

Chapter 9 Bcharre Tourism Development Council Strengthening (B6)

9.1 Project Brief

The program represents capacity-building enabling this council to more effectively promote all of the attractions in the Bcharre qaza in both Lebanese and foreign markets to expand tourism into the area. Equally important, it will create an improved capacity in the council leadership to strengthen the key functions for the organization enabling it to expand its membership, activities, finances and its influence. The Council will then be in a better position to work effectively with municipal and qaza level officials to create support and momentum in favor of the other projects of the master plan such as the Qadisha Cedars Management Plan and the Crown Villages Destination Project, for the benefit of all the communities in the qaza.

The Master Plan proposes that the BTDC join with the municipalities to set up the *Bcharre Tourism Action Council* to serve as the main promoter and implementing agency of the program.

1. Project Title	B6- Bcharre Tourism Development Council (BTDC) Strengthening
2. Objectives	(1)To strengthen BTDC as the main promotional body for Bcharre Qaza and strong industry lobbyist for the master plan proposals; (through the Tourism Action Council) (2)To expand participation in its activities to include all the municipalities and a range of local businesses; (3)To develop a network for tourism promotion with various tour operators and related organizations, and develop support materials; (4)To create new events and activities to enrich the contents of tourism experience and draw more visitors; (5)To create a corps of tour guides especially trained for Bcharre's attractions.
3. Project Components	-Training of BTDC members in new capacities making the council more effective and economically viable -Development of a range of new promotional materials and activities like Internet, trade shows, Diaspora outreach -Creation of distinctive new events, entertainments and programs -special guide training modules at local universities
4. Location	Bcharre Qaza
5. Implementing Organizations	BTDC, assistance from Ministry of Tourism's <i>Project Implementation Unit</i>
6. Main Beneficiaries	Local tourism businesses, cottage industries, youth [tour guides]
7. Possible Donor Support	Technical cooperation for training, rural enterprise, partnership development, market opening initiatives. USAID (Private public partnership training) EU(capacity building) Italian Aid Agency(capacity building) JICA(Grassroots grant)

8. Project Cost Estimation	<table border="1"> <tr> <td data-bbox="451 226 1173 264">BTDC Capacity Building, Training</td> <td data-bbox="1173 226 1388 264">\$ 182,000</td> </tr> <tr> <td data-bbox="451 264 1173 302">Tour Guide training</td> <td data-bbox="1173 264 1388 302">\$ 14,000</td> </tr> <tr> <td data-bbox="451 302 1173 331">Total</td> <td data-bbox="1173 302 1388 331">196,000</td> </tr> </table>	BTDC Capacity Building, Training	\$ 182,000	Tour Guide training	\$ 14,000	Total	196,000
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Tour Guide training	\$ 14,000						
Total	196,000						
9. Implementation Schedule	2004-2005: funding search, programming 2005-2006: execution of all training components						
10. Project Description							
Activities	<p>A. Training Related:</p> <p>Four sets of seminars are proposed for the benefit of BTDC officers and members, municipal council members, business persons, to be conducted during 2005. These will be very practically oriented, scheduled over 3-day weekends, with the participation of relevant industry associations such as the tourism association and hotel owners group. Foreign instructors fully familiar with best practices in these specific areas will conduct these seminars and feature case studies from international destinations. In addition a guide training module especially designed for Bcharre's attractions is proposed at two local universities [in Tripoli and Beirut] for 2005-6.</p> <p><u>Seminars to be offered - 2005:</u></p> <ol style="list-style-type: none"> 1. <i>Association management</i> [4 sessions]: core capacity building for BTDC officers and members, and tourism officers from the municipal councils in the Qaza. <ol style="list-style-type: none"> a. Key functions: operating plans, membership, community relations, program management, funding, partnership building. b. Grant writing & program development: to assist crafts, B&B operators, municipalities to secure grants for new programs. c. New product development: to promote innovative products like B&B, soft adventure, retirement travel. d. Diaspora relations: to create more business partnerships, sister-city relationships. 2. <i>Marketing & promotion</i> including PR, advertising, specialty markets development [cultural, religious, ski, meetings/conferences, sports]; for BTDC members, other tourism business owners, chamber of commerce officers. 3. <i>Destination management</i>: How BTDC can encourage collaboration with the Qaza, federation of municipalities and with the municipalities for joint initiatives and infrastructure projects. 4. <i>Events creation & management</i>: BTDC will work with local interests to improve all kinds of events. Target trainees same as for marketing & promotion. 5. <i>Internet promotion</i>: BTDC's website will serve as a marketing platform and international outreach vehicle. Officers of any local chamber of commerce or business council will participate, as well as enterprise owners. <p><u>Tour guide training Module 2005-6:</u></p> <p>A corps of guides will be trained in the specifics of all the attractions in Bcharre Qaza in at least two languages in optional modules to be offered at Tripoli and Beirut universities during 2005-6. This is to be offered as an option in addition to the standard guide training programs.</p>						

B. Promotion Related - 2005:

The related costs for the seminars [excluding the local partner cost] of \$30,000 cover standard promotional expenses of membership fees, printed materials production, software and hardware for desktop publishing and imagery, and website development costs. The seminars will create permanent capacities to use these resources to maximum advantage for years to come. The Council can accomplish logo design, undertake branding, and plan for a responsive visitor information system in the villages more capably with this knowledge and equipment. In the seminars participants will explore key themes and develop solutions for the travel and leisure products that Bcharre will promote.

In General:

-BTDC will play a pivotal role in broadening Bcharre's "products" and in promoting the designation. It also will play a role in getting this master plan funded and implemented.

-*Creation of new events, entertainment and programs:* The cultural calendar of the Qaza can be filled with festival weekends and ceremonies, drawing large numbers of people, and BTDC can assist municipalities in improving such events, improving their logistics, and in creating new ones particularly outside of the summer months. Coordination with MOT is essential.

-*Pilgrim market:* BTDC will designate an officer to promote pilgrimage tourism, to assist Lebanese tour operators in tapping this special market and routing it to Bcharre. He/she can develop prototype tour programs, promote Bcharre's rich religious calendar and design a strategy to promote the highly symbolic Qadisha Valley in selected foreign markets.

-*Development of Promotional Media:* At minimal cost BTDC can establish a website firstly to display information to target markets. Secondly the website is to steer the traveling public to the specific tour operators, selling trips to Bcharre (per hotlines, co sponsorship of booking pages).

-*Website multifunctionality:* A good linkage with the MOT'S website will be essential. BTDC will then be able to send out monthly e-bulletins to a global e-mailing list of tour operators in the relevant specialties (nature, ski, pilgrimages, cultural travel, etc.) The website can be used also as the means for Diaspora investment out-reach to tap their capital and know how for B&B, restaurant and other types of business development in Bcharre.

-*Essential visitor information:* Where BTDC identifies serious information gaps for target visitors groups, it can print essential materials such as a trekking and hiking trail map for targeted distribution to specified visitor groups. Other opportunities include brochures, in different languages, for the scenic heritage walks, and for the proposed museums and visitors centers.

-*Product innovations:* BTDC can also encourage investors to establish new activities such as:

- A hi-tech aerial spectacle held in the heavens above the valley using laser or some other advanced imagery technology.
- Hot-air balloon ascensions over the valley and nearby mountains for sightseers;
- Re-enactments of historic events of a cultural or religious nature featuring local actors and youths;
- Family-oriented street entertainment at festivals such as jugglers, poets, acrobats and the like, and
- Traveling exhibitions to foreign museums, tourism at fairs and cultural

	centers on themes related to the Cedars of Lebanon or to the Qadisha Valley.
Expected Results	<p>In relation to training:</p> <ul style="list-style-type: none"> • All officers of BTDC trained in at least 2 subject areas [seminars] • All members [21 currently] trained in at least 1 subject area • At least two municipal council members from each municipality trained in at least 1 subject area • 20-30 Bcharre business owners trained • 40 tour guides successfully trained <p>Results of a general nature:</p> <ul style="list-style-type: none"> -higher number of memberships of hotels, restaurants in international associations, professional association and societies -increased internet presence of industries selling travel to Bcharre -strengthened BTDC conducting proactive marketing through links with various tour operators, related organizations and Diaspora societies. -Enriched tourism experiences in the villages with a calendar full of colorful and lively events and entertainment.
Staffing and Management	BTDC officer serving as Program Director, Secretary
Training	Training at BTDC is the main component of this proposal.

