation or as a result of distortions in benefit-sharing due to the peculiarities of the legal framework governing ownership, tenure and rents.



Action	Physical Impact	Social and Economic Impact	
		Positive	Negative
<b>Physical Rehabilitation: Enhancing the Urban Environment</b>	Improved Infrastructure	Some Institutional capacity Building	Freezing of economic activity and monopolization of benefits by tenants (esp. commercial). Increase in price of voluntary relocation (Khlawat)
	Tourist Itineraries	Probable increase in internal tourism	Non refundable/ no gain for local governance
	Rehabilitated facades/overall "look" of areas in question	Revival of traditional artisanal vocations, limited income generation	Short term disruptions in daily activities.
	Limited Environmental Upgrading	Ease of Implementation	Potential gentrification in some pockets - marginalization of residential tenants
			Eventual deterioration of environment
			Accentuation of economic disparity
			Musification
<b>Urban Regeneration of Historic Zones: Functional and Economic Redistribution</b>	Improved Infrastructure	Comprehensive Institutional capacity Building	Difficulty in Implementation: Requires intervention into the private domain either directly or through "soft" interventions such as subsidies or transformation of existing institutional & legislative framework
	Tourist Itineraries	Renewable functions	Potential relocation of residents and functions
	Full environmental Upgrading	Economic and social re-integration of center into city	Short term disruptions in daily activities
	Rehabilitated residences and commercial premises	Even spread of secondary economic benefits: alleviation of poverty	
		employment generation	
		long term sustainability	
		eventual increase in tourism activity	
<b>City Wide Intervention</b>	Same as urban regeneration & improved access to city	Same as urban regeneration & fuller integration into city wide activities	

**Table 1: Physical Rehabilitation, Urban Regeneration and City Wide Intervention**

*International experience indicates that special attention should be given to the long term financial sustainability of such operations*

*These should insure the just distribution of benefits and sound economic return.*

*Intervention into urban cores has to logistically engage with the legal and socio-economic conditions prevalent on site.*

*Implies three broad types of intervention.*

*Intervention into the public domain: infrastructure, public property and monuments*

*is not controversial. However, it is limited in several ways:*

*First, while improving the overall quality of the environment, it will not address the more critical needs of either the city or its inhabitants.*

International experience shows that the development of ancient city cores relies heavily on subsidies. The negative financial situation in Lebanon, both at the level of the central government and of the local authorities, does not allow for such schemes.

Special attention should, therefore, be given to the financial equilibrium and sustainability of operations as well as the just distribution of benefits. Given the low level of public and social facilities in the country, and the significant spread of clientelism, the exclusive provision of services to one segment of the population with no noteworthy economic returns will be sharply criticized and opposed nationally. It is, therefore, imperative that project proposals be based on sound economic criteria whose impact will be felt at the very least on a city wide level.

#### **4.4 Types of Intervention**

Any project that attempts to address the rehabilitation and regeneration of urban historic cores in Lebanon by connecting cultural heritage and tourism development to the alleviation of urban poverty has to logistically engage with the legal and socio-economic conditions prevalent on site. This implies that physical intervention into the urban fabric cannot be limited to the renovation of facades, as has been the case thus far, or the rehabilitation of individual structures, but has to engage with the legal framework for rehabilitating and regenerating an existing urban tissue.

Three broad types of intervention were identified as necessary for the rehabilitation and regeneration of the existing fabric of historic cities:

##### **4.4.1 Physical Rehabilitation: Enhancing the Urban Environment**

**The first type** focuses on public property, public services and monuments as well as street frontage. This kind of intervention is relatively easy to assess since stakeholders are clearly defined, the project more contained and efforts can be narrowly focused. Apart from the illegal occupation of built-up or non-built-up public property, this type of intervention should not stir up direct opposition from any of the stakeholders. However, by its very structure, the impact of this kind of intervention is limited in several different ways.

**First**, while improving the overall quality of the urban environment, this form of intervention will not address the

more needs of the existing population. Moreover, functional changes are more difficult to implement, while the potential gentrification of the area will further marginalize an already marginal population. In other words, in the absence of long-term and sustainable mechanisms for community participation, the desired link between cultural heritage and tourism development and the alleviation of urban poverty will be harder to achieve.

