

Chapter 3 Aanjar Site Management and Village Tourism Project (BK7)

3.1 Project Brief

Part 1: Site Management

Aanjar's World Heritage Umayyad history and site and Aanjar village's unique Armenian culture are linked and promoted as one to become a major tourist destination. The World Heritage site, representative of the Umayyad period of Arab history (8th C.) and the first hereditary dynasty of Islam headquartered in nearby Damascus, is first conserved and then better presented through an effective site management plan. There has never been a site management plan for organized decision-making at Aanjar, although it is a site of universal importance and one of the few from this important period of history. On-site, the plan includes adaptive reuse of three already reconstructed Umayyad market buildings (if a conservator determines that the structures can withstand visitor usage), as a new visitors center and two historical exhibition galleries. Off-site, the plan includes a buffer zone, to protect the undeveloped viewshed that surrounds three sides of the site, and plants a visual buffer at the fourth edge. Visitors move from the ancient world of the Arabs to the contemporary world of Armenian culture via either vehicle or horse and buggy.

1. Project Code/Title	BK 7 – Part 1 – World Heritage Site Management
2. Objectives	<ul style="list-style-type: none"> • To protect and promote the site • To increase visitor length of stay and site revenue
3. Project Components	3.1 Site management planning and implementation 3.2 Training for site staffing and guiding 3.3 Design and construction of visitor information and facilities
4. Location	Umayyad World Heritage Site in Aanjar
5. Main Promoters, Organizations	DGA and UNESCO MOT Project Implementation Unit (PIU) Aanjar Municipality
6. Main Beneficiaries	<ul style="list-style-type: none"> * Local * National * International (universal patrimony as World Heritage site)
7. Possible Donor Support	British Government German Government/GTZ (stone conservation work) ICCROM (training) Global Environmental Facility (GEF) (site management plan) Global Heritage Fund (site management – have already done mission) Canadian Development Fund (archaeological site improvements similar to Byblos – visitors center, exhibition galleries, and interpretation) Spanish Aid Agency (Site management plan and adaptive reuse of Umayyad market buildings as VC and exhibition galleries, assuming conservation allows it) Islamic Organizations (Islamic Development Fund, Aga Khan Fund for Cultural Heritage Preservation)

	American Express/World Monuments Fund (site interpretation)
8. Project Cost	Total \$241,300
	Site management plan \$85,000
	Signage \$30,000
	Preservation and adaptive construction of markets \$97,300
	Training and promotion \$29,000
9. Implementation Schedule	2004 grant and loan applications 2005 training programs 2006-2008 implementation (design, construction, fabrication)
10. Project Description	
Activities	<p>10.1 Site management planning including</p> <ul style="list-style-type: none"> • organizational framework - policy making council (DGA/MOT/Municipality) • inventory of historical resources, assessment of significance, and long-term conservation strategy for archaeology, • staffing including financial management and operations, etc. • visitor management and interpretation (<i>On-site interpretive signage should unveil the site's important purpose as an administrative and commercial center with religious functions – Great Palace, Mosque, Little Palace, Public Bath, Residential Quarters, Circulation (Cardo Maximus and Documanus Maximus), Tetracylon (monumental gateway), and Mosaics. The directional sign to the site from primary access road should be improved.</i>) <p>10.2 Staff training program</p> <p>10.3 Organized parking design and construction (to include a more organized small parking area, e.g., separation of buses /cars from visitor entrance, perhaps horse and buggy staging)</p> <p>10.4 Design and construction - adaptive reuse of existing reconstructed Umayyad market buildings for visitors center and exhibition galleries</p> <p>10.5 Brochure and web site (Arabic and English or French)</p>
Expected Results	<p>Site protection – preserved for current and future generations</p> <p>Site interpretation – interpreted to educate visitors about the site's value as a World Heritage site</p> <p>Increased visitation</p> <p>Increased revenue to municipality and government</p>
Staffing and Management	<ul style="list-style-type: none"> • site director/financial management • conservator/archaeologist (Umayyad specialist) • admissions/welcoming staff • shop/exhibition gallery manager • local guides • maintenance staff
Training	Training in stone and site preservation, presentation, and management

Part 2: Village Tourism

Strategy: Aanjar has many hidden treasures, including its strong Armenian heritage, which is not visible to the tourist. These should be unveiled to draw visitors from the archaeological site to the village and improve the local economy. There are currently more than 50 gold jewelry workshops in houses throughout the village, none of which are open to the public, although Aanjar is a primary supplier of Armenian jewelry to the international community (Gulf/GCC). There is also a lovely old water mill and waterfall under the vegetative overhang near the entrance to Casino Ain Aanjar Restaurant. This is strategically located near the restaurants and across the street from a large open parking area. It is also not too far from the hotel that is opening this spring.

The newly planned visitor attraction area would give tour operators a cluster of attractions in one convenient location and a reason to stop after visiting the Umayyad site on their cultural heritage circuit of the Bekaa Valley Virtual Museum. The project proposes to create a “critical mass” of tourism interest in this area, through an aggressive marketing strategy and clustered visitor attractions, including a Water Mill Visitors Center (symbolic of Aanjar’s connectivity to water) with museum galleries of Armenian Heritage and a gift shop, to be stocked with jewelry, books on Armenian heritage, Armenian art and handicrafts, as well as toilets. Directly across the street would be a new souk of gold workshops where visitors could watch the goldsmiths at work. This would be adjacent to a landscaped parking area. An annual jewelry festival (to include silver from Rashaiya) would be held as a street festival, with music provided by the local church and other groups. Under the Bekaa Valley Virtual Museum concept, products could also be sold in Zahle at the Museum and at Niha.

1. Project Code/Title	BK 7 – Part 2– Aanjar Village Tourism
2. Objectives	<ul style="list-style-type: none"> To preserve and promote the cultural heritage of Aanjar To create attractions that draw visitors from the archaeological site to the village to spend their money on local products and services
3. Project Components	<p>3.1 Master Plan for long-term tourism development</p> <p>3.2 Institutional strengthening and local capacity building</p> <p>3.3 Construction (new facility comprised of a rustic building of 36 workshops; renovation/adaptive reuse of water mill as visitor center and Armenian heritage galleries)</p>
4. Location	Aanjar Restaurants Area
5. Main Promoters, Local Champions, Implementing Organizations	<p>Municipality of Aanjar and Tourism Development Committee</p> <p>Aanjar Churches</p> <p>MOT Project Implementation Unit (PIU)</p> <p>Bekaa Valley Tourism Development Council/local branch (might be TDC)</p> <p>Bekaa Valley Handicrafts Cooperative/local branch</p>
6. Main Beneficiaries	<p>People of Aanjar (and some benefit to surrounding communities)</p> <p>(architects, construction workers including carpenters, stone masons, electricians, and plumbers; artists and sculptors, factory workers (brass), goldsmiths – 50 workshops in Aanjar, silversmiths in Rashaiya to be featured in annual jewelry festival, agro industry, restaurant owners)</p>

7. Possible Donor Support	Armenian Diaspora and Foundation (Armenian heritage galleries/renovation of Water Mill) French Government (Water Mill Visitors Center) (founded community in 1939 – 65th anniversary in 2004) Jewelers Syndicate in Lebanon (investment in gold souk) Audi Foundation (cultural heritage/museology internship) EU (living heritage)								
8. Project Cost	<table border="1"> <tr> <td>Total</td> <td>\$266,500</td> </tr> <tr> <td>Land to be leased by the municipality</td> <td></td> </tr> <tr> <td>Construction of VC/Museum Galleries/Gold Souk</td> <td>\$181,500</td> </tr> <tr> <td>Training and promotion</td> <td>\$85,000</td> </tr> </table>	Total	\$266,500	Land to be leased by the municipality		Construction of VC/Museum Galleries/Gold Souk	\$181,500	Training and promotion	\$85,000
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Land to be leased by the municipality									
Construction of VC/Museum Galleries/Gold Souk	\$181,500								
Training and promotion	\$85,000								
9. Implementation Schedule	2004 Grant Writing 2005 Training 2006-2008 Implementation of Construction, Promotion								
10. Project Description									
Activities	<p>10.1 Training as detailed below</p> <p>10.2 Design and Construction of a contemporary “Souk” with goldsmith workshops for educational visitor activity (toilets, visitor staging area, local products shop)</p> <p>10.3 Design and Construction of a visitors center – adaptive reuse of water mill as a one room visitor information area with an exhibition gallery and short walking tour of the water mill/interpreted and the waterfall area – 2 tables for visitors to sit and drink local coffee/eat Armenian pastry; gift shop; WC</p> <p>10.4 Coordination with Cilicie Museum (Armenian) in Beirut regarding joint promotion of Armenian culture and exhibits</p> <p>10.5 Aggressive marketing plan to include World Heritage site and village tourism activities (brochure, web, fam trip, jewelry festival promo)</p> <p>10.6 New special event such as Annual Jewelry Festival</p>								
Expected Results	<ul style="list-style-type: none"> • Preservation of 20th C. living and built cultural heritage • Increased numbers of tourists to the village of Aanjar • Increased jobs and income for local people 								
Staffing and Management	Total Jobs generated by Part 1 and Part 2: 62 temporary 72 permanent (plus 12 under BK8, expansion of Akhtamar)								
Training	<ul style="list-style-type: none"> • Strengthening of Municipality’s public/private Tourism Development Committee (to include festival committee) • Grant writing • Staffing and managing a visitors center • Exhibition design (Armenian heritage gallery) • Comprehensive marketing, merchandising, visitor promotion plan • Preservation construction techniques (water mill) 								

3.2 Product Design

3.2.1 Design Considerations

(1) Target Markets/clientele

The project would enhance the presentation of the unique combination of the Umayyad Citadel World Heritage site and living heritage of Armenian culture to attract a wider range of tourists. The most important target visitors are: (1) cultural tourists, both domestic and international, (2) leisure and recreation visitors from the greater Beirut area during weekends and the summer months, (3) leisure and shopping visitors from Damascus and other neighboring areas, and (4) the Armenian Diaspora.

(2) Key Resources to be Utilized/enhanced

The two key cultural resources to be preserved, enhanced, and utilized through the project are the Umayyad site and the living heritage of the Armenian culture. The Armenian heritage to be presented is the exceptional craftsmanship of Aanjar's gold jewelry artisans, artists, and sculptors. The existing water mill, in the area of the mountain trout restaurants with its Armenian food and arak, should be integrated into Aanjar's tourism development through renovation and adaptive reuse. The pleasant urban fabric of the town can be experienced through horse and buggy rides.

(3) Social Considerations

The organizational strength of the community under the leadership of the municipal council is the major strength to be utilized for project implementation. The project, which is to be implemented in principle by local initiative, would support the enhancement of cultural heritage, for the enjoyment of increasing numbers of visitors from outside without causing any social conflicts. To solve the present unemployment problems and realize more active socioeconomy, the project would contribute to income generation through tourism.

(4) Environmental Impact

The project would benefit from the scenic landscape of the Anti-Lebanon mountain range. The ongoing initiative to raise people's awareness of the importance of preservation of the World Heritage site would be facilitated by the site management function of the project.

(5) Management Considerations

The unique cultural heritage of Aanjar can be managed properly by a partnership between MOT/DGA and the municipality, as it is now, with some external supports for the site management planning and the management and operation of some facilities, as well as marketing and promotion. The project would support technical site training and staff training of the Municipal Tourism Committee.

(6) Institutional Aspects

The unofficial Tourism Development Committee would be formalized soon, as it would be instrumental to awareness and fundraising for project implementation. A proper institutional mechanism needs to be established to channel technical and limited financial supports for the various local initiatives.

3.2.2 Product Formulation

The project would produce the site management plan for the Umayyad World Heritage site, and a village master plan for the newly planned visitor attractions. The site management plan would cover management organization, conservation strategy for the archaeology, staff training for financial management and operation of tourism facilities, and visitor management and interpretation.

The project would adaptively reuse existing buildings at the Umayyad site, and at the restaurants area both adaptive reuse and new construction would be implemented. At the archaeological site, a small visitors center, exhibition galleries (for sheltering artifacts and hanging new exhibits), and organized parking would be provided together with signage. Facilities in the village at the restaurants area would include a visitors center and Armenian heritage galleries and a contemporary “souk” with goldsmith workshops. The project would support the development of special events such as an annual jewelry festival. Proactive marketing should be undertaken through the project for joint promotion of the Umayyad site and the village. The promotion of Armenian culture and exhibits may be coordinated with the Armenian Church’s Cilicie Museum in Antelias.

Product formulation with respect to the four target user groups is summarized in Table 3.2.1.

