



# CONSERVING THE PAST AS A FOUNDATION FOR THE FUTURE

China-World Bank Partnership  
on Cultural Heritage Conservation



THE WORLD BANK



URBAN DEVELOPMENT  
& LOCAL GOVERNMENT



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Cultural Heritage Conservation

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## Foreword

### The World Bank

The World Bank is privileged to have been able to support China to conserve its remarkable cultural heritage assets. The country's historic cities, archaeological sites, historic architecture, expressive arts, cultural landscapes, creative industries, and ethnic diversity are treasured around the world. Since the early 1990s, this China-World Bank partnership for conservation has resulted in 12 projects and used approximately US\$1.3 billion in loans. These loans included nearly US\$260 million for cultural heritage conservation, making it the largest single-country program supporting the conservation of cultural heritage in the World Bank.

The World Bank's approach to cultural heritage conservation has evolved over time: from an initial pipeline of projects that sought to "do no harm," to investing in single heritage assets, and, finally, to a new generation of projects aimed at leveraging cultural assets and historic cities to achieve economic and social development. During the 2002 World Summit on Sustainable Development in Johannesburg, the international community strongly endorsed culture as the fourth pillar of sustainable development. The other three pillars are economic development and social and environmental sustainability. The World Bank has incorporated this expanded approach and is actively supporting cultural heritage conservation as an essential component of its mission to reduce poverty.

The World Bank considers cultural heritage conservation to be an important aspect of the asset-based approach to local economic development. This

approach is fully reflected in the Bank's new Urban Strategy, launched recently by President Robert Zoellick. The World Bank's work on heritage also is found under several of the institution's other sector departments and thematic areas, including social development, environment, and private sector development. Through these sectors, the World Bank has supported conservation for major historic cities, iconic monuments, cultural landscapes, and living cultural heritage. Project experience shows that these investments can promote growth and increase the wellbeing of the poor through upgraded infrastructure, new economic opportunities, and respect for local cultural heritage and diversity.

The number of people in China whose quality of life depends not only on economic growth but also on the quality of their urban environments is extremely significant and is growing. The World Bank has benefited greatly from its collaboration with China to meet the challenges of managing urbanization while addressing social, economic, and environmental concerns. These considerations, coupled with the irreplaceable nature of cultural assets, mean that the World Bank fully supports the country's commitment to cultural heritage conservation and stands ready to continue this successful partnership with China.

Klaus Rohland  
Country Director, China  
East Asia and Pacific Region  
The World Bank

# Foreword

## China State Administration of Cultural Heritage

Since the 1990s, the World Bank and the government of the People's Republic of China gradually have developed and expanded cooperation in cultural heritage conservation. This joint work has addressed many different types of heritage, under varying levels of threat, and in highly diverse environments. The partnership has contributed greatly to the conservation of cultural heritage in China.

Looking back at experiences under the partnership, we see important work on project design, appraisal, management, and evaluation. The World Bank has been particularly helpful in supporting project appraisal, including feasibility studies, environmental impact assessments, and social impact evaluations. These mechanisms have helped determine project feasibility by evaluating the scale of investment, the project costs, and the necessary levels of community participation and technical assistance.

Regarding technical assistance and training, the World Bank has worked closely with China's conservation professionals within the country's existing context of cultural heritage protection and practice. However, the emphasis has been on the continued updating and development of skills based on international best practice. Building expertise has been especially successful because it has been done through hands-on learning in project preparation, implementation, financial management, and evaluation.

This China-World Bank partnership has been innovative because it has combined theory with

implementation, standard practice with unique site characteristics, and conservation with economic development. The work has focused on the relevance of cultural heritage conservation to urbanization, environmental management, and cultural tourism development. This attention to several of the most significant trends in China has led to a partnership that is practical, far-sighted, and oriented toward long-term effectiveness. This work not only has furthered the practice of cultural heritage protection in China but also offers important lessons for developing countries throughout the world.

This report, *Conserving the Past as a Foundation for the Future*, aptly describes the cooperation between the World Bank and the Chinese government on 12 cultural heritage conservation projects. It shows the World Bank's extensive understanding of the challenges for cultural heritage conservation in China and a deep commitment to protecting the country's valuable patrimony. I would like to express my gratitude and respect for the World Bank and the various experts who have implemented the projects described in this report. I believe the report makes a very useful contribution by taking stock of the varying project experiences to date and extracting best-practice lessons for policymakers and practitioners who are dedicated to preserving the rich cultural heritage of China.

Shan Jixiang  
Director General  
China State Administration of Cultural Heritage



- The dynamic growth of China's cities poses many challenges for cultural heritage conservation.



## Acknowledgments

First and foremost, the authors thank the Italian Cultural Heritage in Sustainable Development Trust Fund at the World Bank for its generous support and its commitment to the documentation of the lessons learned from projects that support cultural heritage conservation around the world. Just as importantly, we thank China's leaders at the national, provincial, and municipal levels for their support of the projects described in this report. We are especially grateful for the leadership and expertise provided by the State Administration of Cultural Heritage (SACH). We also appreciate the cooperation of China's conservation practitioners and counterparts in the local project management offices, who are essential to the effective implementation of the projects. Particular thanks go to China's vibrant communities who support cultural heritage daily through their appreciation and stewardship of their local cultural assets.

We would like to thank Ede Jorge Ijjasz-Vasquez, World Bank Sector Manager for Sustainable Development for China and Mongolia, for his overall guidance and support. We also thank Anthony Bigio and Mara Warwick, the peer reviewers, who shared constructive insights and suggestions. In addition, current and former World Bank project team leaders offered valuable perspectives, including Mats Andersson, You Ji, Taku Kamata, Geoffrey Read, John Scales, and Shenhua Wang. We also appreciate the useful comments received from Meskerem Brhane, Lawrence Hannah, James Stent, and Songling Yao. We are especially grateful for the excellent work of You Ji, who has contributed his time to coordinate with our partner, SACH, and fine tune the Chinese translation of this document. Finally, we would like to recognize the contributions of those who brought the report to its final published form: the editor, Alicia Hetzner; cartographer, Bruno Bonansea; and the design and typesetting company, The Word Express.



■ Many of China's leaders, conservationists, and communities have worked tirelessly to conserve the country's cultural heritage.

## Acronyms

APL	Adaptable Program Loan
CNTA	China National Tourism Administration
EA	Environmental assessment
FY	Fiscal Year
GoC	Government of China
HUL	Historic urban landscapes
ICOMOS	International Council on Monuments and Sites
ICR	Implementation Completion Report
ICT	Information and communications technology
M&E	Monitoring and evaluation
O&M	Operation and maintenance
OP/BP	Operational Policy and Bank Procedures
PAD	Project Appraisal Document
PPP	Public-private partnership
PRC	People's Republic of China
PSD	Private sector development
SA	Social assessment
SACH	State Administration of Cultural Heritage
TA	Technical assistance
TOR	Terms of reference
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNWTO	United Nations World Tourism Organization
WCCD	World Commission on Culture and Development



## Executive Summary

The rich cultural heritage of China is an essential touchstone of its collective identity. The country's archaeological sites, historic architecture, expressive arts, cultural landscapes, and ethnic diversity also are treasured around the world. Despite their importance, China's cultural assets are under tremendous pressure due to the country's rapid development, particularly its rapid urbanization. Moreover, rising incomes and mobility have significantly increased domestic tourism, leading to the overdevelopment and deterioration of cultural heritage sites. However, many of China's government officials, conservationists, and community groups have recognized these threats and, over the past several decades, have worked tirelessly to protect their country's cultural heritage.

### China-World Bank Partnership

In the early 1990s, the Government of China (GoC) began requesting World Bank assistance with incorporating cultural heritage conservation in development projects. Over the past 18 years, this China-World Bank partnership for conservation has resulted in 12 projects using approximately US\$1.323 billion in loans. These loans include nearly US\$260 million for cultural heritage conservation making it the largest single-country program supporting the conservation of cultural heritage at the World Bank. Projects developed under this collaboration have shown that integrating cultural heritage conservation in development projects can deliver both social and economic benefits to local communities. These benefits are based on conservation that expands economic opportunities and revenues, enhances the quality of life, generates local identity and energy for development, and provides opportunities for competitive regional and international branding.

Throughout this engagement, China's provincial and municipal governments have played a leading role, both in design and implementation and

in financing, because all of the investments have been financed jointly by local governments and the Bank. In all cases, to ensure consistency with national policies, leadership and expertise have been provided by the State Administration of Cultural Heritage (SACH).

### Purpose of This Report

Based on the 12 projects developed under this partnership, this report presents an overview of the project approaches and experiences, takes stock of the challenges, extracts initial lessons learned, and identifies new directions and challenges ahead. The principal audience of the report is national, provincial, and municipal decisionmakers engaged in conserving China's cultural heritage. This report also is intended to be of relevance to World Bank staff and those in the international community who wish to gain an overview of the projects conserving cultural heritage in China that have received World Bank financing.

### Lending Program Trends

The lending program for cultural heritage in China has gone through three phases:

The first phase, *Response to Immediate Needs*, is represented by 3 projects: 1 each in Zhejiang, Liaoning, and Yunnan (FY1993–96). In them, the World Bank responded quickly to specific government requests for assistance with heritage sites in need of immediate action due to natural disasters and rapid deterioration.

The next 3 projects were undertaken in Sichuan, Chongqing, and Shanghai (FY1999–2003). They represent a second phase: more *Systematic Analysis and Priority-Setting*. This phase emphasized cultural heritage policy dialogues, assessments, strategies, and priority-setting for project investments.

The third and current *Integrated and Broad-Based Approach* (FY2004–11) is characterized by projects that address (a) the broader urban environment of historic cities and sites, (b) province-wide cultural heritage conservation and tourism development that encompass multiple sites, and (c) strengthened links between conservation and local economic development.

### From Components to Standalone Projects

The majority of the projects (7 of 12) include cultural heritage conservation as a component of large urban environmental management projects. In 2008 a marked change in project focus occurred when the Government of China (GoC) began to request projects that would strongly link cultural heritage conservation with tourism development. The country's requests resulted in standalone projects in Gansu, Guizhou, and Shandong Provinces.

### Key Areas of Work

This report is organized around three broad areas of work that have been supported by the projects and the corresponding lessons learned from the implementation experiences in the field. These three areas are:

#### Integrating cultural heritage conservation in infrastructure upgrading and urban regeneration to strengthen cities

The conservation of China's historic cities has the potential to strengthen urban areas by increasing their livability and economic competitiveness. The smart growth approaches advocated today reflect many of the characteristics that are found in historic urban areas. The density, human scale, and pedestrian orientation of traditional neighborhoods are constructive models for future development and a counterpoint to urban sprawl. In addition, cities that conserve significant areas of cultural interest

create opportunities for positive branding, which can make them more competitive in attracting future investment.

However, municipalities in China often lack planning and development-control mechanisms adequate to protect historic areas and maintain a mix of land use that does not overwhelm their traditional character. An additional challenge is to balance cultural heritage conservation with the need to upgrade basic infrastructure that can accommodate urban growth and create opportunities for local economic development. Finally, there is the importance of conserving traditional housing in historic areas in ways that meet residents' expectations for a rising standard of living. To address these challenges, the GoC has requested support from the World Bank in three areas:

- a. *Strengthening urban planning skills.* Projects developed under the China-World Bank partnership have focused on strengthening multisectoral planning by including inputs from many different disciplines. A broader spectrum of inputs enables municipalities to better integrate cultural heritage conservation with urban development and maintain the economic and physical relationships of historic areas to their greater urban and regional contexts. Furthermore, the projects showed that it is important to support development-control mechanisms that can more effectively implement and enforce the regulations meant to protect historic areas from the current extreme pressures for development.
- b. *Upgrading basic infrastructure.* Projects have focused on investments to upgrade urban services that are compatible with historic areas. This focus led to investments in sensitive design, specification, and construction of infrastructure that can both improve services and enhance the traditional character of historic cities and sites. In addition, projects have planned infrastructure investments not only to support the sustainable development of heritage sites but also to raise



the standards of living in their surrounding communities. An additional advantage to this approach is that it supports sites' significance over the long term by maintaining the cultural and historical contexts that surround them.

