Report Number : ICRR0020845

1. Project Data

Project ID	Project Name	
P050529	LB - Cultural Heritage and Urban Dev.	
Country	**Practice Area(Lead)**	**Additional Financing**
Lebanon	Social, Urban, Rural and Resilience Global Practice	P116197

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IBRD-71660,IBRD-81370	31-Dec-2009	61,894,000.00
Bank Approval Date	**Closing Date (Actual)**	
17-Apr-2003	31-Dec-2016	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	31,500,000.00	0.00
Revised Commitment	58,500,000.00	0.00
Actual	58,124,764.02	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

The project development objectives were “to assist the Borrower in: (a) creating the conditions for increased local economic development and enhanced quality of life in the historic centers of the cities of Ba’albeck, Byblos, Saida, Tripoli and Tyre; and (b) improving the conservation and management of the country’s cultural heritage” (IBRD Loan Agreement 7166-LE dated July 24, 2003 (p. 12)).

The objectives are similar in the Project Appraisal Document (PAD, p.3); it does not specify the names of five secondary cities in the statement.

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
12-Apr-2012

c. Will a split evaluation be undertaken?
No

d. Components

1. Rehabilitation of Historic City Centers and Urban Infrastructure Improvements (appraisal US$42.6 million; additional financing US$47.5 million; actual cost is reported to correspond to the total estimate of US$90.1 million). The activities were to be carried out in and around the old towns of the five project cities of Baalbeck, Byblos, Sauda, Tripoli and Tyre. These included: (1) Upgrading and improvements of public spaces; (2) Conservation and adaptive reuse of monuments and historic buildings; (3) Support to cultural heritage related productive and commercial activities; (4) Support to the rehabilitation of the heritage housing stock; (5) Enforcement of city center zoning regulations; (6) Traffic and parking improvements for historic centers; (7) Protection and landscaping of coastal and green areas; and (8) Studies for urban redevelopment adjacent to historical cores.

2. Archeological Sites Conservation and Management Improvements (appraisal US$13.7 million; additional financing US$7.1 million; actual cost is reported to correspond to the total estimate of US$20.8 million). The activities were planned to take place primarily in Baalbeck and Tyre, two of the main archeological sites of Lebanon, both inscribed on the UNESCO World Heritage list; additional activities were to take place in Tripoli. This component included the following activities: (a) research and documentation; (b) conservation of surfaces and structures; (c) site presentation to visitors; d) site management; and e) further archaeological studies.

3. Institutional Strengthening Improvements (appraisal US$5.3 million; additional financing US$2.4 million; actual cost is reported to correspond to the total estimate of US$7.7 million). This component included the following technical assistance and capacity building activities: (a) management of historic centers by municipalities and DGU; (b) strengthening municipal support to local economic development and communications; (c) reform of the cultural heritage institutional and regulatory framework; (d) restructuring and strengthening of the Directorate General of Antiquities (DGA); and (e) project management by the Council for Development and Reconstruction (CDR).

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost. The project was appraised at US$61.9 million in 2003, which increased by US$57.07 million at additional financing in 2011 to total US$119.0 million due to cost overruns. The actual costs were in line with the final estimates that included additional financing, as was subsequently clarified by the project team.
Financing. The World Bank financed the project through two IBRD loans. The original loan of US$31.5 million approved on April 17, 2003 was supplemented by an additional financing (AF) loan of US$27 million approved on April 12, 2012 to finance cost overrun of the originally planned activities under the project. Co-financing was provided by the Government of Italy in the amount of US$10 million for key cultural heritage works; US$11 million were provided by the French Agency for Development (*Agence Française de Développement)* and US$1 million by the Government of France for general urban infrastructure activities. At the time of AF, the French Agency for Development provided an additional US$30 million as parallel financing (AF Project Paper 2011, p.1). The actual disbursement figures were not provided in the ICR but according to the project team, these were within the final estimates.