Table 3.2.1 Product Formulation for Target User Groups

Target Users [visitor focus]	Key themes [product focus]	Relevant Activities, product [matching experiences]	Travel pattern
Cultural [tour packages]	1 ancient history 2 foreign culture discovery 3 offer of exquisite jewelry 4 pleasant dining	1 Umayyad site visit 2 Armenian exhibits at Visitors Center 3 shopping at museum shop for souk and other products 4 mountain water trout restaurants	A) half-day stop on inclusive tours [IT] B) overnight stop on inclusive tours-limited
Beirutis, expats leisure	1 offer of exquisite jewelry 2 pleasant dining, relaxation 3 ancient history	1 shopping at VC shop for gold souk jewelry, art, books, sculpture annual jewelry festival 2 restaurants, shopping, carriage rides, strolling 3 Umayyad site visit	A) weekend, holiday excursions
Regional Arab leisure [from Beirut, Damascus, Jordan]	1 offer of exquisite jewelry 2 pleasant dining, relaxation 3 ancient history	1 shopping at VC for gold souk jewelry, art, books, sculpture annual jewelry festival 2 restaurants, shopping, carriage rides, strolling 3 Umayyad site visit	A) spontaneous excursions B) shoppers from Damascus C) IT half-day visits
Armenian Diaspora	1 native culture discovery 2 offer of exquisite jewelry 3 pleasant dining, relaxation 4 ancient history	1 Armenian exhibits and products at VC; Armenian festivals. 2 shopping at VC shop 3 restaurants, shopping, carriage rides, strolling 4 Umayyad site visit	A) full day, overnight stop for IT groups B) weekend, holiday excursions

Source: JICA study team

3.3 Preliminary Design

There are two development works involved in this facilities planning: 1) adaptive reuse of three existing reconstructed Umayyad market buildings on the archaeological site, and 2) renovation/ construction of facilities in the restaurants area of Aanjar village. The work program is described below in detail.

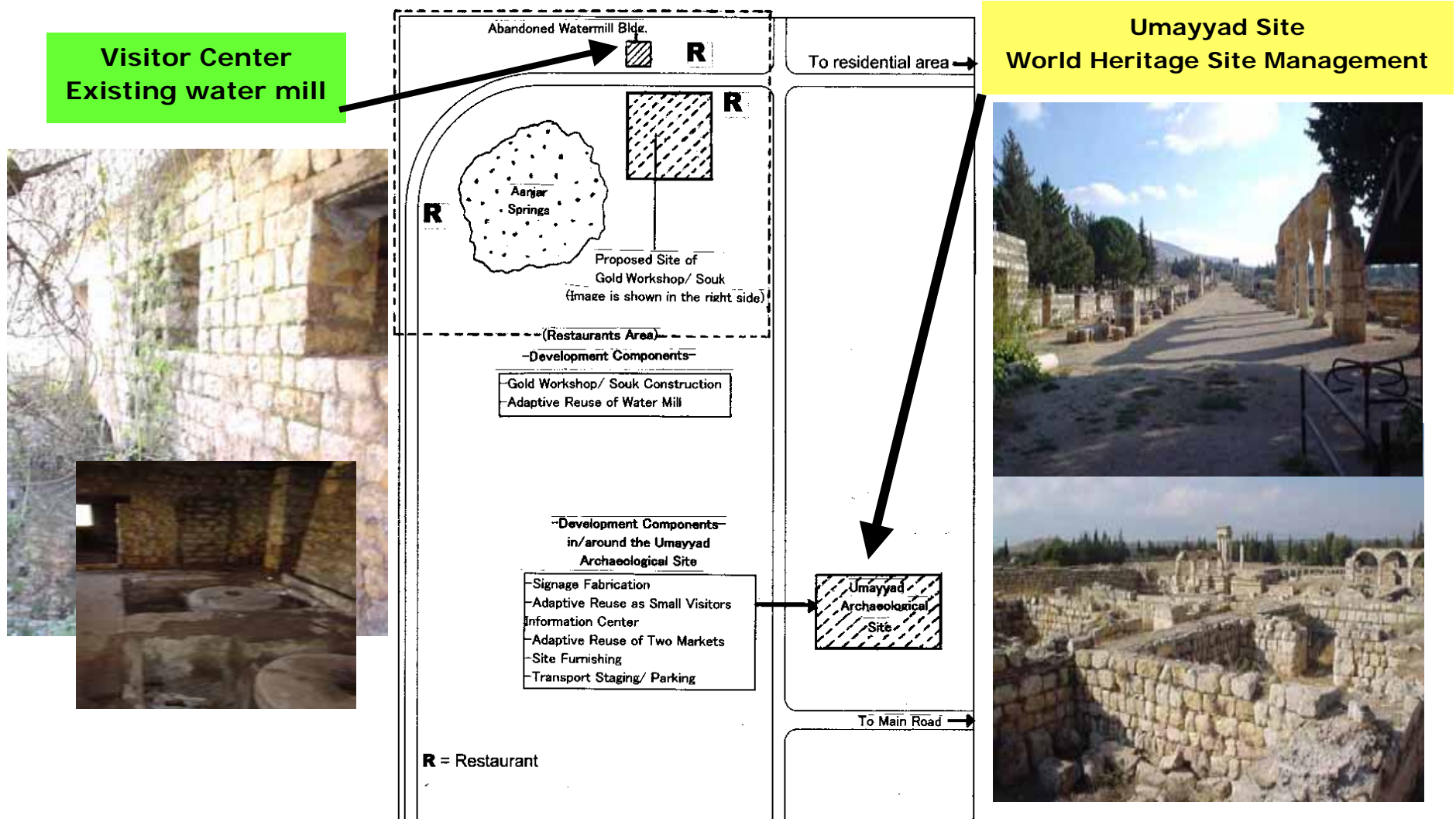
(1) Facilities Development in the Umayyad Archaeological Site
Components involved in the project are summarized in Table 3.3.1. involving the renovation of existing structures for adaptive use as a visitors information center and exhibition gallery and site shelter for artifacts.

Table 3.3.1 Components of Facilities Development in the Umayyad Archaeological Site

Components	Notes
Signage Fabrication	12 signs: One entrance sign, 8 interpretive signs, 3 building ID signs, and one off-directional sign
Adaptive Reuse as Small Visitors Information Center	Utilization of reconstructed market just inside site entrance to provide visitors information and a small museum shop, selling books, Akhtamar's agro products, gold, and Wajdi brass products
Adaptive Reuse of 2 Markets	Adapted for use as exhibition galleries/shelter site.
Site Furnishing	5 trash cans, one shade structure (5m*5m), 5 benches, 10 bollards are equipped.
Transportation Staging/Parking	Space: 1,000 square meters. Capacity of 15 cars and 5 buses

Figure 3.3 AO Development Plan in/around the Umayyad Arch. Site and in the Restaurants Area, Aanjar

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(2) Facilities Development in the Restaurants Area

To draw visitors from the archaeological site to the village for increased spending, the project would create additional attractions. The components are described in detail in Table 3.3.2.

Table 3.3.2 Components of Facilities Development in the Restaurants Area

Components	Notes
Gold Workshops/ Souk Construction	36 workshops/ souks (two storey buildings, approximately 500 square meters in total; see Figure 3.3.AO about image) are constructed in a vacant space of approximately 1,600 square meters of the restaurants area. Half space is used as parking space. Public toilets are also constructed in this area.
Adaptive Reuse of Water Mill	An abandoned building, which has a floor area of approximately 150 square meters and was originally used as water mill, is adapted for use as visitors information center and Armenian culture exhibition galleries.

Photo 3.3.1 Abandoned Watermill Building and Proposed Site of Gold Souk



3.4 Marketing and Promotion

3.4.1 Current Marketing and Promotion Activities in Aanjar

MOT and tour operators are already promoting the World Heritage site (Table 3.4.1).

Table 3.4.1 Major Current Promotional Materials

Type	Contents
Pamphlets	<ul style="list-style-type: none"> ➤ A Pamphlet (94 * 210mm, 12 pages, 2002) was printed by MOT in seven languages. ➤ A nature trail pamphlet of the Bekaa Valley Region (94 * 210 mm, 12 pages, 2003) was printed by the Social and Cultural Development Association (INMA). Aanjar's coverage is two pages.
Posters	<ul style="list-style-type: none"> ➤ Two posters of the World Heritage site were printed by MOT.
MOT Photo Library	<ul style="list-style-type: none"> ➤ Around 300 photos (mainly about the World Heritage site/ some for natural views, traditional costumes and dining)
The Others	<ul style="list-style-type: none"> ➤ Some information/photos are introduced in MOT booklets/guidebooks/calendars

Source: Compiled by the JICA Study Team based on hearings and surveys.

MOT has prepared basic promotional materials, with a proper mix of languages. However, compared with other World Heritage sites, the volume of promotion is still small. Also Aanjar’s other tourism products (e.g. restaurant, Armenian culture) are not promoted to the tourism market yet.

Following are the major issues on marketing and promotion:

- Lack of strategic marketing and promotion to bring tourists to the World Heritage and also the restaurant area (poor promotional activities for making a linkage between those two areas);
- Limited variety of attractions to extend tourists’ duration of stay and spending in the area; and
- Poor quality of promotional materials (lack of promotional concept/strategy).

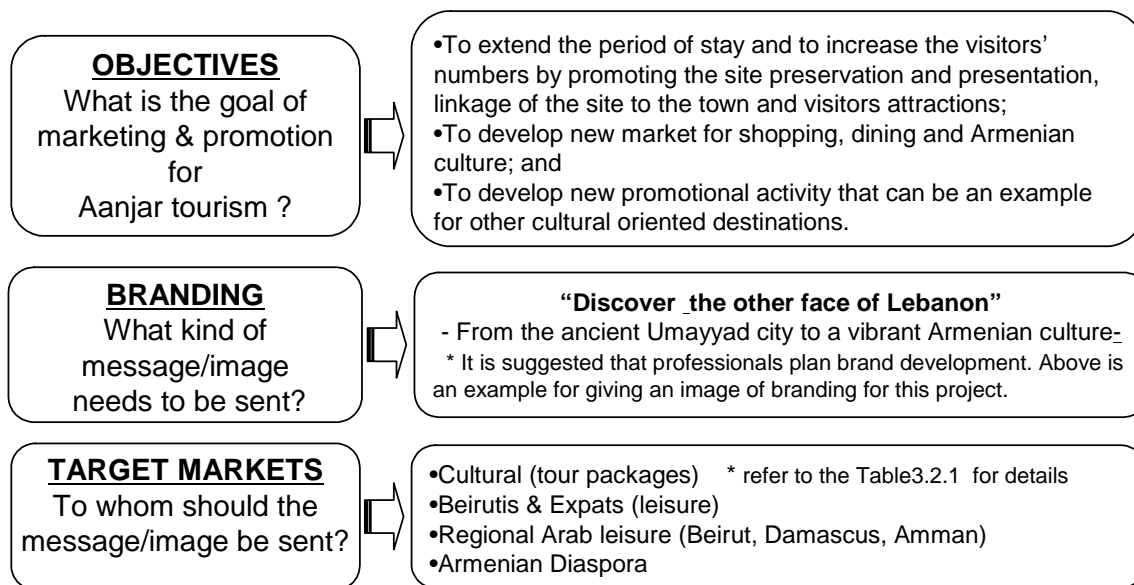
3.4.2 Proposed Marketing and Promotion Plan

(1) Strategy

Because of the existence of competitive archeological sites in and outside the country, strategic marketing and promotion is required. The basic strategy is presented below.

Figure 3.4.1

Figure 3.4.1 Promotion Strategy



Source: JICA Study Team

(2) Promotion Plan

According to the strategy, the promotion activities and preparation of promotional materials should be carried out as presented in Table 3.4.2.