- c. *Improving traditional housing* Projects supporting improvements for traditional housing have found that, to be sustainable, it is important to emphasize modern standards of living. These standards include the sensitive installation of new technologies such as solar panels and satellite dishes. User-friendly design guidelines and local technical assistance (TA) teams have been especially useful in implementing these programs. When extremely high densities in urban areas have been a concern, projects have supported resettlement in accordance with both international and Chinese guidelines.

### **Supporting best practice in conservation to protect cultural heritage with all of its values and significance**

Many of China's leaders increasingly are recognizing that it is important to conserve their country's cultural heritage for all of its historic, social, scientific, and economic value. Similarly, with increasing education, affluence, and leisure time, China's citizens are taking a growing interest in exploring and conserving their cultural heritage and history. Consequently, the country has fairly well-developed institutional and legislative frameworks to conserve cultural heritage. However, the laws and regulations are not always matched by the funding levels and capacities of the institutions charged with implementing them. While, in other parts of the world, participatory planning has been successful in addressing this gap by generating community support for conservation, this approach is not yet widely used in China. Another challenge is the ability of historic cities and sites to fund and implement strategies for the long-term sustainability of their conservation work, such as regular maintenance and monitoring. To respond to these issues, the GoC requested support for three activities and approaches:

- a. *Supporting conservation institutions and specialists.* Projects developed through the China-World Bank collaboration have aimed to develop conservation tools that can be long-term resources for cultural heritage bureaus, planners, and site managers. Such tools include digital archives and cultural heritage conservation strategies. Projects also have supported TA, training, and study tours for China's cultural heritage professionals. Projects have advocated and supported mechanisms for China's cultural heritage bureaus to be included in decisionmaking on development that will impact historic cities and sites. In addition, projects have used Chinese and World Bank social and environmental policies to integrate cultural heritage conservation into project design and implementation.
- b. *Increasing community participation and appreciation.* To encourage more stakeholder participation, projects have provided Chinese authorities with funding and TA to implement resident attitude surveys, stakeholder consultations, and pilots for the participatory identification of cultural assets to be conserved under projects. As one means to increase local understanding and appreciation of cultural heritage sites, projects have supported expanding the content of site interpretation to include information on the related cultural heritage of surrounding communities and their history with the site.
- c. *Enhancing the sustainability of conservation activities.* Projects assisted municipal authorities and site managers to establish realistic budgets for the operation and maintenance (O&M) of their sites. Some projects also helped sites create strategies for generating extrabudgetary revenues by developing culturally appropriate, fee-based activities. Projects supported the development of monitoring and evaluation (M&E) systems to measure the benefits of conservation activities and thereby create the means to justify O&M budgets. Finally, projects have supported the development of design guidelines for new construction to reduce the replication of historic

buildings, which undermines their uniqueness and thereby their capacity to generate revenue.

### Strengthening the links between cultural heritage conservation and local economic development

The economic benefits that can accrue directly to historic neighborhoods from cultural heritage conservation include increased property values, jobs, and incomes. Social benefits include positive local identity and its related social capital, which can be channeled into energy for conservation and other development challenges. In addition, there is a more overarching benefit. The conservation of historic areas has the potential to increase the visibility and positive image of cities as places worthy of attracting outside investment and world-class talent. However, local planners and officials face constraints in translating their cultural assets into robust social and economic benefits for their communities. Rather than important buildings being conserved, adapted, and integrated into city development plans, heritage assets are being lost to extensive demolition and excessive restorations. Similarly, as with many desirable destinations in other parts of the world, the difficult-to-control pressures of tourism have resulted in sites that exhibit deteriorating cultural assets and inauthentic development. To address these issues, the GoC has requested World Bank support for two strategies that show strong potential to generate economic and social benefits:

- a. *Adapting historic buildings for new uses.* Projects developed under the China-World Bank partnership have supported international TA to address the multiple planning issues in adaptive reuse projects. These issues include identifying realistic levels of demand for new activities, determining the cost and feasibility of adapting buildings to meet contemporary building codes, estimating new income streams, and developing long-term management systems.
- b. *Facilitating sustainable cultural tourism.* Projects have sought to strengthen tourism bureaus by raising awareness of the importance of conserving and

interpreting the authentic cultural heritage of tourism sites. Other support has included market research, tourism product development, and strategies for branding and marketing. Projects also have supported integrated site investments, which emphasize conserving and interpreting cultural heritage in combination with upgrading infrastructure. To raise the level of community benefits, projects have supported training to increase the availability and quality of tourism services.

### Next-Generation Issues and Challenges

While consolidating the lessons learned over the past several decades, it also is important to consider a next generation of issues. If well managed, these can increase opportunities to conserve China's cultural assets for harmonious development. Several of these issues and the challenges ahead for the further integration of cultural heritage conservation into sustainable growth and poverty reduction are to:

- a. Maximize the economic benefits of heritage conservation
- b. Leverage traditional knowledge for smart growth and energy conservation
- c. Strengthen the integration of cultural heritage conservation and tourism development
- d. Recognize cultural heritage conservation as an asset for creative industries.

Throughout the China-World Bank partnership, the country's political leaders, conservationists, planners, and community members have demonstrated that it is possible to improve peoples' lives while conserving valuable cultural heritage. This partnership will have been particularly successful if, in the coming years, it provides the foundation for refining and renewing approaches that will assist new generations with the objective of connecting the legacy of the past to a prosperous, sustainable, and inclusive future.

# 1 Introduction

The distinctive built and living culture that has evolved in China over at least five millennia is evident in the country's vast array of archaeological sites, historic cities, cultural landscapes, expressive arts, and ethnic diversity. However, over the last three decades, the country's unprecedented economic growth and expanding urban populations have seriously endangered many of these invaluable cultural assets. Urban growth has required large investments in developing and upgrading essential services and infrastructure. In turn, these investments have revitalized city centers, raised standards of living, and set the stage for continued development. However, during this process, much of the historic built environment has been either neglected or demolished in favor of modernization and new construction. Moreover, rising incomes and mobility have rapidly increased domestic tourism, which has led to overdevelopment and deterioration of many cultural heritage sites.

Nevertheless, many government officials, professionals, and community groups have realized the value and irreplaceable nature of China's cultural heritage and have worked tirelessly for its protection. The World Bank has valued the opportunity to support these efforts by working in partnership with national, provincial, and municipal governments to support an approach that integrates cultural heritage conservation with economic development and urban regeneration. Over the past 18 years, this partnership has manifested in 12 projects that support cultural heritage conservation in the context of development.

China's cultural heritage is important to conserve for all of its historic, economic, scientific, and social value. In addition, the development goals of China and the World Bank mean that it is important to connect support for cultural heritage conservation to social and economic benefits for the poor.

Projects developed under the China-World Bank partnership have provided support to conserve historic cities and sites based on their potential to (1) expand economic opportunities and revenues, (2) enhance quality of life, (3) support local identity and energy for development, and (4) create opportunities for positive city-image building and branding.

## 1.1 Purpose of the Report

The purpose of this report is to summarize practical project experience on the ground to extract lessons learned and establish an initial knowledge base to share with national, provincial, and municipal decision makers in China. In addition, the report is intended to be of relevance to World Bank staff and those in the international community who wish to gain an overview of projects conserving cultural heritage in China, which have received World Bank financing. The observations of the challenges and opportunities met during project implementation are intended to support and improve the quality of further investments in cultural heritage conservation.

## 1.2 Key Areas of Work

The report is organized around three areas of work which have emerged from project implementation in the field and form the basis for investments under the China-World Bank partnership. These areas are:

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**"People refer to Paris as the home of fashion and Vienna as the home of music. Promoting a city's image will help make it much better known, hence attracting more talent and investments."**<sup>1</sup>

—Wang Changyuan, Deputy Secretary General,  
China Association of Mayors

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■ The conservation of this historic complex under the Chongqing project has created a new tourism site, stimulated small business, and strengthened residents' awareness of their history.

- a. Integrating cultural heritage conservation in infrastructure upgrading and urban regeneration
- b. Supporting best practice in conserving and presenting cultural heritage
- c. Strengthening the links between cultural heritage conservation and local economic development.

Clearly, the 12 projects developed under this partnership represent only a small portion of the ongoing conservation work in China. However, an opportunity for lessons learned lies in examining the approaches taken by these projects, which have evolved over time to emphasize cultural heritage conservation as part of local economic development, social protection, and sustainable tourism.

### 1.3 Structure of the Report and Methodology

An introduction to each section in the main body of the report presents some of the major challenges for cultural heritage conservation in China and why it is important to address them. Rather than examining

all the project activities that aim to deal with these challenges, the report describes a selected number of project features that offer the most salient lessons to emerge and concrete examples of project experience on the ground.

The observations in this report are based on previous project case studies, interviews with project team leaders, research developed by the World Bank and other institutions, and project documents, including project appraisal documents (PADs) and implementation completion reports (ICRs). However, most importantly, this report is based on work in the field with Chinese counterparts, who have generously contributed their expertise and local knowledge in implementing projects to the highest standard possible.

All current and closed World-Bank-financed projects that have supported cultural heritage in China have been drawn on for examples and lessons. A short description of each project is provided in Appendix 1 to provide the reader with information and a quick reference for each project discussed.



## Working Definitions of Culture and Cultural Heritage

The World Bank has adopted the definition of *culture* used by UNESCO and the World Commission on Culture and Development (WCCD). In this definition, culture encompasses “the whole complex of distinctive material, intellectual, spiritual, and emotional features that characterize a society or social group” (WCCD 1995). *Cultural heritage* is a subset of culture. Based on international conventions and charters, several types of cultural heritage are described below as working definitions for this report.

**Tangible cultural heritage** refers to significant material manifestations of culture (historic cities, buildings, monuments, and archaeological sites).

**Intangible cultural heritage** refers to the practices, knowledge, and skills that peoples recognize as part of their cultural heritage such as performance and craft skills, language, and ceremonies.

**Cultural landscapes** represent the combined works of nature and human beings and are illustrative of the evolution of human society and settlements over time under the influence of the physical constraints and opportunities presented by their natural environments and successive social, economic, and cultural forces (urban streetscapes and terraced slopes for rice cultivation).

**Natural heritage** includes natural features or sites consisting of physical and biological formations of outstanding universal value from an aesthetic or scientific point of view (geological formations, wetlands, glaciers).<sup>a</sup>

*Source:* Authors’ definitions based on UNESCO and ICOSMOS conventions, charters and recommendations.

<sup>a</sup> Several of the more recent World Bank projects incorporate the conservation of natural heritage. However, this report does not address the protection of natural heritage in great detail.



■ The karst formations and agriculture of Guizhou Province create a distinctive cultural landscape and tourism asset, to be protected under the Guizhou project.