9.2 Implementing and Operating Organizations

This program of institutional strengthening is designed firstly to sharpen the BTDC's capacities as a skillful destination manager to market and promote Bcharre internationally as a cultural destination to the different types of visitors. It will also prepare the BTDC to develop initiatives for new products and innovations, and spur private investment into activities supporting the destination and creating jobs. These are typical, core functions of any tourism business group.

However, in addition, the Master Plan recommends the creation of the Bcharre Tourism Action Council with representatives of both the BTDC and the concerned municipalities to act as public-private facilitator for all of the Master Plan's projects and programs [see introduction for Part II]. This council will provide needed local support on the ground for the PIU and will work efficiently and authoritatively with the municipalities and community stakeholders in a vital role as facilitator. As a facilitator, this body in no way replaces the municipalities or reduces their current authority. This program for BTDC strengthening would best be undertaken before full operation of the PIU or launch of any of the other projects in Bcharre since it build its capacities for better performance and stewardship. MOT is encouraged to seek funding for this program as soon as possible as one of the Master Plan's launch activities.

9.3 Scheduling and Financing

Because of the nature of this proposal to develop capacities for private enterprises and also for local level officials, the program may be adopted in 2005 by an existing training

program of an international donor operating in Lebanon. Any components of the program could start in 2004 or 2005 and be completed within a year. The tour guide training is designed to extend over two years, 2005 and 2006.

Chapter 10 Cedars Skiing Area Development

10.1 Introduction

The Cedars ski area is 125 kilometers or approximately a three hour drive from Beirut. It is the most distant ski area from the capital, as the others are all 42-65 km, but it is also the most scenic with the highest peaks, the best and longest snow base, strong opportunity to develop additional slopes, and the most unique historic identity adjacent to the Cedars of the Lord.

Skiing first began in Lebanon in 1923, according to the web site of Federation Libanaise de Ski, a ski industry membership association. In 1934, Le Club Libanais and Le Grand Cedre Hotel were established. One year later in 1935, the French Army established the Army's ski school in the Cedars, which still exists today. The school teaches skiing to Army staff, not to private skiers. The Army located the school at the foot of Lebanon's highest mountain, Qornet El Saouda, as the area receives excellent annual powder.

According to "The Potentials for Development of the Lebanese Mountain," a study conducted by the French Agency for Touristic Engineering in 1999, the skiing clubs of the Cedars, Faraya, and Laqlouq established the Lebanese Skiing Federation in 1942. There are now 27 registered ski clubs, and six of which are in the Cedars/Bcharre/Hasroun region. In 1951, the Cedars received its first "high speed" chair lifts, constructed by an Italian company, Galvaro-Savin de Turin. In 1959, a second lift was installed by a Swiss company, Groupe Suisse Baco. Both are still used but quite obsolete.

The Cedars ski area is managed by a concessionaire, the Cedars Teleski Company (STC), which started the concession in 1959. According to the owner, Jean Kairouz, the company is trying to renegotiate their agreement with government agencies but authorizations are slowing the procedure. STC does not wish to invest in improvements to the facility until the negotiations are successful. STC believes there is a market for doubling its land area, adding a lift and runs, and a full service resort. Currently at the base, there is a disorganized parking area with 300 or so spaces, and two access areas to the slopes – one for the Army and one for the public. The area is about 150 hectares at an altitude of 1980 to 2700 m with five marked slopes, a good western orientation, five chair lifts and three ski tows. The capacity is 1600 skiers, and 70% ski on weekends. There are two snow grooming machines, no snow-making machines, and the ski season runs from 115 to 133 days. The Red Cross is in charge of safety through its relationship with the Army's ski school.

Of total annual visitors, 60% visit during the winter and 40% visit during the summer.

Of the winter visitors, approximately 68% are skiers and 32% are non-skiers who enjoy either other snow related activities, such as skidoos, alpine skiing, and mountain hiking, or simply relaxing and dining in the beautiful countryside. These statistics support the need for better developed, pedestrian oriented village activities. The majority of the visitors are Lebanese, but Arab and European visitors are increasing.

In terms of accommodations, there is one hotel at the base of the Cedars slopes, and 10 others in the Cedars ski village with a total of 247 rooms. All are 3 star at best. In addition, 85 chalets (two, three and four bedrooms) and three bungalows are for rent. Hotel St. Peter's, a 3 star hotel with 25 rooms, has its own private baby ski slope off its terrace to an area near the Cedars forest reserve (which may fall within the proposed buffer zone). Because of a lack of competition in high season, the St. Peter's charges \$100 per night for a double, 3 star room. The Hotel St. Bernard charges \$150 night, the L'auberge des Cedres \$145 night/\$205 for its bungalows, the Chalet Grande Ourse \$330/night for 3 bedrooms, the Chalet Tony Arida \$200/night for its three bedrooms, and the Chalet Hanna Elia \$250 for 3 bedrooms.

The village has some retail shops for ski, snowboard, and skidoo or snowmobile rental (\$5-\$12 per day). Apart from the Army ski school, there are four to six private ski schools, all rather chaotically developed and none of an international standard.

In addition to the Cedars, Lebanon is home to a growing ski industry that includes five other areas: Faraya, Faqra, Zaarour, Laqlouq, and Qanat Bakiche. All six ski areas are part of the Mount Lebanon mountain range. Faqra is a private ski village located a few kilometers from Faraya, and there is an informal, 3 km long nordic ski trail that connects the two areas. Although small, Faqra was developed by the Audi family/Solipro under a master plan with contemporary design guidelines including an attractive array of concrete and glass buildings and a nice lodge called L'Auberge de Faqra. It is the most well organized of Lebanon's ski areas in terms of urban and land use planning.

Although Faraya village ski area itself is not an international standard ski area, the Intercontinental Hotel's Faraya-Mzaar resort offers medium international standard skiing, and its small, defined area has a well developed identity with attractive stone chalets. It is well organized and offers competitive skiing with 18 slopes and fast lifts. Its indoor facilities include 131 rooms, two restaurants, conference/wedding facilities, a kids fun center, a cinema, bowling, and a pool/spa/fitness center, and indoor mall-like shopping that attracts both skiers and non-skiers. It has four levels of underground parking. The resort offers off-season mountain biking, hiking, horseback riding, caving, tennis, and festivals (August 14, Virgin Mary). The ski resort's market is about 90% Lebanese and 10% Arab (7% Gulf), European, and Cypriot tourists. The resort is about a two

hour drive from Beirut and, other than Zaarour, it is the closest to Beirut (46 km). For its guests, it offers a free shuttle from the Intercontinental Phoenician in Beirut to the Intercontinental Mzaar in Faraya, once a day departing and arriving in both directions.

However, Mzaar is not designed as a pedestrian ski village, and it is at the end of a small road which creates traffic management problems. Outside Mzaar within the greater town of Faraya there are many problems that a new Cedars Ski Village would want to avoid: lack of a transportation management strategy and disorganized parking lots with numerous cars parked alongside the road for informal snow activities (luge), no design guidelines and architecture exhibiting little sense of place, and numerous large billboards intruding on the natural landscape. There are problems between the resort and the municipality, and the municipality's trash collection and other services appear to be limited, as numerous bags of garbage were piled along the road. There is little pedestrian access, and development is allowed on the slopes.

MOT is interested in the development of ski tourism, including linking existing resorts, a feasibility study of the cost/benefits of snow production to expand the ski season, the development of ski resort activities throughout the year, and promotion of Lebanon's unique position as one of the few countries in the region featuring ski resorts. MOT's objectives include a sustainable development plan for the Cedars, perhaps including renovation of the lifts through a Build, Operate, Transfer (BOT) process.