Table 3.4.2 Suggested Promotion and Communication Tool

Activities	Suggested Actions	Main Target Markets
Event Promotion	<ul style="list-style-type: none"> ➤ Create specialized events for gold & silver, to position Aanjar as “the Center for Gold Jewelry Shopping in Lebanon”, and to create Armenian heritage events. <ul style="list-style-type: none"> - “Gold and Silver Jewelry Festival” (Oct) - “Armenian Cultural and Art Exhibits (summer) - “Armenian Local Festival (summer) - “Winter Shopping Campaign (Feb) 	<ul style="list-style-type: none"> -Beirutis, Expats Leisure -Regional Arab leisure, -Armenian Diaspora -Cultural
Familiarization Tours (FAM Tour)	<ul style="list-style-type: none"> ➤ Organize FAM tours for the regional tour operators (Lebanon / Syria & Jordan) in order to encourage them to include the area in their itinerary. ➤ Organize FAM tours for the regional media in order to have them promote the area. ➤ Invite hotel concierge / tour guides (MOT information center) / tour operator receptions to FAM tours or event to give them clear image and information on the World Heritage site and town of Aanjar ➤ Invite MOT/DGA to FAM tours to facilitate cooperation 	<ul style="list-style-type: none"> -Cultural -Armenian Diaspora -Beirutis, Expats leisure -Regional Arab leisure -Regional Arab leisure -Cultural -Government
Website Promotion	<ul style="list-style-type: none"> ➤ Create a website in Arabic, English and French to provide a wide variety of information to reach different markets. Must be up-graded constantly. <ul style="list-style-type: none"> - General information for tourists - Specialized information for Armenian Diaspora - Technical information for tour operators 	<ul style="list-style-type: none"> -Cultural -Armenian Diaspora -Regional Arab -Beirutis, Expats -Tour Operators/Hotel/ Tour Guide/etc.
Sales Promotion	<ul style="list-style-type: none"> ➤ Conduct direct sales to tour operators (especially for Armenian Diaspora and inbound tourism) and media. ➤ Visit hotel concierges and MOT Tourist Offices to supply them fresh information and promotional materials. 	<ul style="list-style-type: none"> - Armenian Diaspora - Cultural
Word-of-mouth Promotion	<ul style="list-style-type: none"> ➤ Conduct “resident direct sales campaign” for event promotion. 	<ul style="list-style-type: none"> - Beirutis, Expats
Trade Fair Promotion	<ul style="list-style-type: none"> ➤ Attend domestic (AWTTE, Jewelry Fair) and International (Dubai, Damascus, Jordan) Trade Fair to promote the heritage/town attractions. 	<ul style="list-style-type: none"> - Cultural - Regional Arab - Armenian Diaspora
Media Advertisement	<ul style="list-style-type: none"> ➤ Advertise the events <ul style="list-style-type: none"> - Event magazine (e.g. <i>MOT event flyers, L’agenda Cultural, The Guide</i>) - Newspapers (e.g. <i>The Daily Star</i>) ➤ Put articles in technical magazines to reach the specific target market <ul style="list-style-type: none"> - Travel magazine (domestic/international e.g. MEA in flight-magazine) - World Heritage/ Archeological magazine 	<ul style="list-style-type: none"> - Beirutis, Expats Regional Arabs - Cultural

Source: JICA Study Team

Printed materials

Regarding the printed materials, the following are strongly recommended:

- All prints, no matter what their format, should have a similar design according to the branding image; and
- Target audience, size, profile, distribute channel and cost should be clearly established before you print anything.

Specific proposals are presented in Table 3.4.3.

Table 3.4.3 Suggested Promotional Printed Materials/Distribution Plan

Type	Image of Material	Type of Use
Visitors Guide	Handy-size booklet (e.g. 10*21cm, full color, in Arabic/English /French) with basic information about the area, such as; the World Heritage (Umayyad), Armenian history & culture, tourist attraction (visitor center, Gold Souk, dining, events, etc.) access from major city, map and etc. In later year, published in German.	- On-Site - MOT Tourist Office - Trade Fair - Sales Promotion
Orientation Leaflets	Handy-size leaflet (e.g. A4-1/3 double-side copy, full color, in German/Spanish/Portuguese/Japanese) with brief information about the area.	- On-Site - MOT Tourist Office - Trade Fair - Sales Promotion
Event Flyers	Leaflet (A4 double-side copy, two colors, in Arabic, English, French)	- On-Site - Event Promotion (Restaurants, Market)
Posters	Promotion posters for events (e.g. B2 size). Promotion posters for trade fair (e.g. B2 size)	- Event Promotion - Trade Fair - Sales Promotion
Sales CD-ROM	CD-ROM with visual pictures of the World Heritage, restaurant area and Armenian culture.	- Trade Fair - Sales Promotion
Sales Manual	A4 size color booklet with information about the World Heritage site, tourist attractions (visitor center, museum, gold souk, dining, etc), parking information, services for groups, in Arabic/English/French	- Sales Promotion - FAM Tour - Trade Fair

Source: JICA Study Team

(3) Implementation Organization for Promotion

In coordination with the MOT Project Implementation Unit (PIU), the BVTDC Aanjar branch composed of the local municipality, Armenian community, jewelry syndicate, restaurant owners, horse and buggy owners and hotel owners will be responsible for marketing and promotion of the area.

3.5 Implementing and Operating Organizations

The existing unofficial Tourism Development Committee would be formalized soon to become the main promoter and implementing agency for the project. The proposed BVTDC will support and strengthen this committee as appropriate. The committee will serve as the local branch of the BVTDC. Particularly, the committee would be

instrumental for the site management planning and fundraising for project implementation. Specific organizations to take charge of the management of new tourism facilities to be provided by the project should be identified through the site management planning. Initial activities such as special events should be undertaken directly by the committee, which would help to establish promotional links with operators based in Beirut and Damascus. Technical and limited financial supports would be channeled through the central-local cooperative mechanism described above. Activities of the committee would be strengthened by the Bekaa Valley Tourism Development Council and the Bekaa Valley Handicraft Cooperative, once they are established.

The site management plan would be undertaken by the DGA with UNESCO, in cooperation with MOT. The municipality would be trained in site operations.

3.6 Cost Estimates

3.6.1 Tourism Facilities

Costs of the tourism facilities to be provided by the project are summarized in Table 3.6.1. The total cost is estimated at US \$ 288,150.

Photo 3.6.2 Aanjar Umayyad Site

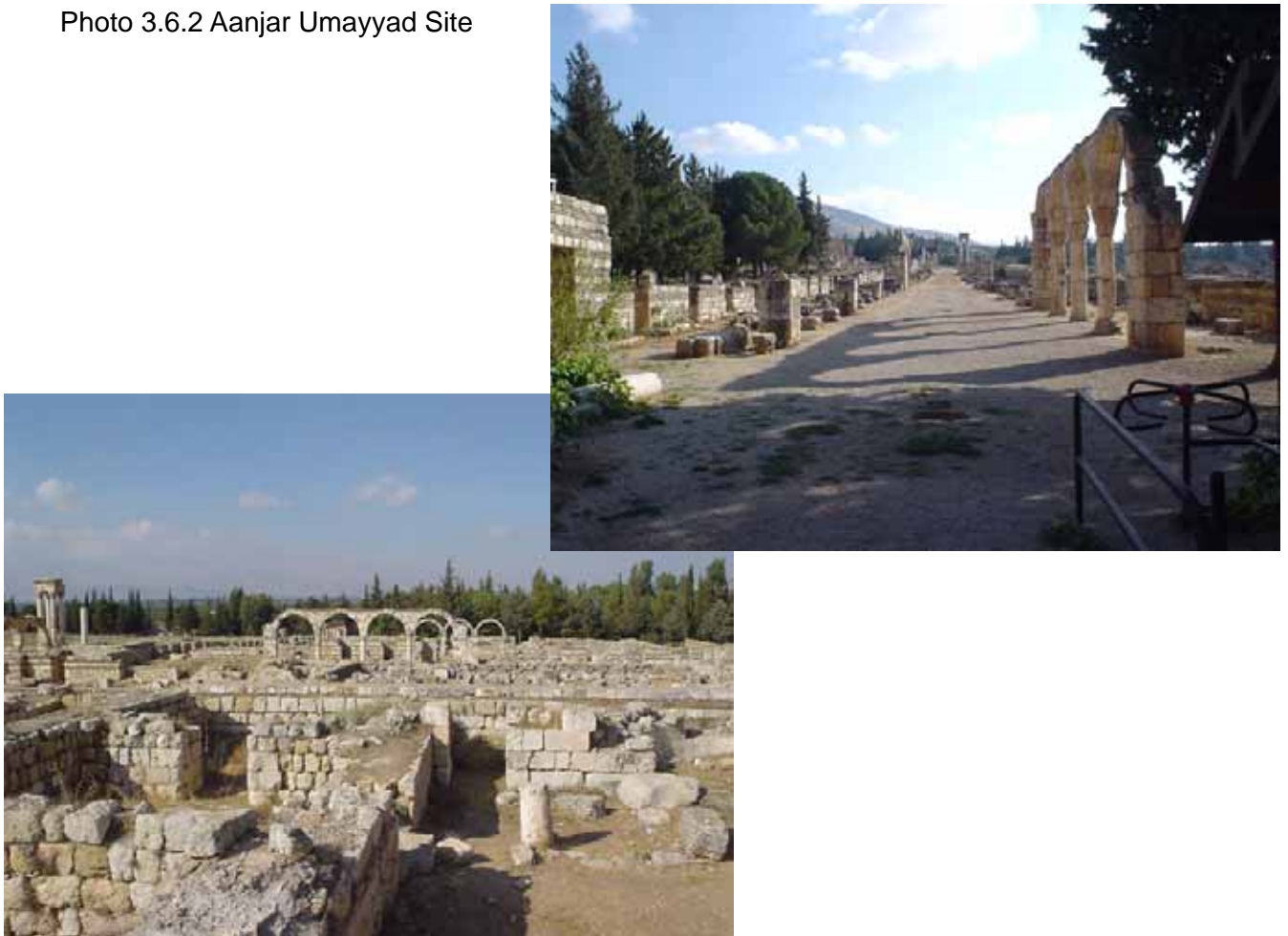


Table 3.6.1 Cost Estimate for Tourism Facilities

Unit: US \$

(1) Facilities Development in the Umayyad Archaeological Site				
Items	Quantity	Unit Cost	Cost	Notes
1. Signage	12 units	3,500	30,000	Design and fabrication costs
2. Move/demolish existing ticketing booth	One move/demolition	2,000	2,000	
3. Adaptive Reuse as Small Visitors Center/ Museum Shop	50 sqm	400	20,000	Preservation and renovation of reconstructed market, and electric work
4. Adaptive Reuse of Markets (sheltering markets/exhibitions)	150 sqm	250	37,500 (75,000 if two)	Renovation of existing buildings, and electric work
5. Trash cans	5 cans	140	700	Wood and metal made
6. Shade structure	One unit	5,000	5,000	Unit type: small umbrella design
7. Benches	5 units	280	1,400	Wood made
8. Bollards	10 units	75	750	Wood made
9. Transportation staging/parking	1,000 sqm	30	10,000	Signage fabrication, paint of parking strip
Sub-total(1)			107,350	
(2) Facilities Development of the Restaurants Area				
Items	Quantity	Unit Cost	Cost	Notes
1. Workshop/ souk construction	500 sqm (floor area)	200	100,000	Two-storey building
2. Renovation of the watermill building	100 sqm	450	45,000	Adapted for use of visitors center/gift shop
3. Removal of non required elements	One work	1,000	1,000	Work for above building
4. Tables and chairs	2 sets	400	800	Metal
5. Parking for workshop/ souk	750 sqm	20	15,000	Pavement
6. Planting for souk	One work	2,500	2,500	Evergreen plants
7. Lighting	All units	4,000	4,000	Lights for visitors center and parking space
8. Construction of public toilets	50 sqm (floor area)	350	12,500	To be incorporated into souk and visitors center
Sub-total(2)			180,800	
Grand Total (1)+(2)			288,150	

Source: JICA Study Team

All the cost including costs for training and promotion are summarized in Table 3.6.2 and Table 3.6.3.

Table 3.6.2 Summary of Cost Estimates for BK7 - Part 1

Activity	Cost
1. Creation of Site Management Plan	\$85,000
2. Signage Design (e.g., 1 World Heritage entrance sign, 8 interpretive signs, 3 building ID s and 1 off-site directional sign = 12 total – script writer, editor, transl illustrator, graphic designer)	\$30,000 (depends on type)
3. Signage Fabrication	\$12,000
4. Brochure Revision (10,000 copies, Arabic, English, French) (to include better linkages to local community VC/Armenian heritage galleries, gold souk, restaurants, hotel, shops, including visitor’s map)	\$4000
5. Move/demolish Current Ticketing Structure/Kiosks	\$1500
6. Construction - Adaptive Reuse of Umayyad Market Building as Small Visitors Center (utilization of reconstructed market just inside site entrance - electrical already in place, plumbing not necessary, bathrooms not necessary as existing in good condition nearby, construction of admissions area and museum shop to include local products, e.g., Akhtamar’s agro products, gold , Wajdi brass)	\$20,000
7. Construction Adaptive Reuse of Two Umayyad Market Buildings as of Exhibition Galleries (exhibition design and renovation of two market buildings, one to exhibit fragile site artifacts that require protection from weather, and one to exhibit ancient and more modern historical links in the Bekaa, including pre-Umayyad period links through the Ituraeans of border area between Saudi and Jordan who made Baalbek their sacred city and modern Aanjar their capital city, to contemporary history of Aanjar)	\$40,000 (\$20,000 if only one used)
8. Landscape Design Fee/Site Furnishings (5 trash cans, very small light shade structure at crossroads, 5 benches, bollards to keep visitors off fragile archaeological areas including mosaics, planted screen to prevent visual intrusion new construction)	\$5800
9. Transportation Staging /Parking (for cars and buses, perhaps horse and buggy to take visitors into town of Aanjar)	\$30,000
10. Stone and Site Preservation Training	\$25,000
TOTAL	\$221-253,000

*Policy Recommendation: Site entrance fee be increased for foreigners from 6000 LL to 7500 LL (\$5) and remain at 3000 LL for locals and 1500 LL for students.