Borrower contribution. The Government of Lebanon committed US$6.6 million at appraisal, and US$0.127 at the time of AF in 2011 (AF Project Paper 2011).

Dates: The original closing date of December 31, 2009 was extended five times by 7 years to December 31, 2016, through five project restructurings. The first extension was for 18 months, and the second was for an additional 6 months to December 31, 2011. The extensions were due to a number of reasons that included political instability as well as lack of sufficiently detailed studies at appraisal, defaulting contractors, and uncertainties associated with rehabilitation works on historic sites (Project Restructuring Paper 2011, p.3). The third extension was for 12 months to December 31, 2012 due to a halt on implementation that was requested by the Bank until the project became compliant with all safeguard requirements as well as to allow enough time to complete the appraisal and approval of the AF by the Bank and by the Government of Lebanon. In conjunction with AF, the project was further extended by three years to December 31, 2015 to allow for completion of the activities. The fifth and final extension was for another year to complete the activities in Tripoli and other sites, where implementation was affected by conflict and further exacerbated by the Syrian refugee crisis, including the damage of several project assets.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The project objectives were relevant to the urban development challenges in Lebanon at the time of appraisal that included low contribution of cultural heritage to local and national socio-economic and civic development, physical and environmental degradation of cultural heritage assets, and outdated and under-funded sector institutions. The Government asked the World Bank for assistance in scaling up dispersed urban heritage rehabilitation efforts to a national level by assisting major secondary cities and leveraging investment and technical assistance from other donors and UNESCO (PAD, p. 11).
In connection with the Syria crisis, the Government of Lebanon focuses more attention on addressing its development challenges in relation to the impact of the Syria crisis, and the Government's Policy Statement

(2014) highlights security, safety, stabilization and the preservation of national sovereignty among its highest national priorities. At the same time, on the fiscal and economic recovery front, the Statement commits to revitalize key economic sectors, especially tourism; and improve the living standards for Lebanese citizens, among other (WBG country partnership framework FY17-22, p. 15).
The objectives, which were in support of local economic development through preservation of cultural heritage, remained broadly relevant to the World Bank country partnership framework (CPF) FY17-22 at project closure. The CPF aimed at strengthening state institutions, addressing existing vulnerabilities, and bolstering efforts on longer term development challenges.

Rating	Revised Rating
Substantial	Not Rated/Not Applicable

b. Relevance of Design

The statement of the objectives reflected the linkages between cultural heritage and local development. Project investments in rehabilitation of historic city centers and urban infrastructure, and improvements in archeological sites conservation and management (components 1 and 2) were expected to lead to increased employment, rising property values, and increased appreciation by residents and visitors. These, complemented by institutional strengthening (Component 3), were to create the conditions for increased local economic development and enhanced quality of life in the historic centers of the selected cities and improve the conservation and management of the country’s cultural heritage.

Project design selected interventions in five secondary cities geographically spread in the fragile country. The project included numerous activities in multiple sectors, e.g., upgrading of public spaces and conservation activities, enforcement of city center zoning regulations, traffic and parking improvements, protection and landscaping of coastal and green areas, a reform of the cultural heritage institutional and regulatory framework.The project had a complex design that was not commensurate with the local capacity to implement it within the project timeframe.

Rating	Revised Rating
Modest	Not Rated/Not Applicable

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Creating the conditions for increased local economic development in the historic centers of the cities of Ba'albeck, Byblos, Saida, Tripoli and Tyre.

* While the outcome indicators were revised, IEG is not undertaking a split rating as the revised outcome indicators did not differ from the original indicators significantly.

Rationale

The indicators for the originally planned activities did not have baselines and targets; below is reporting on the accumulative results against the targets, which were set at the time of additional financing approved in April 2012, eight years after the project start. The baselines were reconstructed for different years. In addition, a number of the original intermediate indicators were dropped and not reported.