During 1995-1999, MOT worked with the French to produce a study called, "The Potentials for Development of the Lebanese Mountain," which was accomplished through two missions (1995 and 1999). The study estimated that the Cedars could double its capacity and that a site at Ehden, one of the crown villages above the Qadisha Valley, should also be explored. (There are now plans to develop the Ehden ski area.) Together their capacity was estimated at 15,000 skiers. The study estimated the following capacities for the various ski areas: Laqlouq - 4000 skiers; Faraya - 15,000 skiers; Zaarour doubled capacity (# not indicated) and develop towards Sannine (which might be the area of the recently announced, Saudi financed ski resort development on 100,000 square meters of land). The French study also mentions that there is potential for skiing at Barouk Mountain and Cheikh Mountain.

The French study noted that the 1995 master plan for the reconstruction and tourist development of Lebanon estimated a potential market of 30,000 local skiers and 20,000 regional skiers from the Gulf countries. It is assumed that this number has grown in the past nine years due to increased local and regional demand, perhaps to more than 60,000 annual skiers. According to the French study, the following activities should occur at the Cedars to raise its standards as a ski resort:

- creation of a master and management plan;

- upgrading of the lifts, i.e., faster and separated to serve different ski fields (by levels of ability);
- further study of the creation of two independent ski areas to increase profitability, which could be operated by two different investors;
- development of additional slopes (up to 1000 hectares); and
- development of higher quality lodging.

The JICA Study Team supports these recommendations, and has taken them one step further. The vision is to encourage the above within a pedestrian oriented ski village, a year-round resort community, built within strict design guidelines to harmonize with the natural landscape. Such a strategy would offer investors consolidated, vacant land (owned by the Banque de Liban) with infrastructure. The village would be master planned to include a variety of skier and non-skier activities including a mix of lodging types, sidewalk cafes, ski shops, art and handicraft galleries, a paragliding office, a bike rental shop, and other private retail businesses to provide year-round employment for residents of the Bcharre qaza and the Cedars Village.

In addition, the JICA Study recommends that the existing Cedars Village be renovated under design guidelines to provide additional, affordable lodging, housing for ski area employees, and other facilities, including historic preservation and adaptive reuse of the French Mandate period structures, and that the facilities at the base of the slopes be re-organized, to include limited construction, i.e., organized shuttle drop-off and parking, a ski school, lift ticketing area, and cafes with outdoor terraces. A transportation management system is recommended to link the various activity nodes of the Cedars ski area by shuttle bus and pedestrian trails.

To compete, the Cedars needs to meet a minimum size requirement and feature either guaranteed snow or snow-making equipment, attractive slopes and sufficient runs and lifts, and strong visitor attractions or amenities. For purposes of this limited in-depth analysis, the JICA Study Team will use existing information and data to do the following:

- a.) illustrate how the Cedars competes both nationally and internationally, and
- b.) make recommendations to transform vacant land owned by Banque de Liban into an international standard mid-range resort, the Cedars Ski Village, a pedestrian oriented village development.

The JICA Study Team has analyzed ski areas in the US (Colorado and Idaho), Europe (France), Turkey, Cyprus and Japan to better illustrate where Lebanon fits into the ski industry. It is clear that there is potential to improve Lebanon's ski resorts, and Lebanese ski resorts are regionally competitive. However, the degree to which they will be improved should depend upon the completion of a cost/benefit analysis.

Future feasibility and development will be influenced by three basic factors:

1. the ability of the Government to organize a feasibility study and to provide infrastructure;
2. Lebanese skiers' ability to afford recreational products such as skiing, and
3. the private sector's success in creating appropriate facilities and promotional packages.

10.2 Lebanon's Ski Resorts v. International and Regional Standard Resorts

Comparisons between Lebanon's ski resorts and international and regional standard resorts are summarized in Table 10.2.1. As seen from the table the ski resorts in Lebanon compare well with those in the advanced countries (Europe, North America and Japan) with respect to natural conditions, and are comparable with those in the region (Cyprus and Turkey) in terms of physical facilities. This implies that the cedars ski area, if properly developed, can compete well in the regional market, while representing a different market segment from the international resorts.

10.3 Strengths, Weaknesses, Opportunities, Threats (SWOT) of the Cedars Ski Area

Strengths

- Best snowfall in Lebanon allowing up to 133 days of skiing (115-133) ;
- Opportunity for snow farming, a grooming method that stockpiles snow and stores it for later uses such as filling in high-wear areas;
- Sufficient slopes for all ski levels and the highest altitude of any of the areas at 2700 m, comparable to Rocky Mountain resorts;
- Snow grooming (machine that produces smooth, well packed surface);
- Good topography;
- Historic Cedars identity, which the Cedars Ski Village could adapt as part of its branding;
- Large undeveloped land area and development potential, as the proposed location has been consolidated under Banque de Liban's ownership;
- Limited competition from Faraya-Mzaar, a less nature oriented target market; Cedars could be more nature oriented and medium priced (currently full day weekend adult tickets at The Cedars are 35,000 LL or \$23, comparable to the other ski areas, whereas Faraya-Mzaar is nearly twice as expensive at 67,500 LL or \$45)
- Reasonably priced – comparable to Cyprus and Turkey's resorts and low priced compared with European resorts;
- Well located in a rural landscape for those who want to get away for a weekend to a quiet mountain environment; and
- Opportunity to develop a strong middle-income ski base in Lebanon (repetitive rather than novelty skiers), for whom Faraya-Mzaar might be expensive for

extended visits.

Photo 10.2.1
Present Condition of Faraya Mzaar



Photo 10.2.2
Present Condition of Cedar Ski Area



Table 10.2.1 Chart of Comparisons – Lebanon and Other Ski Resorts Around the World

SKI RESORT	Lift Altitude (meters)	Number of Lifts	Activities	Area/# of slopes/#trails	Daily Fee	Days per Season	Snow making	Apres Ski
Cedars	1980-2700	5 chair lifts (obsolete) 3 ski tows	Informal, cross-country, luge, skidoo	150 hectares 5 slopes	\$17-24	133	No	Hotels (11 3 star, 88 chalets/bungalows) dining(11), shops (6)
Faqra	1735-1980	2 chair lifts 2 ski tows	Informal, cross-country, luge, skidoo	50 hectares 4 slopes	\$12-20	96	No	Hotels (one 4star), dining (6), shops (7)
Zaarour	1700-2050	2 chair lifts 5 ski tows	Informal luge	50 hectares 7 slopes	\$16-27	97	No	No hotels, dining (8), shops (3)
Laqlouq	1750-2000	3 chair lifts 6 ski tows	Informal luge	50 hectares 9 slopes	\$10-20	107	No	Hotels (4), (dining (8), shops (3)
Qanat Bakich	1910-2050	2 chair lifts 1 ski tow	Informal luge	50 hectares 3 slopes	\$10-18	97	No	No hotel, dining (2), shops (1)
Faraya Including Mzaar	1850-2465	13 chair lifts 5 ski tows	Informal, cross-country, luge, skidoo, ski school, pool, fitness center	250 hectares 18 slopes	\$25-45	96	No	Shopping mall (13 shops), Chalets (54), Hotels (8), many restaurants, clubs, shops in village
Avoriaz France	1250	42 lifts	Cross country, 40 km course, Pool, squash, Fitness center, Cinema	20 slopes	Unknown	Unknown	Yes	Car-free pedestrian village w/design controls. Shops (100), restaurants (30), hotel/condos
Zermat Switzerland	2200	19 lifts 14 cabin	Cross country, Skating rink	20 slopes	Unknown	Unknown	Yes	Many shops, Restaurants (140) Hotels (100), Apartments (3000)
Troodos Cyprus	1074-1951	4 lifts	Cross country, snow boardings	4 slopes	\$19-25	Unknown	No	Hotels (2 near slopes/22 surrounding villages), Dining/Shops (limited)
Happo Japan	1090	31 lifts 1 cabin	Tennis, Heli skiing	13 slopes	\$23-46	Unknown	Yes	Many hotels, shops, pensions, dining
Breckenridge CO	2926-3962	27	Cross country, , School Snow shoe, Ice skating	2208 acres	\$33-67	150	Yes	Pedestrian village – numerous lodging, shops, dining, cultural facilities
Uludag National Park, Turkey	1750-2547	8 lifts, 7 t-bars	Cross country, Heliskiing, Mountaineering, Ski school	13 runs	Unknown	120	No	Hotel (27), numerous restaurants, health center, some shopping