Table 3.6.3 Summary of Cost Estimates for BK7 - Part 2

Activity	Cost
Water Mill ruins and land for souk/400 sq m to be donated by the municipality	
New gold souk (500 sq m/36 workshops/2 floors with single loaded corridor)	\$100,000
Visitors Center/Gallery w/gift shop & toilets	\$59,000
Parking, Landscaping, Lighting	\$21,500
Brochure, Web, Fam Trip, Adv., Trade Fair Promotion, Promo Booklet, CD Rom, Logo	\$25,000
Museum/Exhibition Design Training	
Handicraft Training	\$25,000
Tourism Development Council Branch Promotional Training	\$10,000
Jewelry Festival Promotion	\$25,000
TOTAL	\$265,500

Source: JICA Study Team

3.7 Financing and Scheduling

3.7.1 Possible Donors

Table 3.7.1 presents possible donors for different components of the project.

Table 3.7.1 Possible Donors - Aanjar

Items	Possible Donors
Land for New Gold Souk and Water Mill	Municipality of Aanjar
Training – Grant Writing	European Union
Master Plan – Linking Site and Community and Aanjar Village Tourism Cluster	France/Agence Francaise de Dev. Government of France
Akhtamar Agro-processing – additional solar panel	USAID (remaining funds YMCA)
Site Management Plan and Training – including community participation process, organizational structure, site management, assessment of significance, inventory of cultural resources, conservation strategy, training, site interpretation program, guide program	GEF (UNESCO) Canadian Development Fund Global Heritage Fund (have completed field mission)
Training – Stone Preservation/Mill Preservation	GTZ/German Government ICCROM
Design and Construction - adaptive reuse of Umayyad market buildings as Visitors Center, Artifacts Shelter, Exhibition Gallery	Spanish Aid Agency
Design and Construction – village buildings: Water Mill Visitors Center/Armenian Heritage Gallery New Gold Souk, Parking, Landscaping	Armenian Diaspora France/Agence Francaise de Dev. Government of France Italian Government Najjar Coffee (kiosk by waterfall)
Training – Museum operations and exhibition design	Audi Foundation Canadian Development Fund
Training/Inst. Building Local Branch Bekaa Valley Tourism Development Council and Handicrafts Coop Branch	USAID (IT/SUNY) European Union Swiss Aid
Promotions – Fam Trip, Logo, CD Rom, Brochures, Ads, Site Interpretation, Web Site, Festival Development – Gold and Silver Festival, Trade Fair Promotion	Air France (sponsor) Arab Bank Banque Audi Blom Banque Banque Saradar, Sal

Source: JICA Study Team

3.7.2 Scheduling

The general schedule from initial search for funding to launch of operations is envisioned as given in Table 3.7.2.

Table 3.7.2 Scheduling - Aanjar

Items	Year				
	2004	2005	2006	2007	2008
- Funding negotiation & agreements - Land/water mill agreements implemented					
- Village Master Plan and Site Management Plan for Lower Roman Site					
- Aanjar Akhtamar Solar Panel					
- Training Programs designed - Training implemented (stone preservation, site management, museum exhibition design and operations, handicrafts, BVTDC branch promotions and organization)					
- Archaeological Site (conservation and presentation implemented under site management plan)					
- Water Mill VC/Armenian Heritage Galleries Design - Construction					
- Archaeological Site Umayyad Market Buildings – Design and Construction as Visitors Center, Shelter for Artifacts, and Exhibition Gallery (if approved by conservator)					
- Promotions (brochures, web site, ads, festival development)					

Source: JICA Study Team

3.8 Social and Environmental Impacts

(1) Positive Impacts

As positive impacts, the project would:

- Counter the flow of out-migration for employment opportunities outside Aanjar; particularly to the Bourj Harmoud area of Beirut;
- Preserve and connect the ancient and the living cultural heritage through improved conservation, site management, and promotion;
- Contribute to increased local pride in the Armenian heritage and the Umayyad heritage;
- Provide training to enhance social standing in the community; and
- Bring about improved institutional structure at the municipal governance level.

(2) Negative Impacts

No negative social impacts are anticipated. The recommended facilities are small and in keeping with the scale of the town. The increase in a limited number of tourists is seen as positive. The project does not involve resettlement or substantial changes to the way of life.

No negative impacts to the natural environment are anticipated either. Soil erosion from construction activities would be kept to a minimum, and there is very limited air pollution anticipated from additional vehicular traffic through the village.

Chapter 4 Old Qaa Mountain Village Project (BK3)

4.1 Project Brief

Agro or agri-tourism typically refers to B&Bs or farm stays in bucolic settings with some visitor exposure to farm operations or rural community activities. The strategy is to develop a rural/agro attraction along a nature-based tour route that could serve as a model for rural heritage tourism in Lebanon. To draw Beirut and international visitors, from Baalbek north through the Bekaa to Hermel and again south to Bcharre, village stops would be created featuring living heritage experiences and an attractive but authentic “rural gite” lodging that preserves local heritage buildings, the rural landscape, and a traditional way of life.

Visitors would enter the Northern Bekaa from Baalbek, stopping at Ras Baalbek to enjoy the Byzantine church ruins and a church atop a Roman site, and to visit a local oud maker’s studio. They would continue to Fekeha for a traditional lunch with a local family and a visit to a carpet weaver’s studio.

In late afternoon they would arrive at an old adobe water mill, which would have been restored and adaptively reused, including some new construction as a visitors and handicrafts center. There they would check into one of 25 “rural gite” rooms, and receive a trails map/brochure of area activities. After walking on a short pedestrian trail to their nearby room, each of which was formerly an adobe farm building – now charmingly transformed to be a small bedroom decorated with local handicrafts - they could do any of the following activities: interact with local crafts makers at work and purchase handicrafts, work with the local farmers in the field to understand organic agriculture, visit the village of Qaa or a local school or clinic to discuss health, education or local water conservation issues. In late afternoon, they could relax with a glass of local arak or Bekaa Valley wine on the rooftop of the visitors center and watch the sun set over Old Qaa Mountain, followed by a local musical and dance performance and dinner on the terrace of the Old Qaa Mountain Village Café, attached to the Handicrafts Center. At night, a local farmer might feature a campfire under the stars with oral history story-lines.

The following day might be a local festival, where they could experience sheep shearing and purchase special wool products or participate in harvest activities; or they could hike up Old Qaa Mountain to the convent, ride horseback, or travel to the Assi river for rafting or to historic sites (Pyramid). They could either stay another day at Old Qaa Mountain Village or continue north to Al Jord eco-lodge in Hermel or into Syria. A percentage of each operator’s tour (possibly 5%) would be donated to a community fund for local education projects. The project would be managed by an NGO in cooperation with local communities, a cooperative similar to the management of Al Jord.

By preserving the built and living heritage of the Northern Bekaa Valley through the utilization of local handicrafts, music, food, farm structures, agriculture, and the natural environment, and involving local youth in vocational training and construction and operations activities, the project would contribute to counteracting social destabilization created by the decline in the traditional agrarian industry and falling income levels.

1. Project Code/Title	BK 3 – Old Qaa Mountain Village Complex (Rural Gite)	
2. Objectives	To use existing resources to create jobs in rural area To preserve rural heritage and landscape (sustainable value)	
3. Project Components	3.1 Restoration and adaptive reuse of antiquated farm buildings (visitors/handicrafts center and 24 rural gite bedrooms -not self catered facility as in France – hospitality provided by local people, unique lodging at an affordable price) 3.2 Training 3.3 Marketing and Promotion Package (training in design and production - comprehensive brochure, web, advertising, links to rural tourism operators in Lebanon, regional, international)	
4. Location	Qaa in Baalbek qaza (north of Baalbek City near Hermel)	
5. Main Promoters Local Champions Implementing Organizations	MOT Project Implementing Unit (PIU) with CDR Ras Baalbek and Qaa Municipalities Bekaa Valley Tourism Development Council Local Branch Ministry of Social Affairs – Summer Youth Camps NGOS (CREADEL) Ras Baalbek and Qaa Municipalities Bekaa Valley Handicrafts Cooperative Local Branch Local Churches (nuns and priests) and Schools	
6. Main Beneficiaries	Local People (disadvantaged women, farmers, youth), Owners	
7. Possible Donor Support	France Agence Francaise de Developpment (rural gite renovations) NORAD (VC/HC and rural gite architectural preservation/renovations training for summer youth camps) Swedish Aid (rural tourism training) EU (under Admin Reform rural development grant; heritage training curriculum for public schools) Fares Foundation (training for summer youth camps) Hariri Foundation (arch preservation training for summer youth camps) MEA (promotions funding/web site sponsor)	
8. Project Cost	Master Plan/Site Management including “soft” parking area	\$10,000
	Renovated buildings Construction and Interiors Costs – VC/HC and 25 rural gite rooms	\$106,000
	VC/HC	\$3500
	each rural gite/	\$87,500
	Toilet/Shower Facility/3 each women and men	\$15,000
	Septic System	\$15,000
	Interiors (local products @ \$500/room)	\$12,500
	Training – Arch. Preservation/Construction, Handicrafts Development	\$50,000
	Promotion - Brochure & Web Site (linked to AgriPass in France and www.agriturist.it in Italy)	\$15,000
	Old Qaa Mountain Trail/4 signage markers	\$8,000
	Old Qaa Festival Development	\$25,000

	Total	\$347,000
9. Implementation Schedule	2004-2006	
10. Project Description		
Activities	Development of: 10.1 Rural gite standards, design and construction standards 10.2 Summer youth camps – Training in preservation of adobe and construction/renovation to become rural gite lodging 10.3 North Bekaa tourism map (to include stops at oud maker, local 10.4 Institution building to create North Bekaa Valley Tourism Development Committee (branch of Bekaa Valley Tourism Council) 10.5 Institution building to create local branch of Bekaa Valley Handicrafts Cooperative (coordination with nearby Arsal Rural Development Association, model for human resources development) food preps, and Byzantine church in Ras Baalbek/Fekaa, Assi River, and links to Hermel tourist activities, particularly Al Jord) 10.6 Site management and master plan including circulation (parking and mountain hiking trail) 10.7 Special event planning for interactive Wool Festival – sheep shearing, spinning, weaving, dying etc. 10.8 Marketing and promotion program – brochure and web site (target Beirut, France, Germany – tie into MOT nature based planning and national and international eco-tourism operators) 10.9 Design and construction (visitors/handicrafts center with shop, café and terrace, 25 rural gite rooms) POLICY: To preserve mountain and agro landscape and views through conservation easement or other legal restriction on building (as critical to project setting)	
Expected Results	<ul style="list-style-type: none"> • Preservation of rural way of life, heritage and landscape • Promotion of rural/agro and nature based tourism linkages/activities in the Bekaa Valley • Increased number of tourists and related jobs and income to local communities of North Bekaa – projected jobs/income involving 75 people (temporary and permanent) • Sustainable tourism industry through training 	
Staffing and Management	Manager of project Local staff (café, cooks, wait staff, cleaning, crafters, shop sales, maintenance)	
Training	<ul style="list-style-type: none"> • Strengthening of municipality – public/private Tourism Development Committee • Staffing and managing a visitors center • Staffing and managing handicrafts cooperative • Design and construction techniques • Handicrafts design and production-improved design of handicrafts, rugs, agro products, interiors, merchandising 	

4.2 Product Design

4.2.1 Design Considerations

(1) Target Markets/Cientele

The project, the *Old Qaa Mountain Village Complex*, would help establish an image for the upper Bekaa Valley because of its cultural character portraying rural traditions,

archaeology and crafts. It will appeal to a variety of people. The most important target visitors are: (1) nature-based ones on inclusive trips north to the Assi River and Hermel or south to Bcharre; (2) cultural tourists, both domestic and international, and (3) leisure and recreation visitors from the greater Beirut area visiting mainly during weekends and the summer months.

(2) Key Resources to be Utilized/Enhanced

The key resources to be utilized include an abandoned group of old farm buildings and oil water mill, for adaptation into rural gite day lodging, dining and handicrafts facilities, some ancient local know-how for making handicrafts from local materials and also special dishes using locally grown products. Other resources are an oud maker in Ras Baalbeck and carpet weavers and traditional food makers in Fekene, forming a living heritage circuit.