Outputs

- The area of rehabilitated pedestrian public spaces is reported to have increased from 9,840 m2 in 2006 to an estimated 274,000 m2 by project closure. The target for 2015 was 244,483 m2.
- The area of rehabilitated facades of historic buildings is reported to have increased from 42,582 m2 in 2006 to 311,100 m2 in 2016. The target for 2015 was 306,933 m2.
- The number of seats in restaurants and cafes is reported to have increased from 5,846 in 2002 to 20,550 by project closure. The target for 2015 was 20,000 seats.

Outcome

- The number of individuals working in the sector of culture, tourism, and heritage related local businesses increased from 662 in 2002 to 1,575 in 2016, slightly above the target of 1500 for 2015. .
- The percentage of businesses investing in their business or property development are reported to have increased from 6.40% in 2008 to 27% in 2016, in line with the target.
- Residential unit prices in and around areas of historic and cultural importance are reported to have increased by 60% from 662.5 USD per square meter since 2008 (the baseline taken from the AF Project Paper 2012). This surpassed the target of 42%.
- Business unit prices are reported to have increased by 62% from US$3,466.4 per square meter in 2008. This surpassed the target of 32%.

While the outcome targets were achieved, it's not clear to what extent it was attributable to the project activities. The ICR does not analyze what other factors contributed to the reported project outcomes, particularly residential and business unit prices.

Rating

Substantial

Objective 2

Objective

Creating the conditions for enhanced quality of life in the historic centers of the cities of Ba'albeck, Byblos, Saida, Tripoli and Tyre.

Rationale

The indicators for the originally planned activities did not have baselines and targets; below is reporting on the accumulative results against the targets which were set at the time of additional financing approved in April 2012, eight years after the project start. The baselines were reconstructed for different years. In addition, a number of the original intermediate indicators were dropped and not reported.

Outputs

- The outputs are the same as under Objective 1.
- Project is reported to benefit 49,000 people residing in the project area, up from 37,529 in 2004; and an estimated 420,000 visitors, up from 203,000 in 2004 (in line with the target for the number of visitors).

Outcome

The original indicator to measure 'increased appreciation by residents and visitors of the contribution of cultural amenities to local quality of life and visitor experience' was dropped.

The ICR does not discuss the results pertaining to the quality of life in the efficacy section but in separate sections it reports that the beneficiary satisfaction surveys conducted by a third-party research center in charge of M&E showed an increase of satisfaction in the areas where the project invested (e.g., 86% increase in economic activities in Sida; 75% positive impact on tourism reported in Byblos; and 52% improvement on quality of life for residents in Tyre). At the same time, satisfaction results with the project-financed civil works varied for different cities. In particular, while satisfaction increased in Byblos and Saida, this was lower for Baalbek, and for Tripoli -with the most project investments- negative results dominated (ICR, Table 11). The latter, as clarified by the project team, may have been related to active fighting and conflict during implementation.

The overall evidence is not conclusive.

Rating

Modest

Objective 3

Objective

Improving the conservation and management of the country's cultural heritage.

Rationale

Outputs

- In Baalbeck, the following TA activities were completed: research and documentation of WHS, site presentation and comprehensive site management plan; In Byblos- research, documentation, conservation and presentation of the Land Castle; and in Tyre- the El Bass and El Mina archaeological sites researched and documented, unified site management plan; conservation of structure and surfaces (ICR, Annex 2).

Outcome

- The ICR lists the laws, which the Ministry of Culture carried out on its re-organization in 2008 and four decrees issued in 2016, reporting that they benefitted from the above technical assistance provided by the project. These were 1) Ratification Law for the Reform of the Ministry of Culture, 2008; (2) Cultural Properties Definition, 2008; and (3) Public Entity Under Mandate of the Ministry of Culture (Conservatoire National de Music, Public Libraries, and National Committee for Museums), 2008. Four Decrees were issued in 2016 for the regulatory framework for the Ministry of Culture: Decree to Establish the Board of Directors of Museums in Lebanon, their Bylaws, and Other Regulations, 2016; Decree to Establish Procedures and Organization of Excavations Managed by the Directorate General of Antiquities, 2016; Decree to Establish New Procedures (Integration and Reintegration) in Case of Chance Finds in Private and Public Properties, 2016; and Decree to Manage the Special Fund for Cultural Heritage, 2016.