## 2 Overview of Support for Cultural Heritage Conservation, FY1993–2011

Since the early 1990s, World-Bank-supported projects in China have included conservation of cultural heritage in a wide variety of settings. The work includes support requested by rapidly urbanizing cities striving to save their threatened historic fabric, quiet towns aspiring to grow through tourism based on their history, cultural and natural heritage parks seeking more sustainable development and management, and ethnic minority villages that have decided to pursue economic development based on maintaining and presenting their traditions. Chinese officials also have requested World Bank support for conservation at five sites of international significance, namely, the World Heritage sites of Lijiang in Yunnan, the Leshan Grand Buddha in Sichuan, the Great Wall at Jiayuguan in Gansu and Shanhaiguan in Liaoning, and the temple, cemetery, and family mansion of Confucius in Shandong.

■ The Leshan Grand Buddha received support for stabilization and mitigation of environmental damage under the project in Sichuan.

### 2.1 Lending Program Size

Working closely with authorities in 8 provinces and the 2 independent municipalities of Chongqing and Shanghai, the World Bank has helped finance 12 projects in China, utilizing approximately US\$1.323 billion in loans. This amount includes approximately US\$260 million for cultural heritage conservation. These figures make China the largest single-country program supporting the conservation of cultural heritage at the World Bank. In addition to providing loans, projects were able to strengthen the quality of project preparation and implementation with financing provided through trust funds (TFs) managed by the World Bank. These TFs include support from the governments of Australia, Canada, Denmark, Italy, Japan, Singapore, Spain, Sweden, and the United Kingdom.



## 2.2 Trends over Time

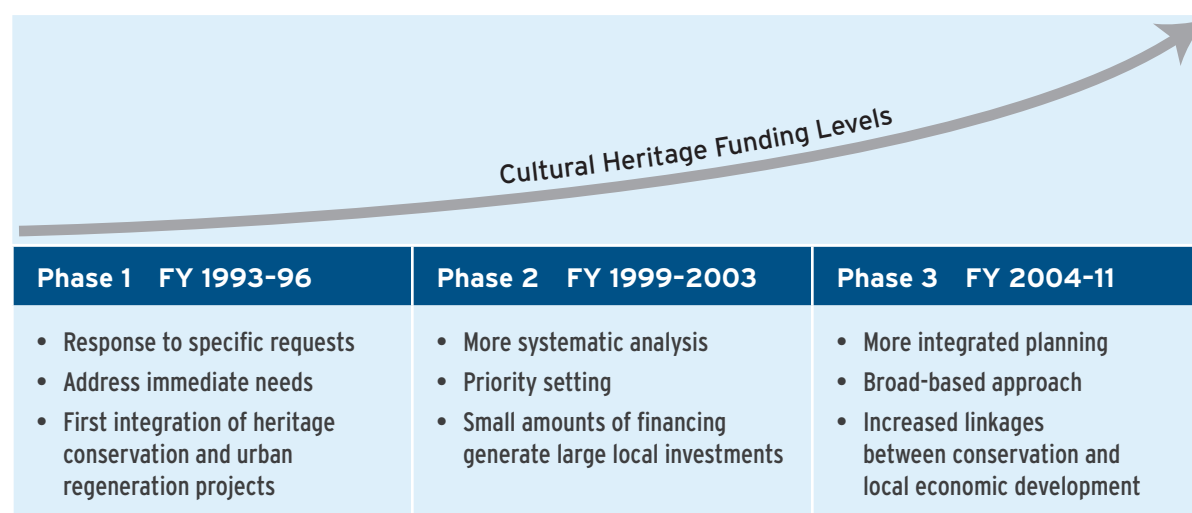
Over the last 18 years, the China-World Bank partnership supporting cultural heritage conservation has moved through 3 distinct phases and the loan amounts for these activities have gradually increased from under US\$1 million to US\$60 million. Throughout this engagement, the provincial and municipal governments have played a leading role, both in design and implementation and in financing, since all the investments have been financed jointly by local governments and the World Bank. In all cases, oversight was provided by the State Administration of Cultural Heritage (SACH) to ensure consistency with national policies.

The first phase of engagement, *Response to Immediate Needs*, is represented by three projects in Zhejiang, Liaoning, and Yunnan (FY1993–96). For these projects, World Bank teams responded quickly to specific government requests for assistance with heritage sites in need of immediate action due to natural disasters and rapid deterioration. Although the component loan amounts during the first phase were small, they were important because they were the first investment projects supported by the World Bank in China that demonstrated that conservation of cultural heritage could be effectively integrated

with infrastructure upgrading and urban regeneration activities.

The projects undertaken in Sichuan, Chongqing, and Shanghai (FY1999–2003) represent a second phase, more *Systematic Analysis and Priority Setting*, which emphasized policy dialogue and a more systematic approach. These projects supported broad cultural heritage assessments and developed strategies that identified action plans and priority investments. These projects are significant for the degree to which small amounts of financing acted as seed money to generate large local investments and raised awareness of cultural heritage during a period of rapid development.

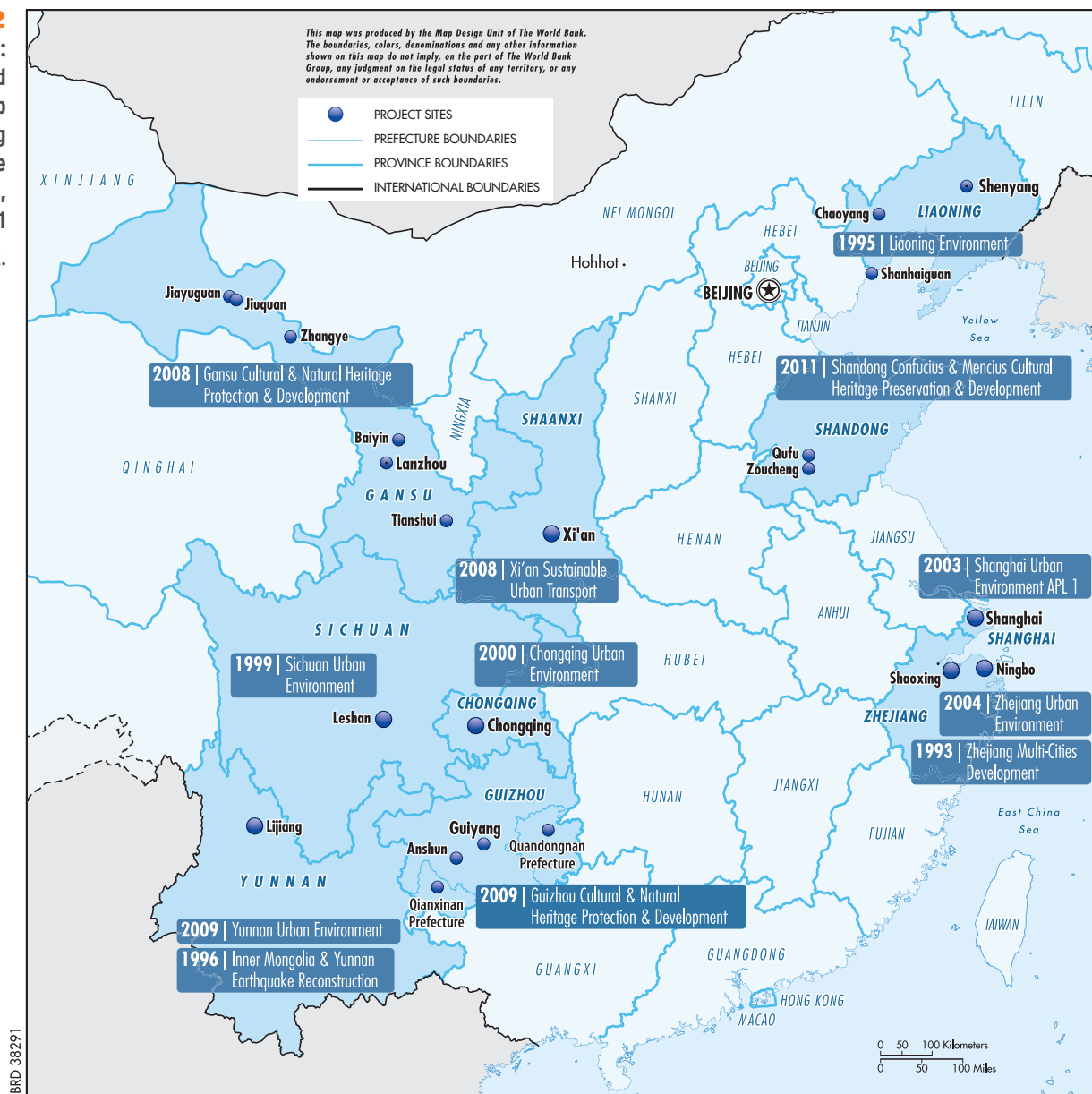
The third and current phase, *Integrated and Broad-Based Approach* (FY2004–11), is characterized by more integrated work that addresses (1) the broader urban and regional environment of historic cities and sites, (2) province-wide cultural heritage conservation and tourism development that involve multiple sites, and (3) strengthened links between heritage conservation and local economic development. These projects are continuing to support improvements in conservation and management skills through the exposure of local cultural heritage practitioners to cutting-edge conservation



**FIGURE 1**  
Phases of Engagement:  
China-World Bank Partnership Supporting Cultural Heritage Conservation, FY1993–2011

Sources: World Bank Project Appraisal Documents (PADs).

**FIGURE 2**  
**Project Sites:**  
**China-World**  
**Bank Partnership**  
**Supporting**  
**Cultural Heritage**  
**Conservation,**  
**FY1993-2011**  
**Source:** World Bank.



practice and the hands-on learning of project implementation.

Each of the Bank investments in China's cultural heritage during the first 10 years (FY1993–2003) was for US\$7 million or less (table 1). Since 2004, such investments have been much larger, ranging from US\$21.6 million to US\$60 million per project. The greater size can be attributed to a shift from

urgent and site-specific investments to more systematic and integrated approaches.

## 2.3 From Components to Standalone Projects

The majority of projects (7 of 12) included cultural heritage conservation as part of large urban environmental management projects that focused

**TABLE 1**  
Project Details:  
China-World  
Bank Partnership  
Incorporating  
Cultural Heritage  
Conservation  
in China,  
FY1993–2011

FY	Project name	Total loan amount (US\$mil)	Loan amount supporting CH <sup>a</sup> (US\$mil)	Status
<b>Phase 1. Response to Immediate Needs</b>				
1993	Zhejiang Multicities Development Project	110.0	0.15	Closed
1995	Liaoning Environment Project	110.0	0.68	Closed
1996	Inner Mongolia and Yunnan Earthquake Reconstruction Program	30.0	7.00	Closed
<b>Phase 2. Systematic Analysis and Priority Setting</b>				
1999	Sichuan Urban Environment Project	152.0	0.30	Closed
2000	Chongqing Urban Environment Project	200.0	1.00	Closed
2003	Shanghai Urban Environment Project APL 1	200.0	6.00	Closed
<b>Phase 3. Integrated and Broad-Based Approach</b>				
2004	Zhejiang Urban Environment Project	133.0	45.00	Closed
2008	Xi'an Sustainable Urban Transport Project	150.0	21.60	Active
2008	Gansu Cultural and Natural Heritage Protection and Development Project	38.4	38.40	Active
2009	Guizhou Cultural and Natural Heritage Protection and Development Project	60.0	60.00	Active
2009	Yunnan Urban Environment Project	90.0	29.70	Active
2011	Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project	50.0	50.00	Active
<b>Total</b>		<b>1,323.4</b>	<b>259.83</b>	

Sources: World Bank PADs.

**Notes:**

Loan and component amounts are estimated based on Project Appraisal Documents because there is no official code for documenting the support of cultural heritage in the World Bank's record-keeping system.