(3) Social Considerations

To solve the present unemployment problems and realize more active socio-economy, the project would contribute to income generation through involving local people in providing food and lodging, combined with crafts production and living heritage activities in the northern Bekaa and near the Old Qaa site. During its construction phase it would train local youth in building skills, including restoration of mud structures. The majority of job opportunities will be for low-skilled and non-skilled workers, including local women who can enhance their handicrafts and food preparation skills.

(4) Environmental Impact

The project would have the benefit of arresting deterioration of the rural structures, and giving them new economic life through restoration and additions. These structures include the interesting remains of a water conveyance system. It would also preserve the rural landscape through conservation policies, and promote organic farming the decreased use of agrochemicals and pesticides.

(5) Management Considerations

The Qaa and the Ras Baalbeck municipalities as part of the to-be-established North Bekaa Valley Tourism Development Committee will play crucial roles in the creation of this project, and in assuring its sustainability and longevity. The proposed Bekaa Valley Handicrafts Cooperative is to establish a local branch in Qaa to take responsibility for training in crafts skills and in the operation of the crafts center featured in this project. It is assumed that the lodging/restaurant would be operated by a cooperative of local people.

(6) Institutional Aspects

The PIU proposed at MOT will be instrumental in arranging training for the municipal officials and members of its Tourism Development Committee who will steer the project

through to completion.

4.2.2 Product formulation

The project would produce the site management plan for this rural heritage complex which will provide a collection of distinctive experiences and meet different needs of travelers in a well-conceived, historic setting. The site management plan would cover management organizations, conservation strategy for the facilities, staff training for financial management and operation of tourism facilities, and visitor management and interpretation. As a village portraying rural heritage, Old Qaa will serve as a popular rest stop, restaurant and shopping venue because of the offer of crafts that it will develop. It can also provide overnight accommodation for all types of visitors and be easily combined with Baalbek and Syria for touring groups.

The three target user groups that will form the majority of the clientele are profiled in Table 4.2.1 below.

Table 4.2.1 Product Formulation for Target User Groups

Target Users [visitor focus]	Key themes [product focus]	Relevant Activities, product [matching <i>experiences</i>]	Travel pattern
Nature based	Unspoiled nature	Hiking, Assi River rafting, horseback riding, sight-seeing in "Land of the Sun", campfires under the stars, farm activities	- <i>soft adventure</i> tour operator packages
Cultural [tour packages]	Ancient history Rural traditions discovery Sightseeing	Adaptively reused old structures & water system, Village discovery, rural traditions including crafts workshops & lodging, plus events such as wool festival, school visits Scenic driving through valley	-rest stop on inclusive tours [IT] -overnight stop on inclusive tours-limited
Beirutis, expats leisure	Ancient history Rural traditions discovery Sightseeing	Adaptively reused old structures & water system, Village discovery, rural traditions including crafts workshops & lodging, plus events such as wool festival Hiking and scenic driving through valley	-weekend escape -trips by touring clubs & societies

Source: JICA study team

4.3 Preliminary Design

4.3.1 Facilities Planning

To serve visitors to the northern part of the Bekaa Valley, this facilities planning involves the development of a visitors and handicrafts center and lodging. These components are described in detail in Table 4.3.1.

Table 4.3.1 Components of Facilities Development for Old Qaa Mountain Village

Components	Notes
Adaptive Reuse of Antiquated Water Mill	An abandoned watermill, which is located on the international highway just outside Qaa town center, with a floor area of approximately 100 square meters, is proposed to be adapted for use as visitors/ handicrafts center, shops, café, and reception place for users of gite rooms. Some staff is permanently stationed.
Adaptive Reuse of Ruins/ Farm Buildings	25 rural gite rooms are renovated and provided to visitors as lodging, to be connected by a pedestrian trail.

(Perspective of this plan is shown in Figure 4.3.QS/P.)

Source: JICA study team

Photo 4.2.1

Antiquated Water Mill



4.4 Implementing and Operating Organizations

The municipalities of Qaa and Ras Baalbek will be the main implementing agencies for the project, to be supported by the central-local cooperative mechanism with the PIU of MOT/CDR and the Advisory committee. The latter would include the Ministry of Social Affairs for youth camps as well as local churches, schools and NGOs. The two municipalities would be supported by a local branch of the proposed Bekaa Valley Tourism Development Council, once established. Also a local branch of the proposed Bekaa Valley Handicrafts Cooperative may be established to strengthen the operation of the handicrafts center to be established by the project.

A number of cottage industries would be created in rural areas by the project in the forms of rural gite and related service providers, and suppliers of local products to visitors. They would form a rural development association to strengthen their financial and manpower base for sustaining the viable operation.

4.5 Financing and Scheduling

4.5.1 Possible Donors

Table 4.5.1 presents possible donors for different components of the Old Qaa Mountain Village Tourism project.

Table 4.5.1 Possible Donors – Old Qaa

Items	Possible Donors
Land and Abandoned Farm Structures	Municipality of Qaa Private Owners
Training – Grant Writing, Rural Gite, Guides	European Union France/Agence Francaise de Dev. Government of France
Master Plan and Site Management Plan for Old Qaa Mountain Village including community participation process, organizational structure, site management, assessment of significance, inventory of cultural resources, conservation strategy, site interpretation program, guide program	European Union France/Agence Francaise de Dev. Government of France
Training – Rural Gite Operations	European Union France/Agence Francaise de Dev. Government of France Swedish Aid Agency
Training – Adobe and Mill Preservation/Architectural Design	GTZ/German Government Norad/Norwegian Government Hariri Foundation
Design and Construction of Old Qaa Mountain Trails Plan/Directional Signs	Swedish Aid Agency
Training – Handicrafts design and production	Saudi Development Fund – linked to Baalbek program, Swiss Aid
Training – Museum operations and exhibition design	Audi Foundation Canadian Development Fund
Training/Inst. Building Local Branch Bekaa Valley Tourism Development Council and Handicrafts Coop Branch	USAID (IT/SUNY) European Union Fares Foundation
Design and Construction - adaptive reuse of farm structures as visitors center/handicrafts center and rural gite lodging	German Government EU
Promotions – Fam Trip, Logo, Brochure, Ads, Web Site, Festival Development –Sheep Shearing/Wool and Living Heritage	Air France (sponsor) Arab Bank Banque Audi Blom Banque Banque Saradar, Sal Middle East Airlines

Source: JICA study team

4.5.2 Scheduling

The general schedule from initial search for funding to launch of operations is envisioned as shown in Table 4.5.2.

Table 4.5.2 Scheduling

Items	Year				
	2004	2005	2006	2007	2008
- Funding negotiation & agreements - Land/water mill agreements implemented – municipality and private owners					
Training – Grant Writing,					
- Master Plan and Site Management Plan for Old Qaa Mountain Village					
- Training Programs designed - Training implemented (visitors/handicrafts center and rural gite operations, trails guides, building preservation, site management, VC exhibition design and operations, handicrafts, BVTDC branch promotions and organization – living heritage tour development)					
- Water Mill VC/Handicrafts Center and Rural Gite Design and Construction					
- Promotions (fam trip, logo, brochure, ads, web site, festival development)					

Source: JICA study team

4.6 Social and Environmental Impacts

(1) Positive Impacts

As positive impacts, the project would:

- Counter the flow of out-migration for employment opportunities outside Qaa and Ras Baalbek;
- Bring local people into contact with outsiders, increasing cultural openness and awareness;
- Increase local pride and public awareness of the importance of the rural and living heritage;
- Support the living heritage (e.g., the oud maker in Ras Baalbek is one of the few remaining in the Bekaa Valley);
- Conserve the built heritage (abandoned farm structures in the landscape);
- Preserve the rural landscape through conservation policies;
- Encourage, through promotion of organic farming, decreased use of agrochemicals in the soil and water runoff;
- Help to create an interest in higher education based on associated job opportunities (higher perceived value to education);
- Provide training to enhance social standing in the community, particularly among disadvantaged women and youth; and
- Contribute to improved institutional structure at the municipal governance level.

(2) Negative Impacts

While no negative impacts are expected to result from project implementation, failure of implementation will increase a sense of hopelessness in the rural economy.

Otherwise, no other negative social impacts are anticipated. The recommended facilities are small and adaptively reused from abandoned structures. The increase in a limited number of tourists is seen as positive. The project does not involve resettlement or substantial changes to the rural way of life.

No negative impacts to the natural environment are anticipated either. Soil erosion from construction activities would be kept to a minimum, and there is very limited air pollution anticipated from additional vehicular traffic through the village. The master plan would work within the cultivated landscape and be sensitive to the agricultural patterns of the crop or pasture land.

Photo 4.6.1
Adaptive Reuse of
Ruins/ Farm Buildings



Photo 4.6.2
Group Interview
in Qaa Municipality
on 17 January, 2004



Chapter 5 Zahle Heritage Redevelopment Package (BK4)

5.1 Project Components

The City becomes a major player on the cultural heritage tourism circuit. An existing historic building along the Berdawni River, now run-down, is transformed into a vital part of the community as the new Zahle Visitors Center/Museum of Wine, Poetry, Gastronomy. Recognizing the uniqueness of Zahle's stone architectural heritage, an architectural walking tour is created. The program builds upon Zahle's existing Master Plan for Tourism Development, and directs tourists in two directions: to downtown businesses and adjacent neighborhoods (where historic interpretive plaques could be placed on buildings) and to waterfront restaurants and hotels. In addition, Zahle as part of the Bekaa Valley Tourism Development Council cooperates with the Union Vinicole de Liban and nearby Bekaa Valley vineyards (Kefraya and Ksara, and possibly also St. Thomas, Nakad, Heritage, Wardeh, Massaya, Musar) to become the base city for and promote the concept of the Bacchus Wine Tour following the paths of the early Romans. The program would be implemented with its companion project: *BK5 – Zahle Berdawni River Clean-up Campaign*.

1. Project Code/Title	BK 4 – Zahle Heritage Redevelopment Package
2. Objectives	<ul style="list-style-type: none"> To preserve and promote the cultural heritage of Zahle to give it a strong identity as a cultural heritage city, as a way to attract more visitors To train local people and provide increased employment opportunities for disadvantaged and other members of the community, including NGOs To adaptively reuse historical buildings that are strategically located between the tourism zone and the downtown, to draw visitors in both directions and support local businesses
3. Project Components	3.1 Preservation, renovation, adaptive reuse 3.2 Visitor attractions 3.3 Training
4. Location	Zahle City (Berdawni Tourism Development Area) and Bekaa Valley
5. Main Promoters, Local Champions and Implementing Organizations	Zahle Heritage NGOs Zahle Municipality Bekaa Valley Tourism Development Council MOT/PIU
6. Main Beneficiaries	Zahle Community
7. Possible Donor, NGO, Foundation Support	Diaspora (500,000 former Zahle residents according to the NGOs; far fewer according to the President) EU (museum) Italian Aid Agency (capacity building) Audi Foundation (museology internship/design training) Chateau Ksara and Kefraya (exhibition galleries and Bacchus Trail)
8. Project Cost	(Acquisition of Building: \$400-\$500,000 to be donated by municipality Farah or Hotel Amerika/1000 sq m/3 floors) Visitors Center/Museum: \$450,000 (design/construction/\$450 sq m) Shop Interior: (\$75,000 - products on consignment) Training: Zahle Annual Poetry/Arts Fest \$25,000

	<p>Zahle Heritage Lodging Training (B&Bs/pensions) \$25,000 Zahle Museum Management/Heritage Exhibits \$50,000 Bekaa Valley Handicrafts Training Program \$25,000 Bekaa Valley Tourism Development Council – Grant writing workshop, marketing, promotions, organizational strategy - \$10,000 Brochure & Web: \$10,000 City Architectural Heritage Walking Tour: \$5000 Trail of Bacchus: \$5000 Total: \$605,000</p>
9. Implementation Schedule – Phased	<p>2004 grant and loan applications 2005 training programs 2006-2008 facilities and promotion implementation (design and construction)</p>
10. Project Description	
Activities	<p>10.1 Institution building to create/strengthen the existing two NGOs to create one Zahle Heritage NGO to lead the local branch of the Bekaa Valley Tourism Development Council 10.2 Institution building to create local handicrafts branch of the Bekaa Valley Handicrafts Cooperative 10.3 Capacity building to create local guides program for museum and walking tour and museology internships 10.4 Training to strengthen existing pensions and create a local B&B industry 10.5 Marketing and promotion package to include brochure and web design and production – tie into Zahle Diaspora, MOT, and cultural heritage specialty tour operators 10.6 Design and construction (combined visitors center/museum of wine and poetry with museum shop, exhibition galleries, seminar space, handicrafts training area, offices, etc) 10.7 Architectural walking tour/historic plaques program 10.8 Museum logo design competition with local universities 10.9 Creation of annual poetry festival – training and promotions <i>POLICY To preserve Zahle's unique cultural heritage and architectural fabric by renovating and adaptively reusing historical buildings</i></p>
Expected Results	<ul style="list-style-type: none"> • Preservation and promotion of cultural heritage tourism • Increased number of tourists to Zahle, surrounding vineyards, and the Bekaa Valley • Increased income to local people (jobs) • Sustainability through training
Staffing and Management	<p>Zahle heritage NGO director and secretary Museum Director Museum staff including secretary, maintenance, shop sales Handicrafts (permanent) coordinator and trainer</p>
Training	<ul style="list-style-type: none"> • Strengthening of municipality and NGOs – to create public/private tourism organizational/promotional entity • Marketing and promotion program • Staffing and managing a visitors center, museum, and handicrafts cooperative • Museology internship (Audi Foundation) • Local guiding program (walking tour and museum galleries) • Preservation design/construction techniques • Pension management and design • Special events management (festival)

5.2 Product Design

5.2.1 Design Considerations

(1) Target Markets/clientele

Zahle is already well established as a weekend, holiday and vacation destination for a range of visitors, both domestic and from the neighboring countries. The proposed program would introduce some innovations to expand these market segments. Specifically, the program targets four user groups: (1) Beirutis and expatriates on leisure trips, (2) leisure and shopping visitors from Damascus and Jordan, (3) domestic and international cultural tourists, and (4) Diaspora Lebanese.