*Second, it also induces irrecoverable public expenditure and disequilibrium in the spread of benefits*

*and will result in the quasi freezing of current economic and functional patterns.*

*Will not improve municipal assets and governance*

Second, given **1)** existing real estate trends around the country, **2)** the current zoning of these areas and **3)** the absence of serious legislative change that addresses the needs of conservation management and property owners while protecting tenant rights, these kinds of singular interventions, will be short lived. More critically, given the prevailing property structure and rental laws, this mode of intervention would entail irrecoverable public expenditure and the monopolization of benefits by tenants. Unless specific regulations or fiscal tools are implemented, this process will result in a non-renewable intervention and the quasi freezing of the current economic and functional patterns. In other words, in the absence of a sound fiscal and regulatory strategy, this kind of intervention will use public money to **a)** encourage the maintenance of current economic functions, no matter how unsound they may be, and **b)** improve the physical environment of current tenants at the expense of property owners, without the potential of eventual and significant economic return that would affect the whole city.

**Third**, this form of intervention will do little to improve the long-term position of the municipality and its ability to implement enduring development strategies for the city as a whole. On the one hand, the politics of cultural heritage preservation and conservation currently at play in the different cities will insure the continued dominance of one group of interests over others. On the other hand, municipal assets and governance capabilities will not be addressed.

*Second type of intervention addresses private property and tenure*

*Also necessitates coordination between the need of conservation management, citizen rights and private sector interests.*

#### **4.4.2 Urban Regeneration of Historic Zones: Functional and Economic Redistribution**

The second type of intervention directly addresses the complex problems that arise from private property and tenure conditions in Lebanon. In addition to physical renovation it also entails tackling legislative and institutional bottlenecks such as complex property and tenure rights. It also necessitates a mechanism by which the needs of long-term conservation management, citizens rights to their heritage, the protection of tenants (many of whom in this instance are low-income tenants) may be reconciled with the needs of developers and

*Aim is to ensure the even spread of benefits and disadvantages between owners and tenants whilst maintaining a sound fiscal balance*

*Legal tools include: expropriation or reparcelization, real estate companies, public development entities or new development laws*

property owners and the long-term growth of the city. The aim of such intervention is two fold: maintaining the equilibrium of benefits and costs between owners and tenants while balancing the financial costs and revenues for central and local public authorities

Various legal tools can be utilized in this process: existing regulations include expropriation, reparcelization, or the creation of real estate companies or public development entities.

Direct expropriation of land by government authorities be they national or local, is costly and given the current political and economic climate simply not feasible.

Reparcelization of land on the other hand, is simple and relatively easy to implement in both rural and urban areas. A mechanism for rationalizing and modernizing land distribution and movement in particular areas, this method automatically gives the state 25% in the areas to be re-organized thus increasing the percentage of publicly owned land. Moreover, financial costs are relatively low whilst entanglement in complex property ownership and tenure conditions is minimal.

A law allowing the creation of a real estate company for the rehabilitation of an existing area or quarter in the city was decreed in the 1960's. The advantage of this mode of intervention is that it integrates all existing stakeholders into a singular framework for action. Its major disadvantage is that, if not well considered, it can lead to the gentrification of the zone considered and thus the active displacement of existing populations, many of whom have lived in the historic section of cities such as Tripoli for the last 30 years. Moreover, this form of intervention may be difficult to implement, given the negative public opinion generated by the Real Estate Company (Solidere) formed for the reconstruction of the Beirut Central District.<sup>2</sup>

In comparison, the distinctive feature of a public entity such as Elyssar, the company established for the rehabilitation of Beirut's southern suburbs, is that unlike Solidere, it is a non-profit public agency whose primary function is to re-plan an existing area. Following the new master plan, owners and tenants are given properties equivalent to their original properties in size, location and value. In return for its efforts, the government acquires 25% of the total area of land being re-

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<sup>2</sup> Solidere is in fact a variation on existing real estate company laws in the country. However, the general public is unaware of these variations.

planned. The main drawback of this form of intervention is that, as is currently the case with Elyssar and other public agencies in the country, the company could very easily become paralyzed by administrative bottlenecks and political rivalries.

*Mechanisms for financing interventions include improvement tax, participation of property owners in total costs and connecting the increase in property values to a municipal tax*

Moreover, various mechanisms for financing both forms of intervention also exist.