The amount of the loan estimated to be in support of urban cultural heritage conservation includes funding for infrastructure upgrading (for example, water and sanitation) when this work is focused on historic areas.

<sup>a</sup> CH refers to cultural heritage.

primarily on sustainable water resources, wastewater and water supply systems, and solid waste management. In 2008 a marked change in focus occurred when the government of China began requesting projects that strongly linked cultural heritage conservation with tourism development as part

of its national development strategy, especially for provinces in Western China. This emphasis and the long-term relationship established through previous joint work led to requests to the Bank for standalone projects in Gansu, Guizhou, and Shandong provinces. This current approach was initiated by China



to further support the central government's goal of creating demonstration projects and disseminating best practice for cultural heritage conservation throughout China.

## 2.4 Project Activities

Depending on local needs and circumstances, World-Bank-supported projects addressing cultural heritage conservation have worked on a wide variety of activities:

- ▲ *Urban planning* involving assistance with planning, development, and monitoring for historic cities
- ▲ *Infrastructure upgrading* in historic cities, towns, villages, and parks (water supply, sanitation, roads, power and telecommunications ducts)
- ▲ *Conservation planning and management* including cultural heritage inventories, master plans, and strategies

- ▲ *Conservation works* to adapt historic buildings for new uses, conserve monuments and sites, and repair traditional housing
- ▲ *Intangible heritage conservation* through support for community-based inventories, documentation, and training
- ▲ *Cultural heritage interpretation* and presentation through new and updated museum and exhibition facilities, signage, and guided programs
- ▲ *Cultural tourism planning* through support for data collection; market research; strategy development; and training for tourism bureau officials, site managers, and local communities
- ▲ *Institutional frameworks and capacity building* for planning, implementation, management, and evaluation of projects.

## 2.5 Nonlending Activities

The World Bank, UNESCO, and SACH partnered to sponsor two international conferences that

■ **Mati Temple Scenic Area** is one of nine sites receiving integrated investments for conservation, infrastructure, tourism, and capacity building under the Gansu project.





examined the opportunities and challenges for cultural heritage conservation. These conferences were held in Beijing in 2001 and Shaoxing in 2006. They presented both local and international examples of good practice. These conferences raised awareness of sector issues for large numbers of Chinese cultural heritage specialists and political leaders, who are primary decisionmakers, as well as for academics and graduate students.

Project work and lessons learned have been documented in several videos, web-based slideshows, and published case studies on activities in Ningbo, Lijiang, Chongqing, Shaoxing, and Gansu. A comprehensive work entitled “Management of Urban Cultural Heritage in China: A Sector Overview,” was written in 2005 to present a wide-ranging discussion of the accomplishments and challenges in this field (Hankey and Brammah 2005). In addition, projects have collaborated with such organizations as UNESCO, the US National Park Service, and the

Getty Conservation Institute, which have provided advice and technical assistance to raise the level of project preparation and implementation.

## 2.6 Project Objectives and Approach

Cultural heritage conservation activities developed under the China-World Bank partnership have supported three broad areas of work, which emerged from an assessment of the policy dialogues, technical assistance, and the most frequently supported investments related to these projects. These areas are:

- a. Integrating cultural heritage conservation into infrastructure upgrading and urban regeneration because of its potential to strengthen cities by supporting economic growth, livability, and competitiveness
- b. Supporting best practice in conserving and presenting cultural heritage to protect historic



■ Projects aim to support intangible heritage and increase artisans's ability to generate income based on their skills.

- cities and sites with all their values and significance for present and future generations
- c. Strengthening the links between cultural heritage conservation, poverty reduction, and local economic development.

Project work undertaken in support of these three areas are based on the best practice principles found in China's 1982 *Law of the People's Republic of China on the Protection of Cultural Heritage*, and its subsequent updates. In addition, the national guidelines entitled *Principles for the Conservation of Heritage Sites in China* have been extremely useful

in providing an integrated and methodological approach to the conservation and management of sites, in compliance with China's existing legislation. Known as the China Principles, this document was promulgated by the China chapter of the International Committee on Monuments and Sites (ICOMOS), with the approval of SACH. China has ratified or accepted most UNESCO conventions on the protection of cultural heritage.<sup>2</sup> Consequently, projects also draw heavily on the best practice outlined in the international conventions, charters, and recommendations of UNESCO and ICOMOS.

■ In addition to conserving significant buildings, projects have sought to improve community living environments and create opportunities for income generation.



### 3 Integrating Cultural Heritage Conservation in Infrastructure Upgrading and Urban Regeneration

China's historic cities and sites are in danger of disappearing under extreme pressure from the forces of urban redevelopment and modernization. Many different factors are leading to these realities, including a lack of planning and development-control mechanisms sufficient to protect historic areas. In addition, there is the challenge of balancing cultural heritage conservation with the need to upgrade essential services and infrastructure to accommodate urban growth and create opportunities for local economic development. Finally, there is the importance of meeting residents' expectations for a rising standard of living, while maintaining the traditional characteristics of housing in historic areas.

In spite of these issues, there is much to be gained from conserving historic cities and sites. The importance of compact urban areas, or "smart growth," is one of the cardinal tenets of sustainable urban development. These approaches advocate many of the characteristics that are found in historic urban areas. The conservation of traditional streets and neighborhoods preserves areas built on a human

scale and pedestrian links to friends, shopping, and jobs. The revitalization of traditional public spaces such as central squares and parks preserves social environments and positive patterns of community activity. In addition, the densities, mixed use, and scale of historic urban cores provide their larger metropolitan areas with positive models for development that emphasize urban community and energy-efficient development, rather than urban sprawl.

Furthermore, conservation of historically significant cities and sites preserves areas of great beauty and unique urban landscapes. In today's globalizing world, modern international architectural styles have created a visual sameness in many of the world's cities. Consequently, the unique characteristics of historic areas are becoming rarer and more highly prized as local assets and a global public good. The resulting "sense of place" can create positive local identity, build civic pride, and generate energy for development. In addition, cities that conserve significant areas of cultural interest create opportunities for positive international and regional



■ The density and pedestrian orientation of traditional neighborhoods create important opportunities for interaction in the historic urban core of Shaoxing, Zhejiang Province.



branding. These cultural assets thus can make such cities more competitive in attracting the investments and knowledge workers necessary for continuing growth and vitality.

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**“China has become a country of a thousand cities with only one face.”<sup>3</sup>**

—Shan Jixiang, Director General, SACH

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Based on the potential of cultural heritage conservation to strengthen cities, China has asked the World Bank to support investments and institutional strengthening in three key areas: (1) strengthening urban planning skills, (2) upgrading basic infrastructure services, and (3) improving traditional housing and neighborhoods.

### 3.1 Strengthening Urban Planning Skills

Urban development that includes cultural heritage conservation requires integrated planning skills and development controls.

Planning for sustainable development and change in the context of historic cities is highly complex and involves management of the (sometimes conflicting) interests of residents, the private sector, and governments. Even when local administrations are determined to protect historic areas, they often need support to identify the full range of their cultural assets, undertake multisectoral planning, and institute mechanisms to effectively control private development. The World-Bank-financed projects have supported local initiatives to address these issues by providing investments and TA as discussed below.

#### Increasing Local Awareness and Multisectoral Planning

International best practice emphasizes the importance of developing a clear understanding of the full range of historic, scientific, and cultural significance

of a place based on sound and thorough research (ICOMOS China 2002, ICOMOS Australia 1999). This information provides cities and sites with the most possibilities for increasing positive community identity and developing strong branding that attracts visitors and outside investment. However, project experience on the ground has found that local officials and site managers often need help in broadening their definition of local heritage and in developing their city’s unique characteristics. One important ingredient of raising awareness and developing the best response to local conditions is to ensure that multisectoral planning includes the contributions of many different disciplines, such as engineers, planners, environmentalists, conservationists, architects, and economists. Multisectoral teams are especially relevant to maintain historic areas that are socially, economically, and physically integrated in their greater urban and regional contexts (UNESCO 2005, ICOMOS International 2003).

A project experience that illustrates the importance of multisectoral planning in the Chinese context is the *Zhejiang Multicities Development Project (FY1993)*. As part of planning for infrastructure upgrading in the ancient city center of Ningbo, policy dialogues that included conservationists raised the awareness of city officials and increased their commitment to conserve the historic urban core, especially its centerpiece, Moon Lake. The lake and its surrounding public space (shaded walkways, benches, and playgrounds) are a valuable urban oasis. In 1992 plans for the lake’s development had been to sweep away all existing buildings and landscaping on its east bank and rebuild with high-rise apartment blocks. However, over the course of project preparation and discussions with the World Bank, Ningbo’s planners began to emphasize conservation and recreational development around the lake. Today, the historic lakefront is a focal point of relaxation for Ningbo’s residents that has maintained the relevance and attractiveness of the historic core for the city at large. The lake has created an area with physical links among the city center, historic neighborhoods, commercial areas,



■ The historic Moon Lake area contrasts with the density of the surrounding city, making it a favorite for residents and tourists in Ningbo, Zhejiang Province.

and public spaces. The historic area thus connects all of the elements of a high-quality urban lifestyle for residents, as well as being an attractive destinations for tourists (Ebbe and Hankey 1999).

### Strengthening Development-Control Mechanisms

An area that is particularly challenging in China's rapidly growing cities is to define and control the appropriate quality, mix, and relationships of land use to avoid unsympathetic development adjacent to historic sites. International and Chinese conservation policies that address this issue include the creation of buffer zones, controls on building heights, and the preservation of significant views (ICOMOS China 2002, ICOMOS Australia 1999). While many historic cities in China have good regulations to protect cultural heritage, project experience has shown that the ability and political will to effectively enforce these regulations cannot stand up against the current level of pressure for development.

### Zhejiang Multicities Development Project (FY1993)

The project was designed to strengthen the planning and delivery of urban services in Shaoxing, Hangzhou, Wenzhou, and Ningbo in Zhejiang Province. In Ningbo, the project widened major roads and improved urban services (sewage, storm drains, power, and street lighting) along their alignment. Cultural heritage conservation activities also were supported in Ningbo, which began evolving sometime before 770 B.C. and contains many culturally significant residential, religious, and institutional buildings. The project conserved and repaired historic bridges, gates, and embankments along the path of project-supported roads. Preliminary road alignments were changed to save cultural heritage and, when doing so was not possible, some significant buildings were moved to other locations.

*Source:* Zhejiang Multicities Development PAD and ICR.

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**"Great places to live are great places to visit."<sup>4</sup>**

—Ningbo Tourism Development Integrated Report 2008-2018

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A number of options for development control have been recommended and explored by the World-Bank-financed projects. These options include: (1) developing manuals with principles, guidelines, and practical advice for conserving and managing historic cities and sites over the long term; (2) forming specific municipal units with the authority to control all development and conservation in historic areas; and (3) requiring all proponents of development activities (city agencies or private developers) to submit cultural heritage impact assessments. While these projects have had some success in supporting individual control mechanisms such as creating and enforcing buffer zones, the more far-reaching municipal controls described in this paragraph have not yet been adopted by project sites. This reality is an indication of the difficulty of arriving at consensus and commitment strong enough to implement effective and comprehensive controls.

An example of project work to support buffer zones is found in investments under the *Yunnan Urban Environment Project (FY2009)*. One project component

aims to improve the conditions on Lion Mountain, which provides an important buffer between the ancient and new parts of the UNESCO World Heritage City of Lijiang. Investments in water supply, drainage, and sewer networks are planned to address infrastructure issues on the mountain. In addition, 32 hectares (ha) of environmental greening and landscaping are intended to help preserve the authenticity of the buffer zone's setting. Approximately nine kilometers of hiking trails will be improved and traffic management introduced, in lieu of road widening, for the existing hilltop access road. Investments are expected to maintain the environmentally sound use of the mountain by residents and tourists and support this buffer zone's long-term ability to protect the visual integrity and significance of Lijiang.