(2) Key Resources to be Utilized/enhanced

Existing resources provide a solid basis for the program: festive cultural traditions, the Berdawni River restaurant zone, the historic town center and buildings, shopping opportunities and various cultural events. The existing plan for urban renewal along the Berdawni River constitutes another resource to be utilized for the program as a device to create and inject new elements proposed by the program.

(3) Social Considerations

While Zahle is active in various socioeconomic activities, unemployment among youth is still a problem. The creation of innovative businesses through the program implementation should generate employment opportunities attractive for youth. The existing urban renewal plan has been promoted by the strong initiative of the mayor, and a challenge is to get local businesses and people involved in the development.

(4) Environmental Impact

The program is linked to the ongoing ambitious urban renewal project, which may have some environmental impact, especially on the Berdawni River. Another companion project proposed in the master plan, the Berdawni River cleanup and awareness program, would address this issue to some extent. Otherwise, the proposed renovation of the historical spaces and buildings for adaptive reuse should improve the living environment of the local people as well.

(5) Management Considerations

The program implementation would call for a relatively high level of development management and it is anticipated that Zahle's existing cultural heritage NGOs would be trained to manage the visitors center/museum. In particular, coordination of public and private activities needs to be ensured for timely implementation of different components to the right scale and on the right sites respectively.

(6) Institutional Aspects

The program implementation should be supported by a cooperative mechanism among

all the stakeholders, public and private. They include the municipality, heritage and environmental NGOs, and local businesses.

5.2.2 Product Formulation

The program would produce additional tourism facilities and new tourism products in the form of events and thematic tour circuits, such as the Bacchus wine route, and strengthened institutions with trained personnel. The additional tourism facilities would be provided mainly through adaptive reuse of historical buildings that are strategically located between the tourism zone and the downtown. In particular, a visitors center and a museum of wine poetry, and gastronomy with a museum shop and handicraft area would draw visitors and direct them in both directions. The thematic tours would feature the cultural heritage of Zahle, in combination with local cuisine and wine and arak. Walking architectural tours through historical streets and quarters, might include a historic building plaque program. An annual poetry and arts festival would be created for broad public participation.

Institutional strengthening and training constitute the essential components of the program. The training plan would support the strengthening of existing heritage NGOs, possibly to be consolidated into a Zahle heritage NGO, and also strengthening of the municipalities and the creation of a local Tourism Committee. The latter would provide a vehicle for public-private coordination. The program would support the training of local guides through the museums and the historical architectural tour, and also skill training for local handicraft artisans.

The program offers a marketing and promotion package, including a brochure and website. Promotion activities may be formulated to tap into the resources of Zahle's Diaspora through local family or business channels, as well as through MOT and tour operators in Beirut.

Product formulation for the four target user groups is summarized in Table 5.2.1.

Table 5.2.1 Product Formulation for Target User Groups - Zahle

Target Users [visitor focus]	Key themes [product focus]	Relevant Activities, product [matching experiences]	Travel pattern
Beirutis, expats leisure	Fine dining, entertainment Living heritage	Restaurants, nightclubs, carriage rides Museums, art/antiques/artisan shops, events of religious, literary, gastronomic themes like Wine festival, Bacchus Trail, architectural walking tour including historic arak facility Sales promotions, scenic walks, carriage rides	A] weekend, holiday excursions
	Relaxation, shopping		
Regional Arab leisure from Beirut, Damascus, Jordan]	Fine dining, entertainment Relaxation, shopping Living heritage	Restaurants, nightclubs, carriage rides Sales promotions, scenic walks, carriage rides Museums, art/antiques/crafts shops, events of religious, literary, gastronomic themes like wine festival, Bacchus Trail	A] family motor trips B] shoppers from Damascus C] IT groups from Syria & Jordan
	Living heritage	Museum, architectural walking tour, art/antiques/crafts shops, events of religious, literary, gastronomic themes like wine festival, Bacchus Trail	A] half-day stop on inclusive tours [IT] B] overnight stop on inclusive tours
Cultural [tour packages]	Fine dining Relaxation, shopping	Restaurants on the Berdawni Sales promotions, scenic walks, carriage rides	
	Living heritage	Museums, art/antiques/crafts shops, events of religious, literary, gastronomic themes like Wine festival, Bacchus Trail	A] weekend, holiday excursions
Diaspora	Fine dining, entertainment Relaxation, shopping	Restaurants, nightclubs, carriage rides Sales promotions, scenic walks, carriage rides	B] full day, overnight stop for IT groups

Source: JICA study team

5.3 Preliminary Design

The program involves development of a visitors center/ museum as a tourism attraction, linking the scenic riverside restaurants area and the downtown. It is developed by adaptive reuse of a historical building.

There are two potential buildings to be reused: 1) Hotel Amerika and 2) Farah Residence. They are located close to the Kadri Hotel, on the opposite side of the road (Figure 5.3.ZO/P). Their designs and volumes are similar, the Hotel Amerika being slightly larger with an adjacent empty lot. In this project, either of them is adapted for use as the visitors center/ museum of wine, gastronomy and poetry.

Floor plans (ex. Hotel Amerika; Figure 5.3.ZO/P): The Hotel Amerika is a three-storey building, and its total floor area is approximately 1,000 square meters. Its rooms are adapted for use as information center, exhibition galleries, cloak room, administrative office, handicrafts center, seminar/ conference room, and office for handicrafts center. Uses of these rooms are described in detail in Table 5.3.1.

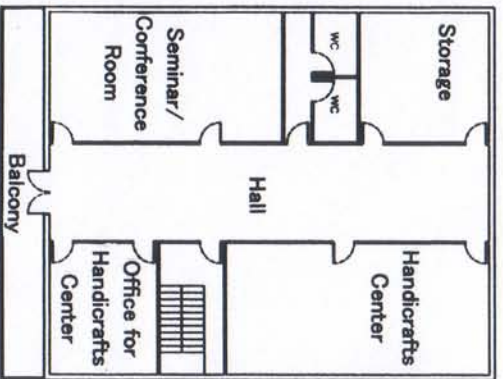
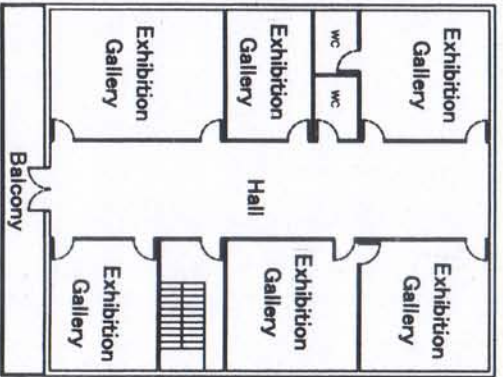
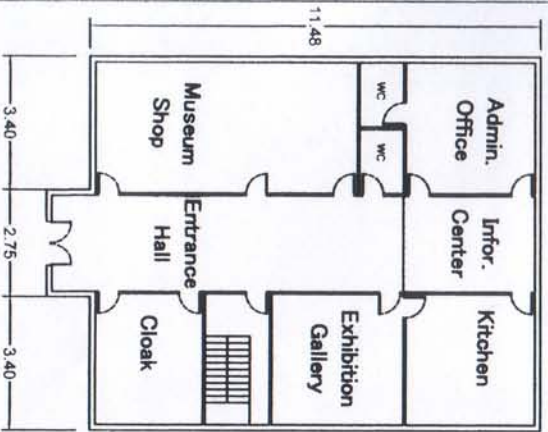
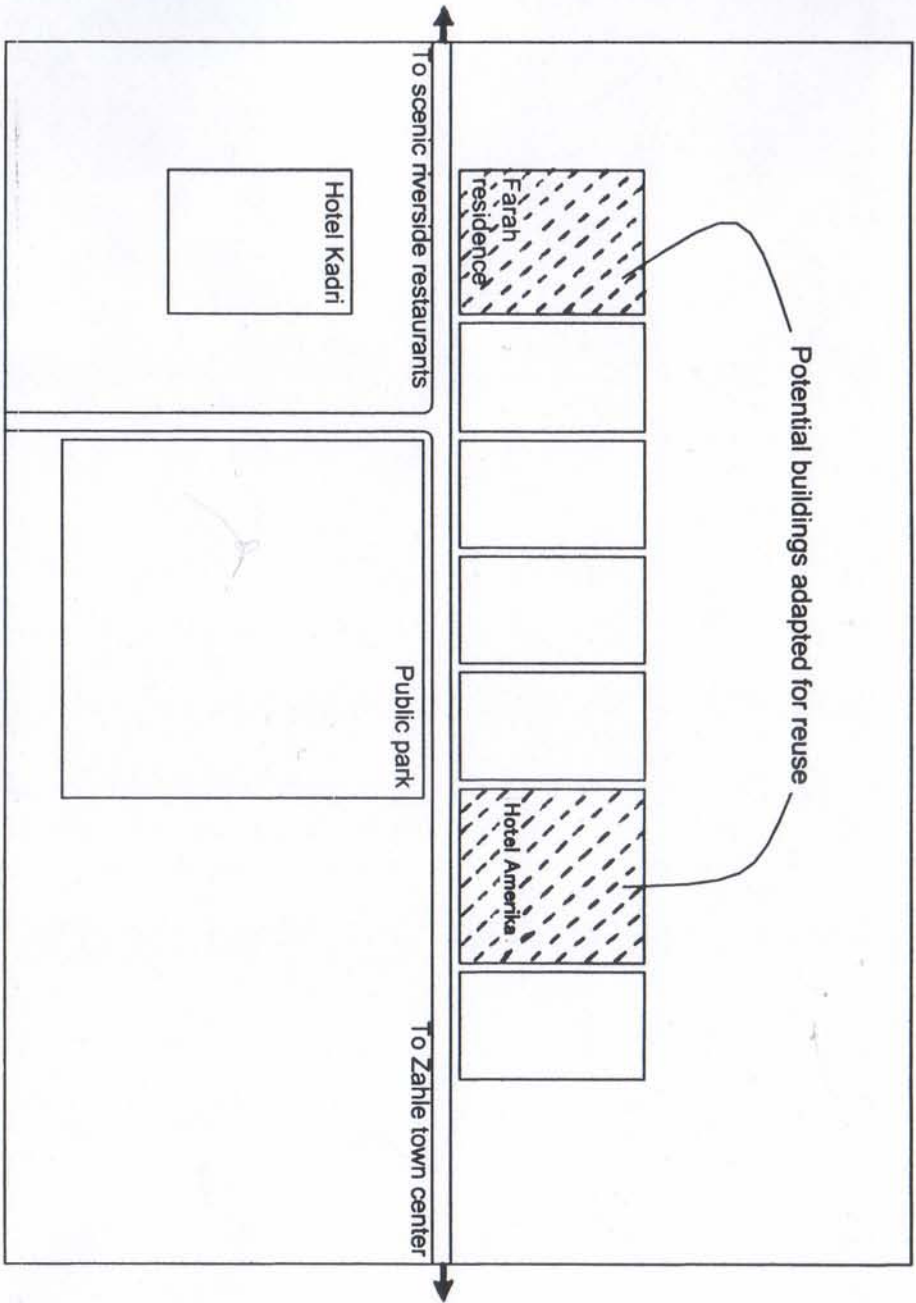
Table 5.3.1 Rooms of Visitor Center/ Museum based on the Hotel Amerika

Room	Approx. Floor Area(sqm)	Notes
Information Center	30	Place for giving local information. Some permanent staff would be stationed.
Entrance Hall	60	Functioning as a place for gathering information as well as the above information center
Exhibition Galleries	325	Space for showing exhibits on three themes: wine, gastronomy and poetry. Hall in the first floor would be included as a gallery space
Cloak Room	30	Place where visitors can leave their clothes and luggage
Administration Office and kitchen	75	Office and kitchen for administration staff
Handicrafts Center	75	Place for handicraft training
Museum Shop	75	Place for selling local products
Seminar/ conference room	65	Place for lectures on local culture/ community meetings
Office for Handicrafts Center	30	Office for handicrafts trainers
Storage	35	
Others	200	Staircases, toilets, hall in the second floor
Total	1,000	

Source: JICA study team

Photo 5.3.1 Potential Buildings for Adaptive Reuse in Zahle (Hotel Amerika)





Floor plans of proposed building
(Hotel America)

5.3.ZO-P

Floor Plans of Potential Bldg.(Hotel America), and Location, Zahlé

Not to scale

Notes:

Photo 5.3.1
Perspective of Zahle City



5.4 Implementing and Operating Organizations

Zahle at present does not have a formal Tourism Development Committee, but the tourism development of the Zahle city has been promoted by the strong initiative of the Municipal Council under the leadership of the mayor. It would be strengthened by the proposed Bekaa Valley Tourism Development Council, in which Zahle would become a major player. Both heritage NGOs and local business communities are very active in Zahle, and would play important roles in the regional tourism development based on cultural heritage. It is anticipated that the cultural heritage NGOs would be directly involved in museum organization and management.