- The number of rehabilitation permits increased from 36 in 2002 to 863 in 2016, in line with the target of 806 for 2015. This original indicator was defined as rehabilitation activities in historic urban cores in compliance with the approved regulations recognizing the centrality of their cultural heritage to their economic and social development.

Rating
Substantial

5. Efficiency

Economic and/or cost effectiveness analyses
No ERR or FRR are available for the project.
At appraisal, a cost-benefit analysis was not carried out for the following reasons: (i) contingent valuation of the benefits (i.e., increased tourist revenue) was found inappropriate as many sites targeted by the project were attracting a very low number of tourists and interest; (ii) the necessary data was not available for tracking

increased land and/or rental values, or increased value of direct and indirect jobs created as a result of the project; and (iii) difficulty to estimate the decrease in economic activity (over the medium term) if the project was not implemented (PAD- Annex 4).

At the time of Additional Financing in 2012, the main assumptions at appraisal were repeated. The AF Project Paper (Annex 4) stated that "in the context of Lebanon, the necessary data is not available. Property and transfer taxes are not administered well, and the real estate and labor markets in these historical areas are not well documented. Therefore, there is no realistic way to predict the increase in monetary flows as a result of the project'.

At closure, no cost-benefit or cost effectiveness analyses were carried out for the project investments. The ICR refers to the satisfaction survey results to justify 'the appropriateness of priority investments' and the project impact assessment that estimated the project- induced additional consumption effects at around US$12 million in additional outputs. Compared to the 'without-project' counterfactual, the assessment estimated an annual direct impact attributed to the project of around US$10 million across the five cities, with an increase in employment of more than 300 jobs per year (ICR, p.41). It is plausible that the 'without-project' scenario would have been a continuing deterioration in the historic centers.

Administrative and operational efficiency
The original implementation period of 5 years was extended to 13 years; the project more than doubled the time to complete the originally planned activities. While the political instability in Lebanon and the regional crisis in later years affected the pace of implementation, the time extensions were also due to a number of internal factors that included the lack of sufficiently detailed studies at appraisal and defaulting contractors that affected the project progress. There was a 100% cost overrun on the project investments that was covered by an equivalent amount of additional financing on the original loan. While a high inflation in the country and increase in construction material prices as well as unusual frequency of archeological "chance finds" led to cost overruns, other factors included significant underestimation of cost of investments. (With the exception of the first batch of investments, detailed feasibility studies and costing were not finalized prior to appraisal in order to respond to the government request to implement rehabilitation works without delays) (Project Restructuring Paper 2011, p.4).

Efficiency Rating
Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐Not Applicable

ICR Estimate	0	0 ☐Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of objectives is rated substantial, and that of design is modest. The objectives of creating conditions for increased local economic development and improving the conservation and management of the country's cultural heritage are assessed as substantially achieved, as supported by evidence from the impact assessment. With regard to enhanced quality of life in the historic centers, the evidence is not conclusive and varies between the cities; in particular, satisfaction results with the project works are the lowest in Tripoli where the most project investments went. The project took 13 years to implement the original scope of activities planned in 2003. While the country's fragile political environment and conflicts affected the project progress, there were internal factors under control of the project that were slowing down the pace of implementation and led to high cost overruns. The efficiency is assessed as modest. The overall outcome rating becomes moderately satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

- *Institutional*. The mayors of the project cities are committed to the preservation and conservation agenda, as evidenced by the approval of relevant laws and decrees, and availability of the planning tools supported under the project.
- *Financial*. The ICR points to a risk of lack of maintenance by municipalities. The financial situation of municipalities may be further exacerbated by the Syrian crisis and a refugee inflow.
- *Political and social.* For much of the project period the country has been in a fragile situation. Several facilities financed by the project were damaged as a result of the conflict, and there is a risk to sustainability of the project-support infrastructure.