Another example of support for development controls is found in the *Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project (FY2011)*. The project supports the development of a handbook to help manage historic city planning as well as the conservation, operation, and maintenance of cultural heritage assets. The handbook also is intended to prevent demolition of existing buildings of heritage significance (public or privately owned) and minimize new construction designed as mere copies of ancient styles. Specifically designed for the cities of Qufu and Zoucheng, the handbook will develop strengthened regulations and design guidance for ancient buildings, historic areas, buffer zones, and new construction. The handbook also can be a valuable resource for other Chinese cities and cultural heritage protection institutions, as well as international organizations and specialists who undertake cultural heritage conservation in China's historic cities.

### 3.2 Upgrading Basic Infrastructure

With appropriate design and materials, infrastructure can be upgraded while maintaining the traditional character of historic cities and sites.

■ Many tourists climb Lion Mountain in search of this view of the traditional urban landscape in Lijiang, Yunnan Province.



### Yunnan Urban Environment Project (FY2009)

The UNESCO World Heritage City of Lijiang is known for its extensive cultural and natural landscapes, which are manifestations of the harmonious fusion of different cultural traditions and architectural styles. However, the rapid growth of Lijiang's population and tourism has created a need to upgrade the historic city's environmental management infrastructure. The project supports environmental management improvements for the ancient city: (1) a new waste water treatment plant and improvements to the sewage system, and (2) a new landfill and solid waste collection system. The project also aims to improve conditions on Lion Mountain to increase the sustainability of this important buffer zone between the old and new areas of the city.

*Source:* Yunnan Urban Environment PAD.

Upgrading basic infrastructure services can have a dramatically negative impact on the quality of historic cities and sites, degrading or destroying their value and significance. For example, power and telecommunications lines can create visual clutter; water and electricity installations can damage historic buildings; and widened roads can isolate traditional neighborhoods. Cost-saving measures and insensitive design decisions for infrastructure investments on the part of local administrations have dramatically undermined some historic areas in China. Given the extent of infrastructure work supported by projects developed under the China-World Bank partnership, the following aspects of upgrading were accorded special attention.

### Designing Infrastructure to Enhance Historic Areas

Infrastructure upgrading by World-Bank-financed projects has shown that, if properly designed, these investments can enhance the traditional character of historic areas. According to international recommendations, projects have supported the development of guidelines for the design, specification, and

construction of infrastructure elements and installations that are compatible with historic areas and buildings (Vines 2005). These guidelines are based on the specific characteristics of the historic cities and sites for which they will be used. The guidelines include (1) choosing designs, fixtures, and connections that create minimal destruction of historic structures and streetscapes; and (2) selecting infrastructure elements and materials such as streetlights and sidewalk pavers that reflect the historic character of the specific place. While some administrators express concern about the extra expense of these choices, innovative design solutions can be cost neutral.

An example of infrastructure investment enhancing a historic area is found under the *Xi'an Sustainable Urban Transport Project (FY2008)*. Xi'an's key challenge is the need to balance the conservation of the city's traditional character with the demands of access and mobility for a municipality with an urban population of five million, a high-technology industry, and world-class universities. The project is improving

### Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project (FY2011)

The purpose of the project is to assist Shandong Province in enhancing cultural heritage conservation and sustainable tourism management, including the provision of improved infrastructure services, in Qufu and Zoucheng. The historic cities of Qufu and Zoucheng are the hometowns, respectively, of Confucius and his disciple, Mencius, two great philosophers of ancient China. The temple, cemetery, and family mansion of Confucius in Qufu are inscribed on the UNESCO World Heritage List. The project supports (1) the conservation and presentation of key cultural heritage sites, (2) infrastructure upgrading in the historic cities, (3) historic city regeneration and management, (4) sustainable tourism development, and (5) training for communities in tourism-related income generation.

*Source:* Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project Draft PAD.





■ The Confucius Cemetery is one of the World Heritage sites in Qufu that will benefit from investments under the Shandong project.

transport infrastructure and traffic management to create a more livable environment within the historic urban core, the Ming Walled City. Rather than widening roads to accommodate increasing traffic in the walled city, the Xi'an project aims to reduce congestion by diverting traffic around and outside the city walls. The noise, pollution, and parking needs created by tourism within the walled city are to be further reduced by developing bicycle paths that connect all of the major tourist sites and by promoting bicycle touring. In addition, the project is supporting streetscape improvements, safer conditions for walking and cycling, and traffic-calming measures. These positive changes not only facilitate tourism but also improve the daily lives of residents in Xi'an.

### Including Attention to Communities and Context

Many conventions and guidelines for heritage conservation mention the importance of providing community benefits as part of this work (UNESCO 2005). World-Bank-financed projects supporting cultural heritage in China have included infrastructure upgrading based on an understanding that these investments are important, not only for the sustainable development and protection of heritage sites but also for raising local standards of living and creating

opportunities for local economic development. This stance has had the advantage of providing benefits for the poor, who often live near or within heritage sites, be they historic urban cores or remote heritage parks. Investment in surrounding communities also addresses the conservation goal of providing

### Xi'an Sustainable Urban Transport Project (FY2008)

Xi'an, the eastern end point of the Silk Road, attracts millions of tourists every year to the world-renowned Qin Terracotta Warriors, the Ming Walled City, and the archaeological site of Chang'an. The project aims to assist Xi'an Municipality to improve the city's major road networks, public transportation, and traffic and air quality management. To reduce traffic, the project will divert vehicles from the Ming Walled City (MWC); and develop a network of bicycle routes within it to link all the main tourist sites, city gates, and forthcoming metro stations. At Chang'an, the project supports infrastructure, landscaping, signage, and the reconstruction of the Han Dynasty road system around the Weiyang Palace, the primary asset within the archaeological site.

*Source:* Xi'an Sustainable Urban Transport PAD.

continued meaning to historic sites by maintaining them in their cultural and historical contexts (ICOMOS China 2002, ICOMOS International 2005b). While conservation efforts in China are effectively conserving many major monuments, the goal of protecting their surroundings and settings could receive more attention.

Under the *Chongqing Urban Environment Project (FY2000)*, the Huguang Huiguan, a large complex of ancient buildings, was conserved and adaptively reused for activities to benefit local communities and develop tourism. As part of planning for the project's long-term sustainability, the government invested in basic infrastructure upgrading for the historic complex and its surrounding low-income neighborhoods. City officials also have stressed the importance of providing for local residents' other needs by addressing employment generation, commercial and residential land use, and tourism development.

### 3.3 Improving Traditional Housing

Upgrading traditional housing is important if neighborhoods in historic cities are to retain their residents and unique sense of place.

A major challenge of urban regeneration and cultural heritage conservation efforts in China's historic cities is the necessity to provide housing that meets residents' increasing expectations for a



■ Light fixtures used in the historic area of Shaoxing are contemporary, but their design is sympathetic to the traditional streetscapes.

rising standard of living. Traditional housing often lacks the sanitation, electricity, and floor plans typical of modern lifestyles. In areas in which sub-standard housing is the norm, several homeowner interventions have had a negative impact on the historic qualities of their neighborhoods. In some cases, homeowners begin to improve their homes ad hoc as their incomes rise, resulting in a loss of



■ The project in Xi'an aims to reduce traffic congestion in the Ming Walled City to conserve the historic urban fabric and improve the quality of life.



### Chongqing Urban Environment Project (FY2000)

This project focused primarily on developing urban infrastructure to improve wastewater and solid waste management, increase water supplies, and upgrade water quality monitoring. Working with the Chongqing Cultural Heritage Bureau, the project also supported a strategic master plan to conserve cultural heritage in the municipality. Based on this master plan, the city requested a project component to conserve the historically significant, but seriously deteriorated, complex of merchant guild houses, known as Huguang Huiguan.

*Source:* Chongqing Urban Environment PAD and ICR.

traditional architecture and uniform streetscapes. In other cases, homeowners move to more modern housing and are replaced by lower-income families with less ability to maintain properties, resulting in a downward spiral of deterioration. To address these homeowner responses and their impact on historic areas, World-Bank-financed projects have provided support for residential upgrading and protection for low-income residents.

### Providing Support for Residential Upgrading

Due to the prevalence of low-income households in most historic neighborhoods and traditional villages, the World-Bank-financed projects have found it important to support traditional housing repair and upgrading work with either grant or cost-sharing programs. Even in low-income areas, cost-sharing programs have experienced strong homeowner participation and stimulated additional investments by individual owners.

Design guidelines that are user-friendly and provide multiple visual examples of good and bad work have been financed by projects to help homeowners understand best practice in residential upgrading. Projects also have found that it is helpful to create locally based technical units to provide advice and quality control to the residents who use these programs. To be sustainable, residential upgrading guidelines have emphasized modern standards of living, including (1) the sensitive installation of modern services such as satellite dishes and air conditioners and (2) the adaptation of interior layouts to accommodate the addition of kitchens and bathrooms.

■ The Chongqing project supported the upgrading of infrastructure in the Huguang Huiguan's adjacent neighborhoods to raise standards of living and maintain the historic context of the site.



### Inner Mongolia and Yunnan Earthquake Reconstruction Program (FY1996)

Lijiang, a UNESCO World Heritage City, is known for its vibrant ethnic minority cultures and a uniformly traditional cityscape that is ingeniously built on a network of streams and water channels. In response to an earthquake that caused severe damage, the project provided funding to repair basic infrastructure, schools, hospitals, and industrial enterprises. At the local government's request, funding also was set aside to repair cultural heritage assets, including ancient streets, sidewalks, bridges, and traditional housing.

*Source:* Inner Mongolia and Yunnan Earthquake Reconstruction Project Memorandum and Recommendation of the President and ICR.



■ Design guidelines, grants, and TA helped households participating in the earthquake reconstruction program to maintain their homes' traditional characteristics in Lijiang.

Examples of project support for residential programs include the *Inner Mongolia and Yunnan Earthquake Reconstruction Program (FY1996)*. To address the damage to traditional housing caused by an earthquake in 1996, project activities in Yunnan supported a grant program for housing reconstruction that was deemed necessary because of the urgency of rehousing families and because building materials had become scarce and expensive. Homeowners themselves planned to

do much of the work. To support them, guidelines were developed and a technical unit created to provide advice on construction techniques and materials that would maintain the architectural consistency of the traditional housing and streetscapes and be more earthquake resistant (Ebbe and Hankey 2001).

Another example of residential upgrading is found under the *Shanghai Urban Environment Project, APL 1 (FY2003)*. The project upgraded units in lane-style (*li-long*) apartment buildings that were built in the 1920s and 1930s in the historic district of Hongkou in



■ In Shaoxing, the residential upgrading program stimulated additional improvements by at least 80 percent of participants, as shown in this updated kitchen.

■ Before and after photos of improvements to electrical wiring for historic apartment buildings in Shanghai's Hongkou District show an increase in residents' safety.



Shanghai. All of the buildings were in poor condition and housed residents with varying incomes who had living space of, generally, less than 15 m<sup>2</sup> per household and shared kitchens and bathrooms with multiple households. Housing upgrading improved about 2,500 housing units and retained the functionality of the historic buildings. The work was done to maximize the number of residents retained in their units.