Source: JICA Study Team

Weaknesses

- Lack of land use planning and existing unattractive development at the nearby Cedars Village, which should be renovated and integrated into the overall community master planning;
- Lack of organized management with three entities sharing responsibilities: an Army presence (checkpoints and ski school), MOT, and private company (Societe Teleskis des Cedres/STC or Cedars Teleski Company, Jean Kairouz) ;
- Lack of ground transportation from Beirut (limited to informal system and minibus through a paragliding company or a free shuttle for hotel guests at Faraya -Mzaar)
- Red Cross safety mechanism being weak and related to the Army school; it should address the avalanche potential near the chairlifts;
- Absence of a professional ski school although there is limited training at \$12 per hour;
- Lack of health spa facilities;
- Greater distance to Beirut than other ski areas (2.5- 3 hours), discouraging day skiers ;
- Deficient ski area product: lack of good accommodations, dining, cultural activities, and slow ski lifts – no high speed quads, all of which is less functional than in Faraya-Mzaar;
- Air infrastructure non-existent, i.e., small planes from Beirut could be particularly important for international skiers; there are on-going discussions negotiating helicopter access;
- Lack of data for marketing and enticing investors;
- No snow making equipment to extend season or to enhance the snow base – reliant on the weather which increases the investment risk factor, although snow making might be unnecessary;
- Absence of industry human resource development;
- Difficult access to investment capital and financing;
- MEA seen as expensive airline, although Beirut is also serviced by a number of other airlines with flights to the Gulf, Europe, and within the region, i.e., there is a lack of discount airline routes into Lebanon (e.g., Ryan), although MENA Jet, a low-cost Lebanese airline, is supposed to begin service from Belgium and Paris in April and Arabia jet flights from Sharjeh, UAE, to Beirut at a very low price; and
- Part of target market, particularly regional and Gulf being novelty rather than committed skiers, and therefore their business is not necessarily repetitive.

Opportunities

- Expanding markets, particularly when the region stabilizes;
- Room for improvement of ski area planning and design;
- Installation of infrastructure (on site electricity by no existing sewer or water);
- Improved data collection ;

- Linkages to Faraya-Mzaar and Laqlouq through marketing, shuttle bus system, and cross country/skidoo trails to expand visitors' ski adventure and address different income markets;
- Linkages to Qadisha and its surrounding villages to expand visitor activities, particularly in the off-season, and to provide jobs for local people;
- Establishment of training relationships with the Faraya-Mzaar Rescue Team, Lebanese Red Cross and the Lebanese Ski School, particularly to attract longer-term Arab Gulf skiers in search of lessons;
- Establishment of a niche attraction similar to the National Ability Center in Colorado, which draws skiers with disabilities, to participate in activities often considered off limits to the handicapped; and
- Enhancement of Lebanon's image as a safe destination with family oriented skiing.

Threats

- Diminishing snowfall due to global warming; and
- Diminishing income and unemployment which would prohibit Lebanese and the region from affording recreational opportunities such as skiing.

10.4 International Standards for Village Design and Amenities

The design of a competitive ski resort at the Cedars should develop a range of alpine skiing opportunities with fast ski lifts and chairs, while protecting the quality of the dramatic landscape under the framework of a cohesive, attractive ski village. The plan should include a buffer zone to the Cedars of the Lord World Heritage site, both the existing "old" Cedars area and the newly planted area which is closer to the Cedars slopes.

Village development, including excellent lodging, dining, and shopping facilities, is often very important to skiers and non-skiers and their families, as they are seeking a wide range of day and night tourist experiences. This is particularly true to the Gulf Arab and European markets, which could prove to be large at the Cedars.

Experience in ski areas throughout the world indicates that sustainable tourism can best be achieved through improved planning and landscape preservation, infrastructure, public awareness campaigns, service training programs, and good facility and signage design standards. Therefore, it is recommended that the design of the Cedars Ski Village consider the following issues, which the drawings illustrate:

- pedestrian walking streets within a dense village context, linking lodging to shopping, dining (sidewalk cafes where people can see and be seen, either in winter under heat lamps or in off-season to enjoy the cooler weather), and cultural facilities;
- a vehicular route for a shuttle bus and other visitors, with a safe pedestrian pathway

along the road, that is kept as natural as possible, to provide a buffer zone for the newly planted Cedars area and a pleasant hiking experience;

- architectural guidelines that give the village a Lebanese identity and sense of place;
- a strong mix of accommodations to attract a diverse group of skiers and non-skiers;
- including hotel lodges, apartments, duplexes, and chalets, all not more than 3-4 stories tall; facilities should be located out of avalanche zones and at the bottom of, rather than on, the slopes to protect view-sheds;
- individual ownership opportunities to draw private sector investors and reduce the government's and the master plan developers' risks;
- numerous and well presented food and beverage services (international ratio being one restaurant seat to two beds) and attractive retail shopping, a key element of ski tourism;
- slopes that are designated by level of skiing difficulty (beginner or novice – yellow or green with 10-25% slope gradient; intermediate level – blue with 25-45% slope gradient; and advanced – black diamond with 45-80% slope gradient);
- a transportation management strategy to allow visitors to park their cars and leave them on arrival, taking a local shuttle from the existing Cedars Village and the new Cedars Ski Village to the slopes, or on to Laqlouq and Faraya, to facilitate extended visitor stays;
- human resource development, including property management;
- year-round activities, including mountain biking, paragliding, ballooning, music events, regional hiking and shopping tied to the Qadisha Valley, as regional attractions play an important role in the success of non-winter visitation; and
- health spa facilities.

10.5 Master Planning

To ensure that a new Cedars Ski Village reflects international best practices of today's ski industry, a feasibility study should be prepared. Prior to government or private sector investment, market studies should conclusively illustrate demand. Once demand and its characteristics and growth patterns are established, a master plan should be designed that considers the following objectives:

1. optimal use of the terrain, lifts, and facilities according to market demand,
2. a phased development that minimizes up-front costs to investors,
3. a well detailed, well thought out design that attracts both skiers and investors,
4. balanced development between the built and natural environment, and capacity requirements, and
5. a "smart" marketing package to attract financing and investment.

The master plan should include analysis of the following:

- compatibility with the nationally symbolic and religious character of the nearby Cedars Forest Reserve/World Heritage site, i.e., the proposed buffer zone will separate the different purposes of the forest and the ski village and give them

- separate, unique but compatible identities;
- environmental carrying capacity at build-out including assessment of existing resources and conditions;
- climatic review with regard to diminishing snow, global warming and water supply sufficient for tourism facilities and possibly snow-making;
- development costs including infrastructure, sewer and water capacity addressing surface and groundwater to meet annual requirements and recapture and reuse strategies;
- number of ski lifts and trails, as well as snow making machines;
- village plan with design standards including building architectural guidelines, landscaping, a “no billboards” policy, lighting, and signage, and optimal locations linking limited base facilities (remove existing hotel – ticketing, ski rental, ski school, café with outdoor terrace) to lifts and ticketing;
- summary of bed units;
- summary of base mountain facilities including ticket sales and visitor information, well maintained washrooms, snack bars, child or day care facility, clothing and equipment rentals and repair, ski school qualified by a National Ski Instructors Association, ski patrol/clinic, storage lockers for skiers’ shoes, and ski/snowboard lock-ups;
- safety measures under an Alpine Responsibility Code that dictates acceptable behavior on the slopes, and ski patrol which provides first aid and removal of hazards, trail marking including signage for avalanche hazard, supervision of skier activities, and rescue and evacuation of injured skiers similar to the Faraya-Mzaar Search and Rescue Team which works with the Lebanese Red Cross;
- ski runs of reasonable but not excessive width and slopes that meet demand (currently at the Cedars there are seven beginner slopes, three intermediate, and six advanced, and the drawings illustrate the potential for additional slopes in each category, zoned to separate skier abilities for both pleasure and safety);
- parking and transportation management strategy;
- recreational attractions and other amenities;
- ski schools including supervised children’s program; and
- management strategy.