a. Risk to Development Outcome Rating

Substantial

8. Assessment of Bank Performance

a. Quality-at-Entry

The project design drew upon the experience of other similar Bank-financed projects and incorporated the main lessons including emphasizing and monitoring linkages between heritage and development, and maximizing municipal involvement at the preparation and implementation stages.
There were a number of significant shortcomings that affected the project implementation and necessitated an additional financing to cover the original scope of activities:

- *Cost underestimation.* Despite lengthy process of geographical targeting, project identification and design, only the first batch of investments was appraised in order to respond to the government's request for implementing the rehabilitation work without delays. The estimated costs for the remaining batches proved to be substantially below those required for project execution (as described by the AF Project Paper 2012).
- *Weaknesses in the risk assessment matrix.* The main risks were identified at project appraisal, including political vulnerability, limitations in management capacity and staffing in project municipalities. Some risks materialized but mitigation measures proved to be insufficient to address the capacity risk through support of the PIU. Its commitment and capacity in the initial period of project implementation was overestimated. Other risks, such as construction risks in urban areas, were not sufficiently factored in project design, in particular, uncertainties associated with rehabilitation works on cultural property that included testing restrictions imposed on historical buildings and structures, and archeological 'chance finds'. Safeguard issues also influenced the pace of implementation.
- *Weaknesses in project and M&E design.* The project design and results framework were complex; outcome indicators were not clearly defined and lacked baselines and targets.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

During the initial period of implementation, the Bank was bringing up issues to the attention of the government that needed to be addressed to speed up implementation (as evidenced in the early supervision reports and aide-memoires). After five years of project implementation, a Quality Assessment of the Lending Portfolio (QALP) review was carried out In November 2008, which highlighted the need to improve project performance through strengthening of its management staff, paying closer attention to social and environmental issues, and establishing a baseline and quantitative indicators in order to improve M&E (AF Project Paper). As of 2010, there were still issues related to inadequate supervision arrangements of the ongoing works as well as insufficient technical support provided to the municipalities to better manage the upgraded sites within the city (ISR, July 29, 2010). The Bank team started to devote greater attention to addressing the project's main weaknesses; this included streamlining implementation processes, closely monitoring contract supervision and quality of works, cancellation of non-performing contracts, increasing focus on capacity building in the municipalities and the Project Management Unit (PMU) capacity, as well as adopting mitigation measures to minimize project risks (AF Project Paper 2012).

The project was turned around during the second period of project implementation on many aspects, however the above issues affected the project's efficiency. In addition, other shortcomings included the fact that M&E was revised late into the project implementation - only in 2012, and there were issues in safeguards that were under responsibility of the task team (see Section 11a). Overall, the ICR team concluded that the option of a new project to be appraised would have been more appropriate (p.26).

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The ICR (p.27) reports that the Government remained committed throughout the 13 years of project implementation, as evidenced by the adoption of laws and decrees on policy reforms in conservation and management of the country's cultural heritage. It provided the funding advances of US$15 million waiting for the Parliament to approve AF. There were, however delays, in project effectiveness at the time of adittional financing.

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance

The Council for Reconstruction and Development (CDR) was responsible for the project implementation. In the initial years of implementation, the PCU lacked commitment and capacity to implement the project as evidenced by supervision reports. For example, as mentioned, the unit was operating without professional and proactive leadership and did not make full use of the available staff capacity; also there was a poor flow of information within the PCU (ISRs). In addition, there was a fairly high turnover of staff (particularly positions focused on social issues) over the first years of the project, as well as issues with communication and disclosure of social safeguards (AF Project Paper, 2012).

The initial PCU's substandard performance was corrected over the second period of project implementation. The ICR finds the CDR performance was satisfactory for their strong commitment, professional monitoring, and deployment of knowledgeable staff.