### Protecting Low-Income Residents

As historic city centers begin to regenerate, rising property values and rents can displace low-income residents. To protect community members and fledgling businesses, municipalities can develop subsidized rent and ownership programs and other forms of cross-subsidies. Where extremely high densities have been a concern, World-Bank-financed projects have supported compensation payments and resettlement in equivalent or better replacement units outside the city core to provide residents with options, according to both international and Chinese guidelines. However, in these cases, one of the most difficult questions, which is not yet clearly resolved, is, "Who stays and who must go?"

■ The earthquake reconstruction work in Lijiang repaired ancient streets, sidewalks, and water channels.



### Shanghai Urban Environment Project, APL 1 (FY2003)

The primary objectives of this project were to put in place some of the enabling conditions and facilities to pursue an integrated, metropolitan-wide approach to managing the urban environment, for both the city center and its surrounding districts. Adjacent to the vibrant and extremely modern city center are districts that have excessively high densities, deteriorated housing, and infrastructure that has outlived its useful life. To address this urban poverty in Hongkou Historic District, the project provided funding to upgrade the structural elements and basic services of low-rise apartment blocks.

*Source:* Shanghai Urban Environment Project APL 1 PAD and ICR.



## Tale of Two Cities:

### Urban Regeneration, Resettlement, and Tourism Development in Shaoxing and Cicheng

In conjunction with the *Zhejiang Urban Environment Project (FY2004)*, the city of Shaoxing has repaired and upgraded modest Ming and Qing dynasty housing in the canal-side neighborhoods of its historic urban core. As is the case in many historic cities, to conserve traditional streetscapes and housing patterns, it was necessary to decrease the extreme residential densities that had evolved over time. However, the goal of Shaoxing's housing program was to create a healthier living environment, while keeping in place as many of the neighborhood residents as possible to conserve the existing social fabric and networks that are important to support daily life, especially for the poor. In the end, approximately 8,000 households remained in place and benefited from upgraded housing and services and about 700 households were resettled to modern apartments outside the urban core.

In addition to Shaoxing, the Zhejiang project supported investments in the small historic town of Cicheng to improve its roads, sanitation, and historic moat. Cicheng undertook a city-financed program to rehabilitate traditional housing and historic buildings. In contrast to Shaoxing, Cicheng undertook resettlement that, while meeting the World Bank and Chinese requirements, was designed to completely empty historic buildings and maximize the resettlement of residents out of its historic core. Traditional buildings in Cicheng were emptied and renovated for use as tourist

destinations such as boutique hotels, restaurants, exhibition halls, and shops.

The resettlement programs in Shaoxing and Cicheng created very different results. In Shaoxing, the historic neighborhoods and their traditional waterside lifestyle continue much as they have for many decades. Shaoxing's leaders see the neighborhoods as an important tourism asset and tourists as a source of income for the neighborhoods' low-income residents. In Cicheng, extensive resettlement has resulted in empty streets and public spaces that have lost their local character and interest.

Unfortunately, Cicheng's approach to resettlement often is the norm in China. Local residents are asked to move from historic areas because a property developer has been contracted by the government to develop the areas for tourism. This development model often ignores and obscures local characteristics. Instead, visitors are presented with an artificial commercial model devised by property developers rather than the actual local culture and history. The very characteristics that attract visitors to historic places no longer exist. The quickly growing sophistication and expectations of Chinese tourists means that these inauthentic and uninteresting places are not likely to be successful in the long term.

*Source:* World Bank project experience.



■ The relaxed canal-side lifestyle continues much as it has for the last several decades in the upgraded traditional neighborhoods of Shaoxing.

## 4 Supporting Best Practice in Conserving and Presenting Cultural Heritage

China has a vast amount of valuable cultural heritage and a corresponding level of challenges for its protection and conservation. To date, nationwide inventories in China have identified over 400,000 cultural sites, and more than 100 cities have been labeled national-level *Historically and Culturally Famous Cities* (Development Gateway 2006). In addition, the country has 40 properties on UNESCO's World Heritage List. Under the Ministry of Culture, SACH is responsible to protect this heritage through the development of national cultural heritage policy, legislation, and technical standards. SACH coordinates its work through provincial, municipal, and county cultural heritage bureaus.

While China has fairly well-developed institutional and legislative frameworks for cultural heritage

conservation, the laws and regulations are not always matched by the capacity of the institutions and professionals charged with implementing them. More generally, there is a shortage of architects, planners, city managers, and engineers who have been trained with sensitivity to cultural heritage conservation. There also is a shortage of firms and craftspersons who possess the technical ability to implement the high-quality specifications necessary for authentic conservation of historic buildings and monuments.

Several other factors are undermining conservation practice in China. For example, elsewhere in the world, participatory planning in cultural heritage conservation has been shown to be a highly effective means of increasing community awareness, support, and stewardship. However, participatory planning is

■ The Shandong project supports the conservation of the Confucius temple in Qufu, a World Heritage Site.



not yet widely used by city officials or site managers in China. It is also difficult for managers of historic cities and sites to implement common strategies for the long-term sustainability of conservation, such as budgeting for regular maintenance.

To strengthen cultural heritage conservation practice, China has asked the World Bank for assistance with (1) improving the capacity of the institutions and professionals responsible for conservation, (2) building community appreciation for cultural heritage, and (3) enhancing the sustainability of conservation work.

## 4.1 Supporting Conservation Institutions and Specialists

A high quality of conservation practice is necessary to preserve cultural heritage with all of its values and significance.

The number of skilled professionals directly charged with heritage protection in China's cultural heritage bureaus is small. Furthermore, they often lack sufficient funding and political support to adequately defend historic cities and sites against development pressures. Unlike in other countries, cultural heritage bureaus in China are not clearly attached to either municipal planning or development permitting offices, potentially restricting the bureaus' voice in development decisions (Hankey and Brammah 2005). Limited opportunities for exposure to international best practices in research, planning, and conservation are an additional drawback for cultural heritage professionals.

### Developing Tools and Technical Assistance

Projects developed under the China-World Bank partnership have aimed to support the cultural heritage sector by developing conservation tools that can be long-term resources for cultural heritage bureaus, planners, and site managers. These tools include cultural heritage strategies, digital archives,



■ The Gansu project is supporting the updating of a conservation and management plan for the Jiayuguan Fortress. This plan is required by its UNESCO World Heritage status.

and updated conservation and management plans for World Heritage sites.

In addition, capacity building has been supported through financing for international TA, training, and study tours for China's cultural heritage professionals. To increase cultural heritage bureaus' input in urban planning and investments, World-Bank-financed projects have supported their inclusion in decisionmaking. One option supported by these projects is the formation of municipal committees composed of all government departments that impact on the city's built environment, including public utilities, infrastructure, planning, and heritage conservation.





■ A province-wide survey of cultural assets supported under the Sichuan project identified the Leshan Grand Buddha as a high priority for conservation.

An example of developing conservation tools and long-term planning with cultural heritage bureaus is found under the *Sichuan Urban Environment Project (FY1999)*. Preparation for the project included work with the cultural heritage bureau on an extensive survey of the province's cultural assets and the creation of a digital database. Analyses of expertise, staffing levels, and financial resources were done as inputs to a provincial master plan and strategy for cultural heritage conservation. The

information gathered was synthesized to generate recommendations for immediate, intermediate, and long-term actions. In response to the findings, the local government requested project support for conservation of the UNESCO World Heritage Site of the Leshan Grand Buddha. The 1,200-year-old statue was carved into riverside cliffs between 713 A.D. and 803 A.D. and was in need of protection and stabilization, due to water and air pollution.

One example of TA for conservation is found under the *Chongqing Urban Environment Project (FY2000)*. To support the conservation and adaptive reuse of the Huguang Huiguan, international conservation specialists were funded to provide TA. These experts collaborated with the cultural heritage bureau and the local architect for the project, Chongqing University's Department of Architecture and Urban Planning. To facilitate an effective working partnership, the university established five teams composed of the department's graduate students to work on the complex. The teams worked closely with the international specialists who were present in Chongqing every other month. Cooperation with these experts enabled the university teams to gain first-hand knowledge of international standards for conservation and adaptive reuse and valuable

#### Sichuan Urban Environment Project (FY1999)

The primary goals of the project were to provide health and environmental benefits through improvements to the province's water supply and waste water systems. The project also worked with the Sichuan Cultural Heritage Bureau to develop a cultural heritage database and a provincial conservation strategy. One of the better known cultural assets in the province, the UNESCO World Heritage site of the Leshan Grand Buddha, was identified for project investments. In addition to stabilization and protection measures, plans were developed for safer access for the rapidly growing number of visitors.

Source: Sichuan Urban Environment PAD and ICR.

**“One of the most important results of the Huguang Huiguan project for us, as a research institution, has been the opportunity to learn more about international conservation standards.”<sup>5</sup>**

—Zhang Xingguo, Professor, Dept. of Architecture and Urban Planning, Chongqing University

on-the-job experience in planning a conservation project from start to finish (Ebbe and others 2005).

### Making Use of Social and Environmental Policies

Attention to the protection of cultural heritage is embedded in social and environmental policy instruments used by China and international organizations. Rather than merely performing a policing function, these policies can create an effective link between cultural heritage planning and development. For example, instruments used by the World Bank include the *Operational Policies and Bank Procedures (OP/BP)*, whose key points are briefly summarized below:

- ▲ The *Environmental Assessment Safeguard (OP/BP 4.01)* requires that physical cultural assets be considered within the assessments done for all projects.
- ▲ The *Physical Cultural Resources Safeguard (OP/BP 4.11)* requires that all project management plans have provisions to protect and evaluate “chance find” cultural heritage assets during project implementation.
- ▲ The *Indigenous Peoples Safeguard (OP/BP 4.10)* requires that project teams consult with indigenous peoples who are affected by World-Bank-supported activities to ensure that they benefit from projects in a culturally appropriate way.

## 4.2 Increasing Community Participation and Appreciation

Community appreciation of cultural heritage is one of the most powerful forces for conservation.



■ The Huguang Huiguan is an outstanding example of Qing dynasty style and the high level of craftsmanship prevalent during that period.

### Chongqing Urban Environment Project (FY2000)

This project focused primarily on the development of large-scale urban infrastructure to support the municipality’s rapidly growing population. A strategic master plan for cultural heritage supported by the project identified a complex comprised of several Qing Dynasty merchants’ guild halls, known as Huguang Huiguan, for immediate protection and conservation. The complex of approximately 10,000 square meters was seriously deteriorated. However, the traditional roofs, structural elements, and delicate carvings remained intact. This fact, combined with the high level of site documentation, meant that the complex could be appropriately conserved.

Source: Chongqing Urban Environment PAD and ICR.



Experience from many other countries suggests that the most effective form of protection for tangible and intangible heritage is a community that understands the value of its heritage and sees itself as the guardian of these cultural assets. Participatory planning often is used to develop this level of understanding and commitment. Involving communities in defining their cultural assets and prioritizing initiatives for conservation can increase not only their appreciation of heritage but also their willingness to take responsibility for its stewardship.

### Involving Stakeholders in Conservation Decisions

Both Chinese and international best practice emphasize the importance of consultation with a broad range of stakeholders in developing plans that protect cultural heritage and provide benefits for communities (ICOMOS China 2002, ICOMOS International 1987). To encourage more stakeholder participation, projects under the China-World Bank partnership have provided city officials with funding and TA to implement resident attitude surveys and stakeholder consultations.

#### Guizhou Cultural and Natural Heritage Protection and Development Project (FY2009)

The purpose of the project is to assist Guizhou in increasing economic benefits for local communities through increased tourism and better protection of cultural and natural heritage. The project aims to support 17 ethnic minority villages, 4 ancient towns, and 4 national parks. Project activities will include investments in infrastructure upgrading; housing improvements; and income generation activities focused on ethnic minority cultural heritage conservation and natural heritage protection in villages, towns, and parks. Facilities in tourism gateway communities, such as tourist information centers; and capacity building at the provincial, county, and village levels also will be supported.