Within the mix of accommodations at the resort, there should be investor owned private property that is available as either owner-occupied or rental units. Property management is responsible for promoting, renting, managing and maintaining of these non-hotel units. There would also be management and marketing by the principal developer(s) and operator of the ski facilities.

Phase 1 of the master plan should include not only downhill facilities, but also less expensive and easier to implement cross country trails. There is currently one that is

quite popular at Mzaar-Faraya and no official ones at the Cedars. This activity is a good way to introduce larger numbers of Lebanese to skiing, as it is affordable to a broad cross-section of the population, and it has low capital and operating costs. It is ideal for the Cedars topography, and it could link the area to the Qadisha Valley.

10.6 Environmental Protection

Internationally, it is recognized that protection of the environment is an obligation of the ski industry, as the industry depends on the landscape and its slopes for its existence. The feasibility study should define costs of protection, including

- water supply and treatment,
- wastewater (including analysis of treated effluent for re-use) and off-site solid waste disposal and recycling,
- erosion control measures, particularly in regard to ski run preparation,
- protection against negative visual impact and view-shed preservation,
- air quality,
- efficient low-energy systems,
- forest management, and
- wildlife protection.

To manage the impact on the view-sheds and create sustainable development, the width of runs should not exceed international standards; distance between runs should be encouraged; terrain, including parts of the slopes, should be re-vegetated; abandoned facilities should be removed unless they are worth preservation and reuse; building heights should be limited to 3-4 stories; tree cover should be maintained; and building colors should harmonize with the natural surroundings.

Blending environmental education with marketing, the Vail ski area in Colorado offers an environmental program for children called SKE-Cology, through which children explore designated mountain trails to learn about ecology.

10.7 Marketing the Cedars Ski Area

Existing marketing of the Cedars ski area is sparse. A Cyprus ski destination web site advertises Lebanon, as well as skiing in Lebanon is convenient and popular with Cypriots. LonelyPlanet.com, the internationally well regarded travel book company's web site, recently stated: "Lebanon is becoming increasingly popular as a winter sports destination." This type of international coverage, whether via travel books or web sites, is important to lure nearby Europeans and others to the Middle East to ski. The Lebanese ski resorts should be published in the International Herald Tribune's "Weekend Ski Report," which publishes slope conditions in Andorra, Austria, France, Germany, Italy, Norway, Sweden, Slovenia, and North America, as this could be an effective way to draw expatriates' attention, without paying for expensive advertising. Another site, "Go Ski the World," currently only lists Iran, Israel and Turkey in the Middle

East, and Lebanon should add its name to the site.

An interesting Lebanese web site called "SkiLeb.com," by Reine Abboud, allegedly has four million hits per month, and it includes activities at the Cedars such as late night winter treks and weekends at Auberge des Cedres (hotel in the Cedars).

In the short-term, marketing strategies should focus on the domestic market in order to build a strong base of local supporters or users. General marketing should be well thought out and meet international standards to draw visitors from outside Lebanon, as well as inside, and expenditures should target activities with the highest potential return. A promotional strategy should target weekend and longer-stay or mid-week visitors, as well as holiday skiers (both Christian and Moslem), and include information on accommodations, dining, shopping, culture, spa facilities, lifts, lessons ("learn to ski" packages to build local demand from an early age) and rentals, as well as children's and cultural special activities and events, e.g., Jazz on the Mount, Bekaa Vintners Wine Tasting or religious pilgrimage tourism to the Qadisha Valley, and off-season activities such as summer hiking, paragliding, horseback riding, and quad bicycles.

Skiing is a family activity, and North American ski resorts are offering different types of children's programs to entice parents, such as Holiday Camps, which include video analysis of skills, t-shirts, and a celebratory pizza party at the end of the camp. Some resorts have designed Adventure Zones, which are full of bumps, jumps, and tunnels. In addition to skiing, they offer children tubing, ice skating, and laser tag.

Early-on, a decision should be made as to the category of ski resort within which the Cedars falls, i.e., local ski area, regional destination resort, national destination resort, or international destination resort. Most snow resorts overlap these categories, but it is a good step to clarifying the resort's positioning within the market. The Cedars is probably not a local ski area, due to its distance from Beirut, but with limited investment it could be a regional destination serving skiers within one day travel time and offering good skiing with improved lifts and limited amenities for all levels of skiers.

Depending upon greater investment and development, there is enough land and opportunity for it to appeal to broad markets within the country, the region (Levant and Cyprus), Gulf countries, and European weekenders. An attractive and sensitively planned ski village with a mix of lodging, good infrastructure and transportation links to Laqlouq and Faraya, could be well developed in close proximity to the ski slopes. This would give the Cedars a much higher profile and draw local, regional, and international tourists, and it could compete with the resorts of Cyprus (Troodos), Turkey (Erzurum and Uladag), Iran (Dizan), and the secondary resorts of Europe (including Slovenia).

A marketing package to entice investors should include information on the above plus a

marketing plan, research data, priority or target markets, costs, and a media plan.

10.8 Implementation Structure

A successful and sustainable national ski industry requires a solid organizational structure to provide appropriate human resources, information/data, and services. National and regional ski associations are important to represent the industry and coordinate with the government, municipalities, and MOT. The Federation Libanaise de Ski has been organized for quite some time, and might require some institutional strengthening.

At the Cedars, well organized and cooperative government policies could be a major factor in the success of a well designed and integrated village development. MOT under the responsibility of the Department of Exploitation, and the Ministry of Defense/Army are already involved through ownership of one ski lift. Five other lifts are managed by the Hamid Keyrouz Company. The French study recommended that the Government of Lebanon should contract a financial and management agreement with a private entity to encourage investment in updated ski facilities.

Although public or community based management might better protect and involve communities/stakeholders and landscapes, corporate management has proven to be more professional and customer oriented and should be pursued at the Cedars.

10.9 Economic Problems Faced by the Ski Industry in a Competitive Market

The problem at ski slopes is how to generate sufficient revenue to cover costs. A new ski area requires a considerable investment, including land, slope preparation, infrastructure (water, sewer, and electricity), and fast ski lifts. Costs of ski area improvements can be quite high, as indicated in Table

Table 10.9.1 Costs of Ski Area Improvement

Item	Cost
Land ownership costs	(location specific)
Master plans -	\$100,000-\$300,000
Engineering for infrastructure	\$100,000 to \$300,000
Village infrastructure	\$500,000 - \$1 million
Village facilities	\$500,000 to \$1.5 million
Snow grooming machines	\$175,000 to \$275,000
Snowmaking equipment	\$500,000 to \$600,000
Terrain development	\$100,000
Run development	\$200,000
Chairlifts	\$1.5 - \$2.7 million

(Heilongjiang Provincial People's Government Ski Industry Sub Plan, World Tourism Organization, 2003)

As an example, since 1990 Deer Valley Resort in Utah, a first class ski area, has spent \$81 million on improvements, to include 30% coverage by snow-making equipment. The

resort is conveniently located 36 miles from Salt Lake City's airport, which is served by 772 daily flights. Deer Valley is linked to Park City, with its pedestrian downtown, and the Canyons by a free shuttle bus system. The area receives 350 inches of annual snow powder and high-tech grooming of ski runs. The three resorts are open from late November/early December to mid-April (130-141 days). The Park City ski area alone offers 148 diversified trails including 14% beginner slopes, 44% intermediate slopes, and 42% advanced skiing, and 16 lifts, of which 5 are high-speed. Tickets run from \$60 per day to \$399 for one week (not much incentive at \$57 per day). Park City's monthly Calendar of Events is filled with activities including an average of one special event per week and a strong après ski and nightlife (100 restaurants and 20 bars, nearly all well designed). In addition, the small town of 5,000 residents is home to the annual Sundance Film Festival which runs for 10 days and draws a Hollywood crowd.

In the 1960s and 1970s too many ski resorts were built in Europe and the Rocky Mountains of Canada and the US, and mistakes were made that have led to serious financial problems for investors and negative impacts to the environment. During the past few years, skiing has been declining in Europe and North America, and Japan. Skiing is a new industry in China enjoying an astonishing growth rate, boosted by the surge in private car ownership, although snowfall is light and the resorts rely on expensive snow-making equipment. A recent Chinese ski resort called Jundushan, a private development, cost nearly \$4 million to implement. Unlike Lebanon, China has a rapidly growing pleasure-seeking middle class. All of the aforementioned countries depend primarily on their local or home markets and neighboring areas to sustain the industry, not on international markets.