**1. Improvement tax:** This tax targets residences and property owners whose properties will directly benefit from the planned infrastructural and other improvements in the area. Historically, this tax has been difficult to implement for a variety of reasons not least of which is the dynamic of local politics. Moreover, because of the rental laws, many of those property owners have seen little return from their properties over the last 20 years. In addition, in the cases of Tripoli, Saida and to a lesser extent Sour, this form of taxation may be more difficult to implement given the dire economic situation of the current inhabitants.

**2. The participation of property owners in the total costs of renovations in the area:** This participation can take one of two forms; either financial or by granting land for public areas. Again, given the complex forms of property ownership, where the majority of property is privately owned, often by a large number of individuals, and the reluctance of property owners to invest in their properties for the reasons outlined above, this form of indirect or direct gain may be difficult to implement.

**3. Taxing increased development rights:** Connecting an increase in development rights (aamel al istithmar), and thus the automatic increase in property value to a form of municipal taxation, or other forms of compensation to be used in the upgrading and improvement of the area. However, no legal mechanisms exist for connecting allowed built-up area to municipal revenues.

**4. New laws can also be formulated** such as specific rent law, specific tax on improvement of property or tenure, transfer of construction rights, etc.

#### 4.4.3 Urban Regeneration: City-Wide Intervention

*Third type of intervention: allocation of functions on a city-wide scale.*

*Proposals should be part of a new city development strategy*

**The third** type is more comprehensive in its nature and focuses on actions not only internal to the study area itself, but related to the allocation of functions at the level of the whole city. Such an approach would address urban transportation schemes, the relocation of major public or social facilities where necessary into the ancient core, the transfer of activities that serve the whole town outside the historic zones and the creation of new functions with city and perhaps region wide appeal. In essence it combines the tools of comprehensive urban planning with a re-evaluation of the institutional and regulating environment at the local level where possible.

#### 4.5 Municipal Assets and Capacity Building for Local Governance

*Framework for intervention will have a direct impact on municipal gains, be they in assets or capacity building*

Basically this proposal has to be part of or perhaps the catalyst for a new city development strategy, which builds up on future plans for decentralization and enhancement of municipal capacities so that cities can plan and invest for themselves. However, given the current centralization of decision-making, which constrains the capacity for action of local authorities, the measure of success of this project will, to a large degree, be reflected in the improvement of local capabilities for long-term strategic development.

*The first type of intervention will have an extremely limited impact on municipal assets of governance.*

From a material perspective, the framework of intervention adopted will have a direct impact on the potential increase in municipal assets and capacity building for local governance. If the framework for intervention into the historic city relies on a series of interconnected yet singular public projects, legal mechanisms for improving municipal assets are quite limited. Given the dire economic conditions of the residents of historic cores, increasing municipal revenues through taxation may be extremely difficult to implement. At the same time, like the rest of the country, laws that govern municipal taxation in all cities in Lebanon, both qualitatively and quantitatively, are centrally administered. This limits the ability of local administrations to adjust tax revenues according to their local population profile. Another option for the improvement of municipal assets would be to outline mechanisms for negotiations between the public and private sectors- as per project by identifying points of

*Second type of intervention will automatically increase municipal assets and could impact governance*

common interest to each. Here, a detailed understanding of the property structure and ownership patterns in the city is critical.

The second type of intervention will automatically increase municipal assets. The creation of a stakeholder alliance based on the existing decrees allowing for the creation of real estate companies will grant the municipality 25% of the total area of land to be re-planned. Keeping in mind that more than one entity can be created for the rehabilitation of individual zones, this approach to rehabilitation will dramatically improve the ability of the municipality to carry out long term strategic planning for the city. This scenario also assumes a marked improvement in governance capabilities. However, as mentioned earlier, such a form of intervention could be totally paralyzed by internal political schisms and administrative bottlenecks.

#### **4.6 Analytical Methodology**

Given those concerns, each of the five cities shall be reviewed by analyzing successively:

- The regional and local context of the individual cities in question.
- The range of stakeholders including the government, directly affected groups and indirectly affected groups.
- Available experiences that could direct project proposals.
- The complexity of social factors in the cities in question and the significance of social impacts or risks.
- The prevailing as well as potential demand for urban functions located within historic city cores.
- The parameters governing the supply of urban functions in the ancient cores and which could shape the reaction of stakeholders to proposed changes.
- Types of interventions that could be identified inside the ancient cores, whether on private or public properties or outside the cores and at the level of the entire town.