*Source:* Guizhou Cultural and Natural Heritage Protection and Development PAD.

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**“The key to improving the situation is to improve local people’s attitudes towards protection [. . .] We need people and the media to play the roles of monitors and critics.”<sup>6</sup>**

—He Shuzhong, Founder, Beijing Cultural Heritage Protection Center

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Recent piloting of community-based projects in China has led to a participatory approach in the *Guizhou Cultural and Natural Heritage Protection and Development Project (FY2009)*. Traditional lifestyles and customs in Guizhou’s ethnic minority villages are evolving as residents become more mobile, tourism brings new influences, and communities strive to improve their standards of living. Under the project, villagers work with specialists to identify, document, and prioritize the local cultural assets to be conserved. This approach has the potential to integrate ways of conserving tangible and intangible cultural heritage, employing processes that also reflect the changing customs, priorities, and expectations of communities as they evolve. Experts work with the village groups to prioritize the heritage assets to be protected based on their (1) importance to community pride and identity, (2) risk of disappearing, and (3) potential to generate income. Village-wide voting chooses specific activities that are reflected in project support for village conservation, training, and sustainable tourism development.

### Including Local Community Characteristics in Site Interpretation

Increasing visitor and community understanding of local cultural heritage through interpretation that presents a site’s history, characteristics, and significance is one of the principal means by which cultural heritage sites create social benefit (ICOMOS China 2002). Currently, interpretation and presentation of historic cities and sites in China focus largely on presenting a limited amount of statistical and chronological information that does not relate the site to its

surrounding environment and communities. Local understanding and commitment to cultural heritage sites can be expanded by increasing the content of site interpretation to include (1) the past and present socioeconomic and environmental context of the sites, and (2) the local populations' histories and current relationships with the sites. (See section 5.2 for more on the interpretation of cultural heritage sites.)

To provide a rich and informative experience that links local communities to their history and maximizes tourist interest, funding under the *Gansu Cultural and Natural Heritage Protection and Development Project (FY2008)* supports research and development of interpretation including exhibits, signage, demonstrations, performances, guided tours, maps, and brochures. Interpretation will be based on consultation with a wide range of experts and representatives from local communities. This collaboration is intended to broaden the presentation of the historic and cultural significance of the site and include the relationships of surrounding communities with the site over time. Community themes may include (1) traditional stories and folktales about the site, as well as local family histories, and (2) the history of local arts and ceremonies related to the site.

### 4.3 Enhancing the Sustainability of Conservation Activities

To deliver social and economic benefits, conservation activities must be sustainable.

One of the most common factors undermining the sustainability of conservation activities in China is the lack of financial resources and planning for the operation and maintenance (O&M) of cultural heritage sites once they are conserved. The majority of historic buildings and sites in China that are owned and managed by government entities receive small annual allocations for O&M. However, these allocations are rarely sufficient for routine maintenance, and other improvements in conservation and interpretation.



#### Improving Post-Conservation Operation, Maintenance, and Monitoring

Chinese best practice emphasizes regular maintenance as one of the most basic and important means of conservation (ICOMOS China 2002). Therefore, it is important for government administrations to plan for the financial and human resources that will be needed for regular maintenance of the cultural heritage sites that receive investments. One strategy

■ Residents in Zhaoxing, a Dong ethnic minority village, will participate in a community-based cultural heritage inventory supported by the Guizhou project.

■ The Gansu project supports interpretation for all nine project sites, including Mati Temple, where it will be used by this young guide.



used by World-Bank-financed projects in China to address the lack of funds is to build the capacity of sites to generate extrabudgetary revenues for O&M needs. TA has been provided to develop strategies to increase ticket sales through promotions and establish other income-generating activities that are compatible with the historic nature of the sites. These strategies include (1) developing public/private partnerships to provide on-site services, such as traditional teahouses; and (2) creating special fee-for-service activities, such as performances and photographers' tours.

Another project-supported strategy focuses on justifying O&M budgets by developing monitoring and evaluation (M&E) systems that document the

benefits of conservation activities. Once benefits are documented, conservation can be evaluated on the basis of the benefits it creates. World-Bank-financed projects in China have supported TA and funding to design M&E systems that measure economic and social benefits and improvements in conservation practices.

Under the *Zhejiang Urban Environment Project (FY2004)*, a M&E plan was developed for the conservation work done in the five historic neighborhoods of Shaoxing. A wide range of activities was evaluated including the impact of project work on (1) social and urban conditions, (2) economic development, and (3) improvement of conservation practice. For social benefits, the M&E system evaluated increased awareness of heritage, quality of cultural life, and positive sense of place through resident attitude surveys. The M&E system also gathered information on changes in the number of cultural heritage associations, members, and activities undertaken. The M&E of changes in conservation practice included the number of "quality-of-work-certifications" issued to conservationists and contractors, and experts' analysis of the quality of conservation work completed.

#### **Gansu Cultural and Natural Heritage Protection and Development Project (FY2008)**

The purpose of the project is to generate benefits for local communities based on the development of sustainable cultural tourism in Gansu. Work will focus on the conservation of nine key cultural heritage sites, including interpretation and presentation of this heritage. In addition, the project will support infrastructure upgrading, tourism services, and environmental protection at these sites. The project also will support training for site managers, staff, and local residents in heritage conservation, site management, and tourism development.

*Source:* Gansu Cultural and Natural Heritage Protection and Development PAD.



## Avoiding the Replication of Ancient Styles in New Buildings

The desire to copy ancient architectural styles in new buildings is deeply ingrained in Chinese architectural practice. However, international best practice emphasizes that the style, scale, and materials of new buildings in historic areas should be compatible with the existing historic architecture, yet recognizable as contemporary (UNESCO 2005). The mimicking of ancient architectural styles in new construction undermines the value of real heritage assets by seeming to reduce their uniqueness and thereby their capacity to generate revenue. Frequently, residents and visitors to historic areas in China without specialized knowledge cannot discern the difference between authentic historic buildings and these false copies. Such copies undermine the credibility of all historic areas. To address this issue, World-Bank-financed projects have developed guidelines for new construction

### Zhejiang Urban Environment Project (FY2004)

The project aims to strengthen the collection and treatment of wastewater and improve urban infrastructure services in the cities of Hangzhou, Ningbo, and Shaoxing. In Shaoxing, the project is supporting the upgrading of essential services, traditional housing, and public spaces for five traditional neighborhoods, which were built on an ancient system of canals. More than 2,500 years old, Shaoxing has played a key role as a political, economic, and cultural center throughout the millennia. For this project, the city's overarching goal is to conserve the traditional neighborhoods with their existing communities and waterside lifestyles, which give the city its unique character.

*Source:* Zhejiang Urban Environment Project PAD.

that emphasize design elements that are compatible with, but not copies of, ancient styles.



■ The monitoring and evaluation system supported by the Zhejiang project in Shaoxing measured social and economic benefits and improvements to conservation work.



## 5 Strengthening the Links between Conservation and Local Economic Development

Most local governments face significant and competing demands for scarce resources in providing their citizens with safe, productive living environments. Consequently, to justify investment in cultural heritage conservation, it is important that it create social and economic benefits for local communities. Economic benefits that can accrue directly to historic neighborhoods include increased property values, jobs, and incomes. An additional, more overarching economic benefit is that unique historic areas have the potential to increase the visibility and positive image of cities to enable them to attract outside investment and world-class talent. It also is important to consider the social benefits of cultural heritage conservation. These include (1) the protection of patrimony for future generations, (2) increased awareness and enjoyment of

local cultural heritage by residents, and (3) positive local identity and its related social capital, which can be channeled into energy for conservation and other development challenges.

Project experience in China has found that local officials face constraints in fully translating the potential of cultural heritage conservation into robust social and economic benefits for their communities. Many urban leaders do not have access to the expertise needed to envision and plan for a city identity that celebrates its authentic cultural heritage. Without this support and vision, the advantages of adapting and integrating significant buildings into city development can be overwhelmed by the pressures for extensive demolition, idealized reconstructions, and excessive restorations. The loss of these built

■ Local labor and materials are being used to resurface this traditional lane with stone pavers in Qingcheng, Gansu.



heritage assets undermines the material authenticity and tourism potential of their cities. Moreover, leaders often need TA to develop effective cultural tourism strategies and avoid its negative impacts. Many tourism developers and site managers believe that more visitors and more entrance fees are the solution to all problems. However, the overdevelopment of tourism has resulted in many cultural heritage sites that show insufficient returns, deteriorating cultural assets, environmental degradation, excessive commercialization, and inauthentic development that obscures the actual culture and history.

To address poverty reduction and sustainable development through cultural heritage, the China-World Bank partnership projects have supported investments and capacity building for two strategies that show strong potential to generate economic and social benefits. These are the (1) adaptive reuse of historic buildings and (2) support for sustainable cultural tourism.

## 5.1 Adapting Historic Buildings for New Uses

Adaptive reuse is an effective strategy for both sustainable conservation and economic development.

Many historic buildings that are owned and managed by the government do not have adequate budgets to be maintained or fully developed for the education and enjoyment of visitors. There also are many other significant buildings with no government support, which are rapidly deteriorating. Adaptive reuse is a strategy based on international recommendations and experience that has found that historic buildings are more likely to be maintained and cared for when they host activities relevant to the daily lives of their surrounding communities (ICOMOS International 1964). These buildings create venues for new activities that lead to increased economic activity. Adaptive reuse also is a direct and significant source of jobs. Studies in developing countries, as well as in Europe and North America all show

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**"...to date, our conservation work has been concerned only with conservation. [Now] we also have to plan for economic development and the ability of the site to be self-supporting."**<sup>7</sup>

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—Zhang Xingguo, Professor, Dept. of Architecture and Urban Planning, Chongqing University

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that the conservation of cultural heritage buildings is labor intensive and creates more jobs than new construction. In addition, the use of traditional construction materials and techniques implies the purchase of local goods and services and more extensive circulation of money in the local economy than with new construction (Rypkema 2008).

### Planning for Multiple Issues

To effectively plan adaptive reuse initiatives, project experience has shown that it is important to fully consider many factors beyond conservation. As a first step, it is important to analyze market demand for different activities and determine whether buildings have the capacity to safely support these activities. Building issues include the ability to meet contemporary fire and safety codes and



■ Conservation and adaptive reuse projects create employment for skilled craftspeople and provide training opportunities for others.

load-bearing requirements. The potential revenues to be gained from completed projects must be compared to the costs of building adaptation, infrastructure upgrading, and O&M. It also is important to assess social costs and benefits, such as resettlement versus job creation. Once new uses are finalized, work based on technical specifications and detailed working drawings done by qualified entities, in close consultation with local cultural heritage bureaus, is important to ensure successful outcomes.

### Providing Ongoing Management

The range of new uses to consider for adapted buildings is broad. Dynamic, community-oriented activities can include community centers and services, offices, shops and small and medium enterprises. To create the critical level of activity and spending needed to make adapted buildings and sites successful, it may be necessary to identify private sector entities to develop and manage new activities. However, for sustainable conservation outcomes, it is advisable that local authorities maintain responsibility for overall management to ensure appropriate use and maintenance of the buildings. An important part of this management is to develop strong rental agreements for new users that regulate the extent of

### Chongqing Urban Environment Project (FY2000)

In Chongqing, the restoration and adaptive reuse of the Huguang Huiguan merchants' guild complex was supported by the project to maximize its potential to deliver both social and economic benefits to the community. The complex is situated in the rapidly growing and modernizing heart of the city and is the most extensive example of guild hall development existing in Chongqing proper. It covers one hectare and comprises several guild halls that were constructed and modified over the course of the Qing dynasty (1644–1911). The project work aimed to adapt the heritage site to generate tourism and create a unique setting for commercial and cultural activities.