("Hitting the Slopes," The Economist, January 24, 2004)

Internationally, statistics indicate that more and more travelers prefer winter destinations that are warm and sunny, rather than rainy or cold. Nevertheless, Korea which has 48 million people offers 12 major ski areas, and Japan with 125 million people offers 600 resorts. In Europe, North America, and Japan, approximately 10% of the population enjoy skiing, while China has built its base of domestic skiers up to 1 million. Normally, more than 50% of skiers are "excursionists" or day-trippers who prefer one to two day visits. This is especially true in Lebanon where the spending power is limited, and it is much less expensive to drive back to Beirut than to stay overnight.

Investors today are also leery of global warming, which is predicted to negatively affect the industry's future prospects, as snowmaking machines are inordinately expensive, costing \$500,000-\$600,000 but are seen as necessary by major resorts.

(Second World Congress on Snow and Winter Sports Tourism, 2003)

The attached drawings (Annex) illustrate a locational map, a photographic survey of existing conditions and four zones of existing conditions at the Cedars ski area (El Arz),

including Zone 1 as the current Cedars Village, Zone 2 as an existing area of private chalets, Zone 3 as the newly Proposed Cedars Ski Village, and Zone 4 as the Current Ski Base to the slopes. A separate schematic plan on a large drawing sheet is being provided to MOT and CDR to conceptually illustrate how Zone 3 could become a privately developed ski village on 400 hectares of vacant land (four square kilometers) owned by Banque de Liban. The traditional Lebanese village plan encourages pedestrian circulation and proposes that activities emanate from a central plaza. Public and ski shuttle parking is on the village edge. Various accommodation types from 2-4 stories, with higher densities on the backside of the village protect view-sheds of the mountain slopes, is provided close to shopping and dining. Lodging is anticipated to be a mix of hotels, chalets, and apartments, both rental and owner occupied. A buffer zone is illustrated at the gateway entrance to the village across from the new cedars forest. The plan includes new slope development with lifts and runs (El Manhale area outside the avalanche zone), a road and pedestrian/bicycle pathway linking the nodes of activity, an ice skating pond across from the new cedars forest and camping area, to be reversed to nature in the winter, and current ski base restructuring to include a shuttle drop at ticketing, a ski school, ski rental area, and a terrace café or two. It is recommended that the hotel be removed or renovated. The new ski resort area would be at the edge of the newly developed ski base and slopes, 1.3 km from the Cedars World Heritage site, 0.5 km from the new cedars forest, and 1.5 km from the current slopes.

10.10 Role of MOT and the Government - Action Plan

The challenge for the Government of Lebanon and the ski industry is to plan intelligently and to carefully analyze costs and benefits before investing or encouraging investment in the Cedars ski area. Once it is determined that such investment is worthwhile, and that benefits exceed costs, the challenge will be to create conditions that optimize investment and growth. The following are activities that a short-term action plan (2005-2008) should include.

Phase One

With or without development of a Cedars Ski Village, the following actions should be taken by MOT/PIU (with involvement of BTDC or BTAC as appropriate):

- Appointment of a coordinator (architect/engineer) to lead a joint public/private ski industry committee;
- Development in concert with the Ministry of Environment of a protective Cedars Ski Village landscape and view-shed policy, including a ban on billboards and installation of trash cans, of which there appear to be none;
- Development of a visitor survey to provide visitor statistics;
- A ban on hunting on Qornet al Sawda;
- Relocation of the Army checkpoint near the slopes and an analysis of the costs/benefits of relocating the Army ski school;

- An organized cross country or Nordic ski program, which can be developed at a low cost to draw more activity to the area, including formalizing the shepherd's trail from the Cedars to Qadisha as a combined cross country/hiking trail (four km); Nordic skiing is increasing in popularity all over the world and Lebanon is no exception, the best currently at Laqlouq with its 20 km route that can be connected to the Cedars;
- A well designed slope grooming program if one does not currently exist;
- A well developed institutional strengthening and training program to include ski instructor and safety patrol certification, and to target potential employees from Bcharre qaza including internships or work place exchanges with "sister" ski cities and international organizations (International Ski Instructors Association, Bozen, Italy or the National Ski Areas Association, Lakewood, Colorado, USA); and
- Coordination of a ski industry and government marketing and promotional program with clearly identified product identity, differentiating the Cedars from other ski areas in Lebanon, including linked web sites (especially SkiLeb.com), trade shows, and media events.

Phase Two

- Clarification and resolution of land ownership issues for potential investors at the Cedars ski area including existing structures to be moved out of the base and transfer of land by Banque de Liban under a BOT or other agreement to the new Cedars Ski Village investors; and
- Development of a market feasibility study and investment and financing analysis to include an understanding of how the government would provide infrastructure and how the planned massive, one square meter Sannine/Saudi financed development, encompassing a ski resort, might impact a Cedars re-development plans;

Phase Three

This phase presumes that a feasibility study has proven that it is worthwhile for a private investor to develop a Cedars Ski Village:

- Development of a master plan that could be changed by investors within protective guidelines, including design standards and construction, operations and maintenance cost estimates, particularly in regard to the new Cedars Ski Village and base redevelopment; and
- A campaign with IDAL and others to identify potential investors, including a well promoted seminar on the Cedars Ski Village to demonstrate an "exit strategy," presented to not only local but also Arab Gulf bankers and private developers.

The up-front infrastructure costs can be quite high, including sewer and water, and snow-making equipment is very expensive. Both often discourage or prevent private sector financing. The government should be involved in either infrastructure improvements or land expropriation or leasing.

With regard to human resource training, the Cedars could look to the Lebanese Ski Federation for guidance and international associations. Internationally, the ski industry is known to be quite cooperative with exchanging information. The Cedars area and the Bcharre qaza should be looked to as a nearby, convenient, effective employment base. Under the JICA Study Team's proposed site management plan, many of the same residents could be trained to manage and operate the Qadisha Valley during the warm months and to work at the Cedars during the winter, which would provide them with year-round employment. Quality control and complete safety for visitors, including protective measures against avalanche, are critical to long-term success.

In conclusion, an economically prosperous ski resort that meets market demand, with built in safeguards for sustainability, will serve as a worthy neighbor to the heritage assets of the Cedars Reserve, and will help to create a year-round economy at the Cedars ski area to promote regional prosperity and job creation.

Chapter 11 Economic and Financial Evaluation

11.1 Demand and Cost Estimates

Table 11.1.1 shows the results of demand projection undertaken in the subject area development plan for both “with” and “without” project cases defined in subsection 11.2.1. The projections are made up to 2013, the final year of the evaluation period (i.e. 10 years). The projections are made for three cases: minimum case, medium case, and maximum case. These are estimates that are based in part on the recent annual visitor volumes of the Gibran Museum. The medium case visitor forecast is adopted for this evaluation.

11.2 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 one.**

11.2.1 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. Evaluation is made separately for each subject area, where the impact of the entire projects and programs is analyzed as a whole (not project by project). The detail of methodology is described in subsection 6.2.1.

11.2.2 Economic Benefits (B^t)

(1) Tourist Expenditure

The total tourist expenditure is estimated by multiplying the number of tourists to the area projected in section 11.1 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 Bcharre that is mainly for up-market tourists and more active promotion of Bcharre itself that is for mid- to up-market tourists in the case of overnight stays. Detail expenditure items are described in the Annex 11.2.