The existing urban renewal plan promoted by the Municipal Council should be further developed, involving the heritage NGOs and local business communities. Through this process as well as the initial implementation of the program, more effective institutional and organizational arrangements would be made involving both the public and the private sectors. They may take a form of a local shareholding company, or alternatively, a development corporation may be established through a public-private partnership.

Technical and limited financial supports necessary for the program implementation would be channeled through the central-local cooperative mechanism with the PIU of MOT/CDR. The Advisory Committee for the program would include local representatives of industry syndicates, restaurants and hotels.

5.5 Financing and Scheduling

5.5.1 Possible Donors

Table 5.5.1 presents possible donors for different components of the Zahle Heritage Redevelopment project.

Table 5.5.1 Possible Donors – Zahle

Items	Possible Donors
Historical Building (for adaptive reuse as visitors center/museum)	Municipality of Zahle Private Owners of Hotel d’Amerique or similar structure
Training – Grant Writing – Cultural Heritage	European Union
Site Management Plan (including grant writing, community participation process and organizational structure, assessment of significance, inventory of historic building, conservation strategy, site interpretation program, guide program)	Canadian Development Fund Norad (Norwegian Government)
Training – Design (visitors centre/museum exhibitions design, educational programs, handicraft design and production, NGO/municipality institutional strengthening as local branch of BVTDC, festival)	France/Agence Francaise de Dev. Government of France Swiss Aid Italian Aid Agency Audi Foundation
Training- Heritage B&B /Pensions	European Union
City Architectural Heritage Walking Tour	Zahle Diaspora Municipality
Design and Construction of VC/Museum	European Union Château Ksara Château Kefraya Lebanese Vintners Union Lebanese Canadian Bank Philip Morris Foundation
Trails of Bacchus- Organization and Design	Vineyards of Bekaa Valley Lebanese Vintners Union
Museology Internship	Audi Foundation
Berdawni River Clean-up and Environmental Awareness Campaign (including elementary school curricula and poster competition)	McDonalds
Promotions – Fam Trip, Logo, Brochure, Ads, Web Site, Festival Development – Poetry and Arts	

Source: JICA study team

5.5.2 Scheduling

The general schedule from initial search for funding to launch of operations is envisioned as given below.

Table 5.5.2 Scheduling

Items	Year				
	2004	2005	2006	2007	2008
- Funding negotiation & agreements - Historical building acquisition (lease or own)					
- Master Plan, Design Drawings, and Construction					
- Training Programs designed - Training implemented (visitors center operations, exhibitions, handicrafts, BVTDC branch promotions and organization, festival development, educational curricula and environmental campaign development, heritage B&Bs)					
- Trails Development (Bacchus and Architectural Walking Tour)					
- Promotions (fam trip, logo, brochure, ads, web site, festival development)					

Source: JICA study team

5.6 Social and Environmental Impacts

(1) Positive impacts

As positive impacts, the project would:

- Increase public awareness of the richness of Zahle's environmental and cultural heritage;
- Improve the environment through organized, high profile river cleanups that might eventually stop littering;
- Preserve Zahle's historic architectural fabric for future generations;
- Provide training to enhance social standing in the community; and
- Contribute to an improved institutional structure at the NGO level.

(2) Negative impacts

No negative social or environmental are anticipated. Possible negative effects of the development on the Berdawni River would be avoided by the companion program (BK5: Zahle Berdawni River Clean-up and Awareness Program).

Chapter 6 Economic and Financial Evaluation

The analysis is performed first for the projects in Niha and Aanjar taken together as one. The economic evaluation examines demand, benefits, costs, economic rate of return, and sensitivity of the return. Second, a preliminary financial analysis on individual projects is presented in this chapter.

6.1 Demand Estimates

Table 6.1.1 shows the results of demand projection undertaken in the subject area development plan for both “with” and “without” project cases defined in subsection 6.2.1. The projections are made up to 2013, the final year of the evaluation period (i.e. 10 years). The projections are made based on the classification of domestic tourists, western tourists, and Diaspora.

It is assumed that these projects will not attract substantial volumes of Arab tourists so no forecast for this user group has been prepared.

6.2 Economic Evaluation

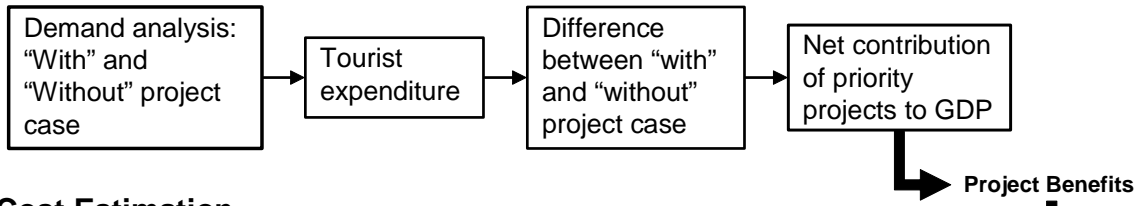
The proposed master plan projects and programs are expected to attract a greater number of tourists to the area. Economic evaluation of these projects and programs was undertaken according to the methodology described in subsection 6.2.1. **Note that at this planning stage both project benefits and costs used in the analysis are preliminary in nature, and thus the result should be taken as indicative.**

6.2.1 Methodology of Economic Evaluation and Preliminary Financial Assessment

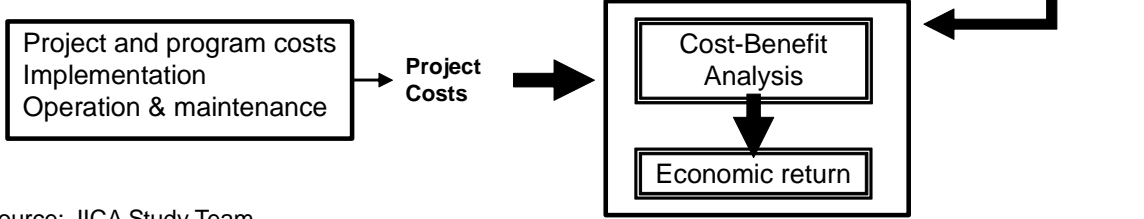
Economic evaluation of the priority projects and programs is undertaken in order to examine their impact on the national economy. This evaluation is made for each of the two subject areas, Bcharre and the Bekaa Valley, on the assumption that all of the priority projects are undertaken. The focus of the analysis, therefore, is on the two study areas and does not evaluate each project individually. This is because the generative effect upon demand of each project individually is too difficult to estimate, in part because of the lack of existing market data and estimation of current demand levels. The flow of the analysis is shown in Figure 6.2.1.

Figure 6.2.1 Flow of Economic Analysis for Priority Projects and Programs

Benefit Estimation



Cost Estimation



Source: JICA Study Team

Table 6.1.1 Projection of Visitors to Bekaa Valley Virtual Museum-BK6 & BK7

Year	"With" projects and programs						"Without" projects and programs					
	Domestic Tourist		International Tourist		Diaspora		Domestic Tourist		International Tourist		Diaspora	
	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors
2004	40,278	822	15,778	322	14,700	300	40,278	822	15,778	322	14,700	300
2005	42,346	864	16,567	338	15,435	315	42,346	864	16,567	338	15,435	315
2006	44,522	909	18,976	387	17,787	363	44,522	909	18,976	387	17,787	363
2007	75,541	1,542	28,633	584	26,085	532	46,814	955	20,813	425	19,566	399
2008	98,737	2,015	37,731	770	33,911	692	48,958	999	22,833	466	21,522	439
2009	108,610	2,217	39,617	809	35,606	727	51,767	1,056	25,051	511	23,674	483
2010	119,471	2,438	41,599	849	37,387	763	54,442	1,111	27,486	561	26,042	531
2011	131,418	2,682	43,679	891	39,256	801	57,259	1,169	30,163	616	28,646	585
2012	144,561	2,950	45,862	936	41,219	841	60,227	1,229	33,103	676	31,511	643
2013	159,017	3,245	50,448	1,030	45,341	925	66,250	1,352	36,414	743	34,662	707

Source: JICA Study Team

(1) Project Benefit Estimation (B^t)

Project benefits are estimated on the basis of the incremental tourist expenditure to be generated with the priority projects and programs relative to the case without these projects and programs (the former to be called “with” project case, and the latter “without” project case).

Methodology for each Study Area:

1. Prepare demand projections for the “with” case and for the “without” case.
2. Estimate the total tourist expenditure [in LL] for both of these cases.
3. Take the difference in total expenditure between the two cases, as the incremental tourist expenditure. This increment is the gross benefit stream unadjusted.
4. Adjust this benefit stream downwards to estimate gross benefits attributable to only the priority projects as opposed to all projects in the Master Plan using reasonable assumptions.
5. Apply an adjustment factor to estimate the net contribution to GDP (or value added), “B^t.”

(2) Project Cost Estimation (C^t)

Project costs to be used for the economic analysis are those estimated in the sections regarding project costs in each chapter. These costs include those for implementation and for operation/maintenance. Note that the costs required for implementing programs such as marketing and promotion, human resources development, and institutional development will also be included in the analysis.

(3) Cost-Benefit Analysis

Standard cost-benefit analysis is used to evaluate the economic impact of the projects and programs, using the project benefits and costs estimated in the above steps. The economic internal rate of return (EIRR) is used as a measure for the economic evaluation. EIRR is the rate of discount at which the cost and benefit streams over the evaluation period are equalized.

The mathematical definition of EIRR is as follows:

$$\sum_{t=0}^n \frac{(B^t - C^t)}{(1+k)^t} = 0$$

Where k= EIRR(to be obtained solving this equation)
 B= benefit
 C= cost
 B-C = net benefit
 t = t-th year
 n = evaluation period

A 10-year period is used for the project evaluation period, starting in 2004 and ending in 2013, except for the Niha pilot project evaluated over 15-year period.

(4) Preliminary Financial Assessment

Preliminary financial assessment is conducted for major proposed projects expected to generate revenue. An estimation is made as to whether these projects could be a commercial activity attractive enough to a private entity, using the return on investment (ROI) as a measure for assessing the financial return of the projects. The definition of ROI is identical to that for EIRR as described above, with the only exception that benefits and costs in the above definition are revenues and expenses in the financial analysis. Note that inflation is not considered in the analysis, and thus the ROI estimated is in real terms.

Since all these projects involve works that should desirably be undertaken by the public sector such as site preparation and infrastructure development, a sensitivity analysis is conducted assuming that the initial cost be borne partly by the public sector. **Note that at this planning stage both revenues and expenses used in the analysis are preliminary in nature, and thus results should be taken as indicative only.**

6.2.2 Economic Benefits

(1) Tourist Expenditure

The total tourist expenditure is estimated by multiplying the number of tourists estimated in section 6.1 to the area by the amount spent per tourist.

The estimates for the “without” project case are made based on the socio-economic survey conducted as part of this study. No inflation is assumed, thereby maintaining consistency with the project costs where inflation is also not taken into account.

The same figures are assumed for the “with” project case, considering that the planned development will help attract both mid-market and up-market tourists due to the development of mid-market facilities and accommodation, and also because of the improved access to the Bekaa Valley that is mainly for up-market tourists and more active promotion of the Bekaa Valley itself that is for mid- to up-market tourists in the case of overnight stays. Detail expenditure items are described in the Annex 6.2.