However, taking into consideration the significant delays in the first period of project implementation that affected the project's efficiency, the overall performance of the CDR is assessed as only moderately satisfactory.

Implementing Agency Performance Rating
Moderately Satisfactory

Overall Borrower Performance Rating
Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design
The results framework was complex; the outcome indicators were not clearly defined and lacked baselines and targets at appraisal. There were seven outcome indicators identified to measure the achievement of the objectives. Some of them could serve as separate objectives, e.g., increased efficiency of archeological site and urban protected zones management. There were also numerous intermediate indicators (total 22), of which many were dropped.

The results framework was revised at the time of AF in 2012, eight years after the project start. The outcome indicators were more precisely defined; baselines were reconstructed for different years and targets were set.

b. M&E Implementation
The ICR (p.13) reports that a third-party research center with proven experience in M&E was hired at the project outset and provided data until project closing. The initial years of monitoring were characterized by reporting on a poorly designed M&E framework. As noted by the ICR (p.14), the quality of data was considered only fair at that time.
After the AF in 2012, with revision of the results framework, the project monitoring improved. The research center undertook 14 consecutive rounds of surveys: (a) Opinion survey: a quantitative research targeting a sample of 2500 respondents in the five participating cities, through a questionnaire, which was targeting three categories of respondents, i.e., residents, businesses, and tourists. b) Business census: a field survey targeting all business on selected streets within each city. c) Real estate monitoring: evaluation of real estate sales and rental prices through a sample of 15 selected units (7 residential and 8 commercial) in each city. d) Stakeholders in-depth interviews: qualitative research implemented through in-depth interviews with stakeholders, experts, and municipality members in each city.

c. M&E Utilization
The ICR (p.14) reports that "the actual use of data in implementation was done, yet delayed due to slow decision-making". In addition, the findings from opinion polls, stakeholder interviews and business

census were shared by the CDR with the general public.

M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

This was a Category 'B' projects under the Bank's safeguard policy- Environment Assessment OP 4.01. Two other safeguard policies were triggered at appraisal: Cultural Property OP 4.11 and Involuntary Resettlement OP4.12.

Environment Assessment and Cultural Property. The ICR (p.14) reports that the environmental management of the project proceeded without major issues. There was an issue related to disclosure of the updated Environmental Impact Assessment that was done only on the CDR website but not in the Infoshop of the World Bank, which was under the responsibility of the task team. As the AF Project Paper in 2012 issues with social and environmental safeguards included the lack of proper documentation and full disclosure. The ICR informs that there were some time gaps in the work of an environmental consultant for reviewing the progress of implementing environmental mitigation measures, especially during the last period of the project (2014-2016).

Involuntary Resettlement. At appraisal, it was expected that the renovation of urban cores and rehabilitation of certain strategic sites and buildings would involve involuntary resettlement of small numbers (tens of families). As the sites were scattered and the list of potential interventions were not defined (including marketers in Tripoli, Khan el-Rabu in Tyre and Gouraud Banracks in Baalbeck), a draft Resettlement Policy Framework was prepared (Annex 13) together with a Resettlement Action Plan for the first phase of the rehabilitation of the Khan El Askar (Tripoli) (PAD, p.32).

During the early years of project implementation, there was a lack of sustained presence of social scientists or social safeguards specialists who could properly supervise and ensure full compliance with OP4.12 (Involuntary Resettlement). Two social specialists were hired in July 2011 to improve attention to safeguards management (AF Project Paper 2012). The ICR (p.14) reports that the social safeguards were followed. Project implementation involved different types of land acquisition. It also involved involuntary resettlement impacts and affected 760 project-affected persons (PAP) in total scattered in three cities, including Tripoli, Tyre and Saida. 6 RAPs were prepared. 4 RAPs were satisfactorily implemented by the time of project closing. One RAP was not implemented due to cancellation of the activity. The implementation of the RAP for the marketplace in Tripoli was completed three months after project closure and it was satisfactorily implemented at the time of the ICR. One of the main reasons of the Tripoli RAP's implementation delay was due to implementation of this activity being halted for four years since 2012 when the RAP was prepared, as explained by the ICR, due to active shooting, which had impacts on stability in Tripoli. According to the Project Restructuring Paper, this was also due to weak consultation, particularly on the Tripoli esplanade market.