Table 11.1.1 Projection of Visitors to Bcharre Highlands-B1 & B3

Year	"With" projects and programs						"Without" projects and programs					
	Minimum		Medium		Maximum		Minimum		Medium		Maximum	
	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	166,250	8,750	201,875	10,625	237,500	12,500	166,250	8,750	201,875	10,625	237,500	12,500
2005	182,875	9,625	222,063	11,688	261,250	13,750	174,563	9,188	211,969	11,156	249,375	13,125
2006	201,163	10,588	244,269	12,856	287,375	15,125	183,291	9,647	222,567	11,714	261,844	13,781
2007	221,279	11,646	268,696	14,142	316,113	16,638	192,455	10,129	233,695	12,300	274,936	14,470
2008	243,407	12,811	295,565	15,556	347,724	18,301	202,078	10,636	245,380	12,915	288,683	15,194
2009	267,747	14,092	325,121	17,112	382,497	20,131	212,182	11,167	257,650	13,561	303,117	15,954
2010	294,522	15,501	357,634	18,823	420,746	22,145	222,791	11,726	270,532	14,239	318,273	16,751
2011	323,974	17,051	393,397	20,705	462,820	24,359	233,931	12,312	284,059	14,950	334,186	17,589
2012	356,372	18,756	432,737	22,776	509,102	26,795	245,627	12,928	298,261	15,698	350,896	18,468
2013	392,009	20,632	476,011	25,053	560,013	29,474	270,190	14,221	328,087	17,268	385,985	20,315

Source: JICA Study Team

(2) Contribution to GDP

Contribution of the priority projects and programs to GDP or value added is estimated as shown in Table 11.2.1, where the following assumptions are incorporated.

Assumptions:

- The difference in total expenditure between “with” and “without” cases, as shown in the table, is obtained from the demand projection resulting from the subject area development plan that includes all of the Master Plan projects and programs. The incremental expenditure attributed to only 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 tourists expenditure attributed to the priority projects and programs to the net increment in value added. This assumption is based on the result of the socio-economic survey, in which one unit of the incremental final demand related to tourism is estimated to increase value added of 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 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 11.2.1 Economic Benefits of Priority Projects and Programs

(Unit:'000 LL)

Year	Total tourist expenditure				Incremental tourist expenditure			Increment attributed to priority projects	Contribution to GDP (B ^t)
	"With" projects & programs		"Without" projects & programs		Overnight visitors	Day visitors	Total		
	Overnight visitors	Day visitors	Overnight visitors	Day visitors					
2004	557,813	0	557,813	0	0	0	0	0	
2005	585,690	0	585,690	0	0	0	0	0	
2006	702,323	520,293	614,985	0	87,338	520,293	607,631	486,105	340,274
2007	832,744	1,543,467	645,750	0	186,994	1,543,467	1,730,461	1,384,368	969,058
2008	841,397	1,697,810	678,038	0	163,359	1,697,810	1,861,169	1,488,935	1,042,255
2009	1,006,843	1,867,588	711,953	0	294,891	1,867,588	2,162,479	1,729,983	1,210,988
2010	1,107,141	2,054,352	747,548	0	359,593	2,054,352	2,413,945	1,931,156	1,351,809
2011	1,217,462	2,259,785	784,875	0	432,587	2,259,785	2,692,372	2,153,898	1,507,728
2012	1,338,863	2,485,765	824,145	0	514,718	2,485,765	3,000,483	2,400,386	1,680,270
2013	1,472,339	2,734,343	906,570	0	565,769	2,734,343	3,300,112	2,640,090	1,848,063

Source: JICA Study Team

(3) Contribution to the Generation of Employment Opportunities
Contribution of the priority projects and programs to the generation of employment opportunities is estimated as shown in Table 11.2.2.

Table 11.2.2 Generation of Employment Opportunity

B-1 Qadisha Cedars Planning and Management Program		
Visitor Center Kind of Occupation	Number of Staff Employed	
	Permanent	Temporary
Director	1	
Permanent Staff (General Affairs Divisions, etc)	5	
Driver	2	
Supporting Staff		29
Rural gite lodging (seasonal familiar, convent)		
Opening & Operation		30
Total	8	59
B-3 Crown Villages Destination Project		
Shop Keeper, Agricultural Processing Engineer, etc.	31	
Waiter, Guide, etc		95
Grand Total of B-1 & B-3	39	154

Source: JICA Study Team

The assumption of the above estimated number of employment opportunities is described in Annex 11.2.

According to the “UNDP’s Mapping of Social Conditions in Lebanon”, and the “Human Characteristics and the Social and Economic Situation”, the number of unemployed in the qaza of Bcharre is estimated to be approximately 1,242 persons. Contribution to the employment generation by priority projects is 193 jobs; therefore, the number of unemployed declines from 1,242 persons to 1,049 persons.

11.2.3 Economic Costs (C¹)

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 (2004 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.
- Costs of roads and sewage treatment plants are excluded from the economic evaluation.

11.2.4 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 11.2.3 presents the results of the estimation.

Table 11.2.3 Economic Internal Rate of Return for Priority Projects and Programs

(Unit:'000 LL)

Year	Economic Benefit (B ^t) (1)	Economic Cost (C ^t)		Net Benefit (1)-(2)-(3)
		Facilities, etc (2)	Operation & Maintenance, Programs (3)	
2004	0		59,232	-59,232
2005	0	171,725	45,408	-217,133
2006	86,890	756,480	74,661	-744,251
2007	240,962		53,134	187,829
2008	210,801		73,561	137,240
2009	374,229		74,600	299,629
2010	616,603		74,683	541,920
2011	772,518		96,371	676,146
2012	945,742		78,222	867,520
2013	1,039,981		72,559	967,422

EIRR = 29%

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

EIRR was calculated to be 29% 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.

11.2.5 Sensitivity Analysis

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

Table 11.2.4 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 11.2.4 Sensitivity of Economic Internal Rate of Return (EIRR)

Case	EIRR
Base Case	29%
(1) Initial Cost: 10% up (C ¹)	26%
(2) Benefits: 10% down (B ¹)	25%
(3) Combination of (1) & (2)	23%

Source: JICA Study Team

11.3 Preliminary Financial Assessment

Two major projects proposed as priority are the “Qadisha Cedars Planning and Management Program”-B1 and “Crown Villages Destination Project”-B3, both involving development of revenue generating facilities.

Other developments, excluding the above listed 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 provided a reasonable level of financial return.

Tables 11.3.1 and 11.3.2 summarize a preliminary assessment of the operating performance of these projects. While the result is preliminary and indicative in nature, estimation was made as to whether these projects could be a commercial activity attractive enough to 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 11.3.

As shown, the overall return on investment from “Qadisha Cedars Planning and Management Program (B1)” is extremely high at 54.2%. This does not imply, however, that a single private investor can enjoy this level of profitability. In reality, some of the revenue generating activities may be undertaken by a pilgrim-based organization or NGO to support the livelihood of low income people. Specific revenue-sharing methods such as concessions should still be worked out as well as cost-sharing. Also some infrastructure and facilities costs are not included in this preliminary evaluation, but covered by other projects, including “Crown Villages Destination Project (B3)” These projects would complement one another to realize the high overall return on investment.

This ROI, therefore, must be viewed as a maximum. Many BOT or concession arrangements in other countries produce lower returns for private operators depending on different revenue-management and cost-sharing provisions.

**Table 11.3.1 Indicative Result: Return on Investment (ROI)
for “Qadisha Cedars Planning and Management Program”-B1**

Case	ROI
All cost included (incl. planning & design, site preparation, infrastructure, facilities, etc)	54.2%

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

Source: JICA Study Team

**Table 11.3.2 Indicative Result: Return on Investment (ROI)
for “Crown Villages Destination Project”-B3**

Case	ROI
All cost included (incl. planning & design, site preparation, infrastructure, facilities, etc)	18.2%

Note: ROI is in real terms, assuming no inflation

Source: JICA Study Team

Chapter 12 Initial Operation Plan

The Final Report of the study submitted in March 2004 marks the completion of the formulation phase of the regional tourism development projects and programs for the study areas. The implementation phase is expected to follow without much delay. To make effective use of the transition period and to minimize the delay, MOT should take the initiative in a few aspects. They include: (1) adoption of the master plans, (2) establishment of the Project Implementation Unit (PIU), (3) implementation oriented workshops in the study areas, and (4) promotion of the Cedars ski area.

(1) Adoption of the Master Plans

The master plans for the regional tourism development in the study areas, together with the feasibility studies and in-depth analyses of priority projects, should be formally adopted as part of MOT policy, if necessary, with addenda. As the master plans have been prepared in collaboration not only with MOT and CDR but also with member agencies of the Steering Committee, they are considered in line with national development policy. Still, more detailed discussions within MOT, in liaison with CDR, may be necessary to clarify and resolve specific issues prior to project implementation.