(2) Contribution to GDP

The contribution of the priority projects and programs to GDP or value added is estimated as shown in Table 6.2.1, where the following assumptions are incorporated.

Assumptions:

- The difference in total expenditure between the “with” and “without” cases, as shown in the table, is obtained from demand projections coming from the subject area development plan that includes the priority projects and programs. The incremental expenditure attributed to the priority projects and programs should be

somewhat less than this difference. In this analysis, a factor of 0.8 is assumed to be applied to convert this difference to that for the priority projects and programs, considering that most of the important ones were selected as priority. The result is shown in the second column from the right.

- A factor of 0.65 is then assumed to convert the incremental tourist expenditure attributed to the priority projects and programs into the net increment in value added. This assumption is based on the results of the socio-economic survey, in which one unit of the incremental final demand related to tourism is estimated to increase value added by somewhat higher than 0.7.¹
- All the benefits figures are in constant values, and price escalation is not considered.

The last column of the table provides the estimated contribution of the priority projects and programs to GDP, namely, the project benefits.

¹ Since tourism is not treated as a separate sector in the Lebanon's national account system, this estimate was made for sectors that include tourism-related services. For example, this factor was estimated at 0.66 for wholesale and retail trade that includes accommodation and restaurants, and 0.68 for transport and communication including travel agencies, air and related transport activities.

Table 6.2.1 Economic Benefits of Priority Projects and Programs

(Unit:'000 LL)

Year	Total tourist expenditure											
	"With" projects & programs						"Without" projects & programs					
	Domestic tourists		International tourists		Diaspora		Domestic tourists		International tourists		Diaspora	
	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors
2004	9,864	0	3,864	0	3,600	0	9,864	0	3,864	0	3,600	0
2005	10,368	0	4,056	0	3,780	0	10,368	0	4,056	0	3,780	0
2006	10,908	0	4,644	0	4,356	0	10,908	0	4,644	0	4,356	0
2007	50,589	420,310	11,133	159,314	10,142	145,137	11,460	0	5,100	0	4,788	0
2008	66,497	590,842	17,313	225,782	15,559	202,923	11,988	0	5,592	0	5,268	0
2009	71,039	649,922	18,190	237,068	16,346	213,066	12,672	0	6,132	0	5,796	0
2010	76,008	714,914	19,089	248,928	17,155	223,724	13,332	0	6,732	0	6,372	0
2011	81,494	786,405	20,033	261,375	18,010	234,908	14,028	0	7,392	0	7,020	0
2012	87,520	865,053	21,045	274,438	18,909	246,654	14,748	0	8,112	0	7,716	0
2013	94,153	951,558	23,159	301,881	20,798	271,321	16,224	0	8,916	0	8,484	0

Table 6.2.1 Economic Benefits of Priority Projects and Programs (continues)

(Unit:'000 LL)

Year	Incremental tourist expenditure						Total	Increment attributed to priority projects	Contribution to GDP (B ¹)
	Domestic tourists		International tourists		Diaspora				
	Overnight visitors	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Day visitors			
2004	0	0	0	0	0	0	0	0	
2005	0	0	0	0	0	0	0	0	
2006	0	0	0	0	0	0	0	0	
2007	39,129	420,310	6,033	159,314	5,354	145,137	775,277	620,222	434,155
2008	54,509	590,842	11,721	225,782	10,291	202,923	1,096,069	876,855	613,799
2009	58,367	649,922	12,058	237,068	10,550	213,066	1,181,031	944,825	661,377
2010	62,676	714,914	12,357	248,928	10,783	223,724	1,273,383	1,018,706	713,094
2011	67,466	786,405	12,641	261,375	10,990	234,908	1,373,785	1,099,028	769,320
2012	72,772	865,053	12,933	274,438	11,193	246,654	1,483,044	1,186,435	830,504
2013	77,929	951,558	14,243	301,881	12,314	271,321	1,629,244	1,303,395	912,377

Source: JICA Study Team

(3) Contribution to the Generation of Employment Opportunities

Contribution of the priority projects and programs to the generation of employment opportunity is estimated as shown in Table 6.2.2. Including jobs creation by construction works, the total number of jobs to be generated is 130 for the Niha project, of which 74 are permanent, and 134 for the Aanjar project, of which 72 are permanent.

Table 6.2.2 Generation of Employment Opportunity

BK-6 Niha Eco Village and Site Management Project

Kind of Occupation	Number of Employment Opportunity	
	Permanent	Temporary
Ecolodge Shop/Crafters/Other Local Prod.	30	
Ecolodge Film Festival		3
Institution Training (handicrafts/other)	1	3
Renewable System Instl./Maintenance	1	3
Rose and Harvest/Eco Festival/Special Events Coordinator	1	
Arak Production	3	
Web Site Developer and Manager	1	
Ecolodge Manager	1	
Ecolodge Chef	1	
Ecolodge Pastry	2	
Ecolodge Wait Staff	2	
Ecolodge PR Sales Director	2	
Ecolodge Environment Director	1	
Ecolodge Shop Manager	1	
Ecolodge Internet Coordinator/Secretary	1	
Donor Project Drivers	1	
Site Guides/Site Interpreters	2	
Site Manager/Admin. Officer	1	
Site Secretary (Admin support)	1	
Site VC Ticketing	2	
Site Maintenance Chief and Staff	3	
Total	58	9

BK-7 Aanjar Site Management and Village Tourism Project

Kind of Occupation	Number of Employment Opportunity	
	Permanent	Temporary
Gold Jewelers	36	
Water Mill Sales Staff	2	
Jewelry Festival/Special Events Coordination	2	
VC/Gold Souk Director	1	
Web Site Developer and Manager	1	
Institutional Trainers (handicrafts)		3
Horse and Buggy Drivers	2	
Donor Project Drivers	1	
Site Guides/Site Interpreters	2	
Site Manager/Admin. Officer	1	
Site Secretary (admin support)	1	
Site VC Ticketing	2	
Site Maintenance Chief and Staff	3	
Site Cultural Res./Conservator/Monitoring	1	
Site Education/Media Specialist	1	
Village Maintenance	1	
Total	57	3

Source: JICA Study Team

The current data on the number of the unemployed in Lebanon do not give separate data for Niha and Aanjar. Thus, following the estimation from the number of the unemployed in Baalbek of the “UNDP’s Mapping of Social Condition in Lebanon”, and the “Human Characteristics and the Social and Economic Situation”, the labor force is estimated to be approximately 170,000 and the unemployment rate is 8.5%, about 14,000 workers. Contribution of employment generation by priority projects in the Bekaa area is 127 jobs.

6.2.3 Economic Costs

The initial cost and the operation and maintenance cost for the priority projects and programs that were estimated earlier are used for the economic evaluation under the following assumptions.

Assumptions:

- All the costs are in constant values, and price escalation is not considered.
- All the costs are to be incurred according to the schedule estimated earlier.
- In order to convert the financial cost to the economic cost, a factor of 0.8 was adopted primarily considering taxes that are an internal transfer, not the real cost to the national economy.
- Cost of roads and sewerage treatment plants are excluded from the economic evaluation.

6.2.4 Economic Return

With the economic benefits and costs estimated above, the priority projects and programs as a whole were evaluated using the economic internal rate of return (EIRR), a standard measure for project's economic impact. Table 6.2.3 presents the results of the estimation.

EIRR was calculated to be 22 % for these projects and programs. Although the result is indicative in nature, this calculation exceeds the economic opportunity cost of capital that is often assumed at 15 %, and is high enough for justifying the investment in them from the national economic point of view.

Table 6.2.3 Economic Internal Rate of Return for Priority Projects and Programs

(Unit:'000 LL)

Year	Economic Benefit (B ¹) (1)	Economic Cost (C ¹)		Net Benefit (1)-(2)-(3)
		Facilities, etc (2)	Operation & Maintenance, Programs (3)	
2004	0		64,770	-64,770
2005	0		60,480	-60,480
2006	0	345,780	78,675	-424,455
2007	180,923	532,200	96,705	-447,982
2008	414,717		119,054	295,663
2009	446,878		111,678	335,200
2010	483,419		109,123	374,296
2011	523,266		114,990	408,275
2012	566,899		100,482	466,418
2013	621,486		99,798	521,688

EIRR = 22 %

Note: Cost for facilities, etc ((2) above) includes initial investment cost. Cost for operation and maintenance, and programs includes for operation, maintenance cost of facilities and marketing, human resource development and institution development. Infrastructure costs, road and sewerage treatment plant, and benefits generated from the infrastructure are excluded from the above economic evaluation.

Source: JICA Study Team

6.2.5 Sensitivity Analysis

In view of the inevitable uncertainty concerning the precise values of key variables in the economic evaluation, sensitivity analysis was undertaken.

Table 6.2.4 shows sensitivity of EIRR with respect to the change in the initial cost (investment cost) and in the benefit, and the combination of theirs.

Table 6.2.4 Sensitivity of Economic Internal Rate of Return (EIRR)

Case	EIRR
Base Case	22 %
(1) Initial Cost: 10% up (C ¹)	20 %
(2) Benefits: 10% down (B ¹)	18 %
(3) Combination of (1) & (2)	16 %

Source: JICA Study Team

6.3 Preliminary Financial Assessment

Two major projects proposed as priority are the “Niha Eco Village and Site Management Project” and “Aanjar Site Management and Village Tourism Project”, both involving development of revenue generating facilities: recreational facilities for the “Niha Eco Village and Site Management Project”; and visitors center, shops, etc. for the “Aanjar Site Management and Village Tourism Project”.

Other works, excluding the above mentioned revenue generating facilities, would be needed for both projects including site preparation and infrastructure, and it is highly recommended that the projects be undertaken jointly by the public and private sectors for their successful implementation. In order to attract private investors, it is necessary that the private operators be ensured a reasonable level of financial return.

Tables 6.3.1 and 6.3.2 summarize a preliminary assessment of the operating performance of these projects. While the result is preliminary and indicative in nature, estimation was made to see if these projects could be a commercial activity attractive enough for a private entity. Note that inflation is not considered in the analysis, and thus the ROI estimated is in real terms. Cash flows for this preliminary assessment are provided in Annex 6.3.

The “Niha Eco Village and Site Management Project (BK6)” should be implemented by the public-private partnership as it involves relatively large infrastructure costs for roads, trails, water supply, and sewerage. The private investor could bear the costs of the ecolodge with the tent site and part of the infrastructure costs. The latter is taken to be 10% of the costs for water supply and sewerage. Thus the total investment cost to be borne by the private investor is US\$ 443,264.

As Niha is not a major tourist destination, it would take longer for project revenues to build up with increasing number of visitors. Therefore, a period of 15 years is taken for the financial evaluation. Under these conditions, the return on investment is calculated to be 3.7%, indicating modest profitability.

To improve the profitability, the initial investment cost may be decreased by reducing the size of the ecolodge from 12 rooms, and increasing the tents to maintain the same capacity. The cost of the ecolodge would be reduced from US\$220,000 to US\$145,000, and the tent cost would increase by US\$1,000. Also, the municipality may waive the infrastructure costs to be charged to the private investors. Consequently, the total investment cost to be borne by the private sector becomes US\$ 300,500. Under these conditions, the return on investment is calculated to be 10.1%.

If all the accommodations are to be provided in the form of tents, the investment would be reduced significantly to US\$107,500. Without the infrastructure costs, this investment would yield the ROI at 26.8%. This is an extreme case, and a most realistic case may be found between this and the previous case.

In view of the potentially profitable operation with the ROI up to 26.8%, depending on the reduction of the investment costs, and also of the sizable employment generation, the municipality should provide some incentives to attract the private investors. One way, as examined above, is to waive the infrastructure costs. Another way is to exempt local taxes especially during the initial period of the ecolodge operations as the period required for revenue build up is long for this project.

It is estimated that financial return on investment from “Aanjar Site Management and Village Tourism Project” (BK-7) is high enough for private investors even if all costs are to be borne by the private sector.

**Table 6.3.1 Indicative Result: Return on Investment (ROI)
for “Niha Eco Village and Site Management Project” (BK-6)**

Case	ROI
(1) Costs of ecolodge with the tent site, and 10% for the costs for water supply and sewage	3.7%
(2) Reduction of ecolodge capacity to eight rooms, and increased tent capacity (14 units)	10.1%
(3) All the accommodations by tents (22 units)	26.8%

Note: ROI is in real terms, assuming no inflation.

Source: JICA Study Team

**Table 6.3.2 Indicative Result: Return on Investment (ROI)
for “Aanjar Site Management and Village Tourism Project” (BK-7)**

Case	ROI
All cost included (incl. planning & design, site preparation, infrastructure, facilities, etc)	36.2%

Source: JICA Study Team