Resettlement impacts changed significantly when implementation was resumed in early 2016 and it took time to update the census of PAPs. The RAP then was updated with the new census date and approved by the World Bank. The task team supervised the RAP implementation after the project was closed. The ICR (p15) states that the RAP was being satisfactorily implemented at the ICR completion.

b. Fiduciary Compliance

Financial Management. The ICR (p.15) reports that FM arrangements were satisfactory throughout the project life, as CDR had adequate systems in place to record transactions and generate the required quarterly financial reports. Audit reports were also submitted on time and found acceptable. The audit reports had clear unmodified opinions. Some delays were observed in recording and listing of the fixed assets under the project. This issue was then resolved by introducing a fixed assets module in the accounting software and conducting a full inventory of all fixed assets acquired under the project.

Procurement. Procurement guidelines were followed by the CDR. At project closure in December 2016, all proceeds were committed and activities delivered in compliance with the procurement plan (ICR, p.16). There were delays in procurement that were related to decision making for validation for reasons within and outside the CDR control. The delays were also due to continuous political and security unrest, the nature of interventions that needed extensive community consultations, and the nature of a project carrying intrinsic risk of unforeseen archeological finds (chance finds).

c. Unintended impacts (Positive or Negative)

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d. Other

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12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Relevance of objectives is rated substantial, and that of design is modest. Two project objectives were substantially achieved, while the achievement of the third one

			is rated modest. Efficiency is assessed as only modest.
Risk to Development Outcome	Negligible	Substantial	Financial, political and social risks are substantial in the country's fragile enviroment.
Bank Performance	Satisfactory	Moderately Satisfactory	Bank quality at entry is assessed as moderately unsatisfactory due to significant shortcomings that affected the project implementation and were not timely addressed. Bank supervision is rated moderately satisfactory.
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of ICR		Modest	---

Note
When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

One particularly important lesson was selected from the ICR, with some adaptation of the language:

- **In cultural heritage projects, there is an opportunity to contribute to social cohesion through leveraging cultural heritage as a cornerstone of identity**. Under this project, the impact assessment showed that young people not only benefitted from employment opportunities but also showed pride in their cultural heritage and identity.

IEG-identified an additional lesson:

- **Risks in cultural heritage projects are exacerbated by uncertainties of ‘chance’ discoveries on archeological sites**. Under this project, delays associated with an unusually high number of 'chance' discoveries and uncertainties associated with rehabilitation works were amplified with the testing restrictions imposed on historical buildings and structures.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is informative and outcome-oriented. It uses the results from a project impact assessment carried out at project closure, however without sufficient explanation of the methodology and limitations of the impact assessment. The efficacy section only focuses on reporting in line with the results framework, without fully analyzing the factors that could have affected the reported outcomes, for example with relation to residential and business unit prices.The ICR does not seem sufficiently candid with regard to issues that affected the project implementation, as there were a number of internal issues under the control of the project which were clearly discussed in project restructuring papers, supervision reports, aide-memoires, and ISRs. Lessons follow the ICR's narrative. The cost and finance tabulations in ICR's Annex 1 list indicative costs that reflect original and additional financing estimates; the project team subsequently informed that the actual expenditure figures are in line with the final estimates. The ICR Data Sheet is not fully complete, i.e., Table B of Data Sheet does not list original dates versus actual for effectiveness, mid-term review, and closing; Table G. Ratings of Project Performance in ISRs is missing (a table with dates for the archived ISRs is presented in ICR's Annex 7).

a. Quality of ICR Rating
Modest