The formal adoption of the master plans would constitute an important part of establishing the much needed tourism development policy of Lebanon, providing a coherent framework and indicating directions for regional tourism development in Lebanon as a whole. It would also help to convince the tourism industry in Lebanon, as well as local governments and communities, of the strong intentions of MOT to implement tourism development.

(2) Establishment of the PIU

The establishment of the PIU with its full capacity as proposed by the master plans may take some time. Nevertheless, it is important to establish the PIU even with its partial capacity in the nearest future. This would further convince the tourism industry, and local governments and communities, of the MOT's intentions. A few of the MOT's staff should be assigned to the future PIU with clear functions and organizational structure, respectively related to the promotion of selected priority projects and implementation of the master plans. Figure12.1.1 presents a diagram of the PIU's constitution, requiring nine persons when fully staffed. This diagram shows the unit once fully staffed and endowed with resources and complemented by these field partners, a model towards which it must aim its early efforts. It is highly desirable that a foreign expert be dispatched by a donor agency to assist this process, particularly for aid proposal writing and organizational development.

(3) Implementation-oriented Workshops

After MOT with the PIU prepares action plans, a workshop should be conducted in each of the study areas, possibly under the title of, “Who Will Do What Next,” to discuss the implementation process and to establish the division of work for initial implementation. Considering the limited staff capacity of MOT, efforts should concentrate first on the feasibility study areas, i.e., Niha, Aanjar, and Bcharre, particularly the site management plans which have already attracted donor interest. At each workshop, MOT should explain the results of the feasibility studies, particularly clarifying the basic concepts, main components, implementing agencies, costs, and anticipated effects. Local participants would be expected to clarify what they can do immediately by using local resources, and to identify who would take charge of each of the project tasks.

For the Qadisha Cedars Management Program, such a process would constitute the initial implementation of the participatory site management planning. Through the workshop, components that would require external support should be clarified. MOT should take charge of preparing aid or grant proposals in cooperation with relevant local stakeholders. For the Bcharre set of programs, since UNESCO and the Patriarchate have gained some momentum with recent steps towards a proper management framework for Qadisha Valley, the PIU must early on investigate funding possibilities for the Master Plan’s Qadisha Cedars Management Program – B1 and harmonize it fully with the ongoing efforts. It must also seek funding for the BTDC Strengthening Program – B6 to prepare it for its intended role as creator of the Bcharre Tourism Action Council, the PIU’s eventual working partner in Bcharre. All works in the area of Qadisha should be approved by the PIU as well as other organizations, including the Bcharre Tourism Action Council and Qadisha Cedars Authority, once established.

(4) Cedars Ski Area Promotion

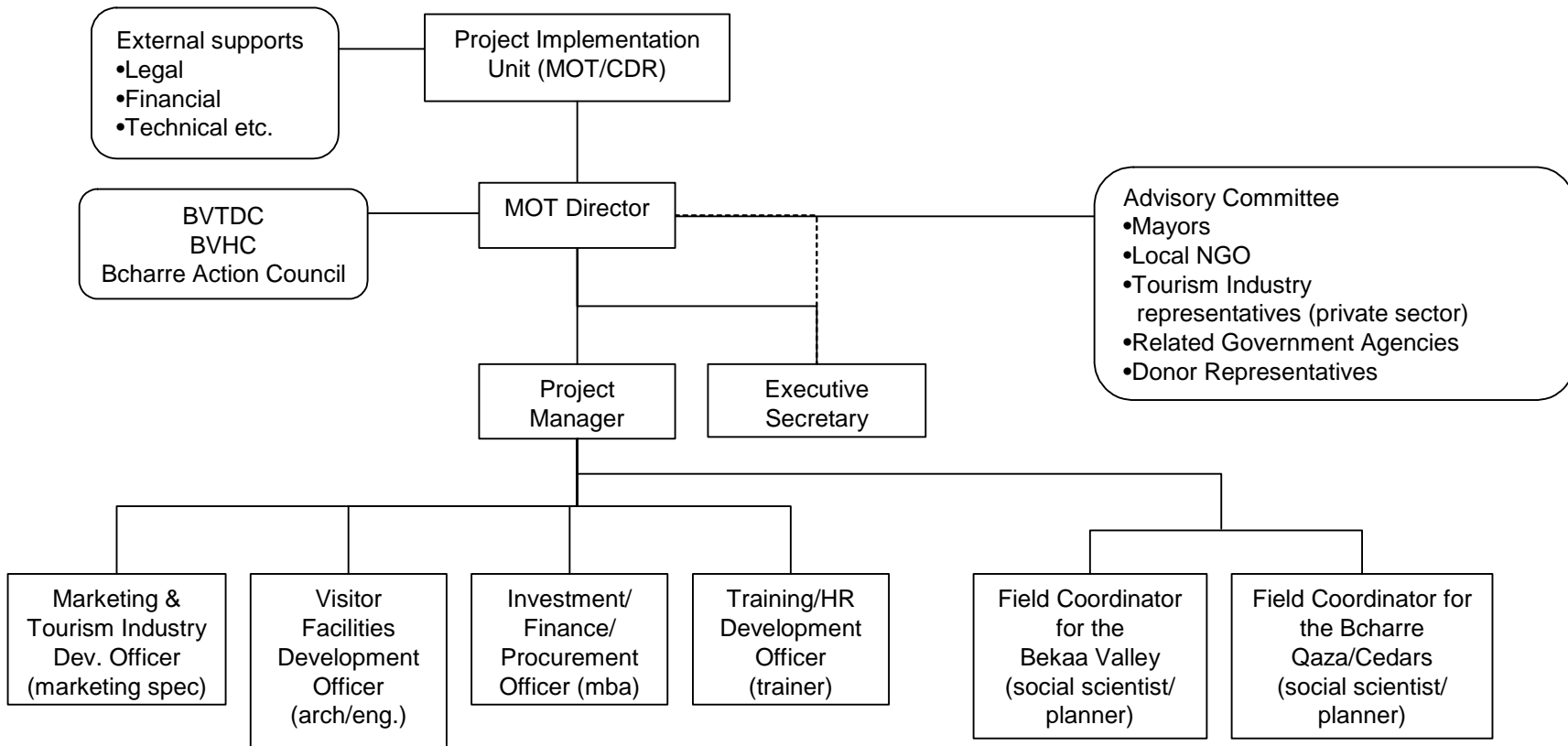
Proactive promotion by MOT, CDR, and IDAL of re-development of the Cedars ski area will be necessary in order to attract private investors and developers. MOT should appoint a full-time coordinator to the PIU, who will be in charge of immediately organizing two programs: (1) development of a low-cost Nordic or alpine ski program and certified safety patrol to increase visitation to the Cedars, and (2) development of a concise market study with hard data regarding various issues prior to a tender of interest to the ski industry, so that a selective group of serious and probable investors and developers can be targeted.

The market study should include information on the following topics:

- land ownership, as clarified with Banque du Liban,
- zoning,
- condition, ownership, and management of existing ski facilities including the lifts, slopes, and base facilities,
- condition of the snow base, possibly diminishing the need for expensive snow equipment,

- relocation of the Army checkpoint and possibly the Army Ski School,
- infrastructure availability and projected costs of sewer and water lines,
- tax breaks or concessions,
- availability of a public/private partnership, such as a BOT arrangement,
- data on the competition (Faraya-Mzaar),
- socioeconomic data and market demand statistics and visitor profiles for Lebanon and the greater region, including the large base of expatriates in the Middle East,
- environmental data,
- expectations of the developer, including a transportation management strategy and environmental protective measures,
- a promotional strategy with historical references and enticing photos of the area, and
- pedestrian village design guidelines to illustrate the government's interest in producing a high quality product.

Once the market study is completed, MOT should work with CDR, IDAL, and other Lebanese institutions to identify a shortlist of appropriate national and international investors. Such investors should be contacted with the appropriate protocol, and those who express interest might be invited to participate with the MOT in a FAM tour to better understand the Cedars ski area potential.



Source: JICA Study Team

Figure 12.1.1 Central Management Structure for Regional Tourism Develop