*Source:* Chongqing Urban Environment PAD and ICR.

customization, types of activity, and responsibilities for O&M (Ebbe and others 2005).

The factors outlined above provided the basis for adaptive reuse under the *Chongqing Urban Environment Project (FY2000)*. In collaboration with local authorities and designers, specialists provided

■ The adaptive reuse of the Huguang Huiguan has generated economic activity and provided an opportunity for residents to learn more about their cultural heritage.





guidance for restoring and adapting the Huguang Huiguan complex. Planning established the physical condition of the structures and infrastructure, the estimated cost of necessary upgrading, potential revenue generation, and the existing and expected real estate values. Work focusing on the surrounding neighborhoods included a socioeconomic survey of the local residents and business community, and an analysis of future resident and tourist demand for services. Based on the outcome of these investigations, the buildings were restored and adapted as venues for a theater, exhibit hall, museum, and cultural center.

The Chongqing project has enhanced economic development in the city center by providing a focal point for the municipality's civic events, creating a new tourism site, and stimulating small business start-ups in the site's surrounding neighborhoods. The social benefits of the restoration and these new functions are seen as (1) conserving evidence of Chongqing's achievements for future generations, (2) strengthening the local community's identification with their long history as a city of river-based immigrants and traders, and (3) providing a pleasant and educational place in which to experience local cultural heritage (Ebbe and others 2005).

Another example of adaptive reuse is planned for the *Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project*. One project component focuses on the conservation and adaptive reuse of two significant historic buildings that are underutilized. The Confucius and Mencius mansions are very large former residences that will be adapted to host new productive functions ranging from knowledge centers to growth poles for sustainable tourism. By using low-impact traditional techniques and locally available building materials, and reusing existing buildings for new functions instead of constructing new buildings, the project supports the principle of conserving embodied energy (energy consumed by all the processes related to the



■ The Confucius Temple in Qufu is a popular site that will draw many tourists to the new activities developed through adaptive reuse of the nearby Confucius mansion.

production of a building, including the mining and processing of natural resources to manufacture, transport, and assemble building materials).

#### Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project (FY2011)

The purpose of the project is to assist Shandong Province in enhancing cultural heritage conservation and sustainable tourism management in Qufu and Zoucheng. These historic cities are the hometowns of Confucius and his important disciple, Mencius. The temple, cemetery, and family mansion of Confucius in Qufu are inscribed on the UNESCO World Heritage List. The project supports (1) conserving and presenting key cultural heritage sites, (2) upgrading infrastructure in the historic cities, (3) regenerating and managing historic cities, (4) developing sustainable tourism, and (5) training communities in tourism-related income generation.

Source: Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project Draft PAD.



## 5.2 Facilitating Sustainable Cultural Tourism

Cultural tourism can be an important incentive for conservation and a strong force for economic development.

While China is one of the fastest growing destinations for international tourism in the world, even more significant is the country's rapid growth of domestic tourism. In 2010 revenue from local tourism is estimated to have reached US\$172 billion, compared with approximately only US\$43 billion from foreign tourism (Wan 2010). According to statistics collected by the China National Tourism Administration (CNTA), during the annual week-long National Day holiday in October 2010, approximately 254 million Chinese tourists visited scenic spots throughout the country. Statistics also showed that, during this holiday, visitors increased by 27 percent from 2009 to 2010. Also during 2009 to 2010, total tourism revenue rose by 32 percent (China Hospitality News 2010). Although more work remains to be done on creating consistent definitions, recording, and analysis of tourism numbers, clearly, domestic tourism is significant and growing. The pace of this growth implies an urgent need to plan to protect cultural heritage sites and their surrounding communities.

At the national level, the responsibility for tourism development and planning lies with CNTA, which coordinates its work through tourism bureaus at the provincial, municipal, and county levels. Exposure to the latest best practices for cultural tourism development in these bureaus often is low, especially outside the cities and sites on the country's east coast. The levels of investment being made in access roads, parking lots, and exhibit halls at many cultural tourism sites reflect preparation for the growing numbers of tourists. However, the investment in conservation and interpretation is not adequate to protect cultural sites over the long term and to meet

the quickly evolving sophistication and expectations of Chinese travelers.

Institutional barriers also are significant, with conflicting or unclear authority over the cultural assets and the sites in which they are located. In many cases, tourism authorities control the sites but are not officially responsible for the cultural assets within them. This ambiguity of authority has led to the over-building of tourism infrastructure and little or no conservation of the assets themselves. To address the rapid growth in pressure from tourism and the underdeveloped state of the sector, the World-Bank-financed projects have been designed to help tourism bureaus build their capacity, site managers to undertake integrated development, and communities to improve their ability to derive benefits from tourism.

### Supporting Tourism Bureaus in Strategic Planning

To facilitate fact-based planning and investment, World-Bank-financed projects have supported market research and analysis for specific project sites. Research has identified sector trends, relevant target groups, and future growth potential. This information has been used by projects to build the capacity of tourism bureaus to create and implement strategies for branding, marketing, and developing tourism products. These projects also have supported training and study tours for tourism authorities and site managers to raise their awareness of international best practice in cultural tourism development.

### Investing in Integrated Site Development

Projects under the China-World Bank partnership have aimed to create a sustainable foundation for cultural tourism through planning and investment that integrates conservation, basic infrastructure upgrading, tourism products and services, training for local communities, and administrative systems for site monitoring and maintenance.



■ This young woman is employed by a producer of Shaoxing's famous yellow rice wine to paint decorative souvenir bottles.

Another essential area of site development supported by projects and one of the principal means by which cultural heritage sites create social benefit is the presentation of accurate and engaging information on a site's cultural assets (that is, interpretation) (ICOMOS China 2002). World-Bank-financed projects have supported funding and TA to develop in-depth information on a range of relevant themes; diversify methods of communicating information (such as hands-on experiences and interactive exhibits); and raise the quality of brochures, maps, exhibits, and guide training. Improvements in signage also have been supported to provide branding, information, directions, and links among different sites and activities.

An example of integrated investment for cultural tourism is found under the *Gansu Cultural and Natural Heritage Protection and Development Project*

#### **Gansu Cultural and Natural Heritage Protection and Development Project (FY2008)**

Gansu Province contains significant portions of the ancient Silk Road and the western-most sites of the Great Wall. Today, it is one of the poorest provinces in China and is targeted by the government for development with a strategy that includes sustainable tourism. The project supports investments in conservation, infrastructure, tourism development, and capacity building at nine key sites in the province. These include the Great Wall, Buddhist grotos, archaeological and tomb sites, historic trading and administrative towns, and national parks and scenic areas.

*Source:* Gansu Cultural and Natural Heritage Protection and Development PAD.

■ Rapidly rising tourism in Guizhou's ethnic minority villages is bringing both opportunities and challenges.



(FY2008). Through this project, experts on conservation, tourism, interpretation, and infrastructure supported investment planning for the Majijishan

Scenic Area. The scenic area, which ranges over 215 sq km, contains many poor farming communities, undeveloped mountain forests, and several tourism facilities. The project investments focus on five areas

- ▲ *Cultural heritage conservation* (conservation plans and works for historic buildings, grottos, and temples)
- ▲ *Tourism development* (marketing materials, tourist service centers, and exhibition and interpretation facilities)
- ▲ *Infrastructure upgrading* (improvements for access roads and footpaths; parking lots; and basic services including water supply, wastewater, and power)
- ▲ *Administration* (scenic area information and monitoring system, vehicles, and administration buildings)
- ▲ *Community development* (a local handicraft and tourism product development center; and training for local community members, especially youth, in tourism-related activities).

■ This troupe of young performers has been trained by a "master" to present excerpts from local operas for tourists in Tienlong, Guizhou.





## Improving Community Benefits

In many instances, the economic benefits of cultural tourism in China are not sufficiently accruing to local communities. In areas that surround cultural tourism sites, residents often have little idea of what tourists want or need. Services and souvenirs generally are of low quality, provide only small incomes, and are characterized by excessive competition and repetitious goods for sale. To increase community benefits, World-Bank-financed projects have supported improvements to increase tourists' average length of stay and average expenditure. Projects have supported training for local communities to increase the availability and quality (and thus the prices that can be charged) of souvenirs and services such as accommodations and restaurants. Projects also have assisted with the development of a variety of experience-oriented tourism activities that are related to local cultural assets and can be provided by local community members. Examples include handicraft classes, ceremony reenactments, opera performances, and storytelling programs.

### Guizhou Cultural and Natural Heritage Protection and Development Project (FY2009)

The ethnic minority communities in Guizhou Province face extreme poverty and seriously underdeveloped infrastructure. In contrast, they are richly endowed with centuries-old heritage. Their cultural assets include vernacular architecture and living traditions of song, dance, crafts, and festivals. The rapid growth of tourism has presented challenges for the protection of these communities and the sustainable development of their cultural assets. The project aims to support 17 ethnic minority villages, 4 ancient towns, and 4 national parks to conserve tangible and intangible cultural heritage and natural heritage, while addressing poverty and development issues based on the area's rich tourism resources.

*Source:* Guizhou Cultural and Natural Heritage Protection and Development PAD.

**"Tourism development is sometimes associated with negative impacts, but it is already a fact of life in many villages. The Guizhou project is focused on reducing communities' exposure to tourism's risks."**<sup>8</sup>

—Shenhua Wang, Guizhou Project Task Team Leader, World Bank

An important component of creating sustainable tourism and benefits for local residents lies in protecting both their tangible and intangible heritage from the negative impacts of tourism (ICOMOS International 1999, ICOMOS International 2005a). The rapid increase of domestic travel in China means that tourism is coming to many communities before they are prepared for it. This onslaught creates



■ Tourism involving unique living cultures must be carefully managed to protect vulnerable communities, such as the village of this Miao girl, which is being supported by the Guizhou project.



especially significant risks for remote and ethnic minority communities who have little experience with organized tourism or knowledge of its impacts. One project working with ethnic minorities, under the China-World Bank partnership, is piloting a community-based approach. The aim is to enable communities to identify and take stock of all aspects of their cultural heritage, determine what is to be shared with outsiders, and develop village tourism plans. These plans will address such issues as how many and how often visitors will come, what kinds of services and entertainment will be provided, and how to manage negative impacts and conflicts.

Under the *Guizhou Cultural and Natural Heritage Protection and Development Project (FY2009)*, participatory inventories of cultural heritage are being supported to help ethnic minority communities

take stock of their cultural and natural heritage. Academics are to work with tradition-bearers to produce books, brochures, and CDs that accurately document these traditions, many of which are in danger of disappearing. To assist with income-earning opportunities, the project will support village “masters” to transfer traditional skills and knowledge to interested youth. The project also will provide funding to renovate village crafts workshops and small performance spaces. To eliminate middlepersons and retain more income for artisans, community coordinators will help with marketing through improving product advertising and links to domestic and foreign buyers. Communities also are being assisted in creating tourism development plans that will be the bases for investments in conservation, infrastructure, promotion, and training for income-generating activities.

■ Maijishan, which was once a way station on the Silk Road, is receiving multisectoral investments under the Gansu project.



# 6 Next-Generation Issues and Challenges

While consolidating the lessons learned over the past several decades, it also is important for China and the World Bank to consider the next generation of issues that, if constructively approached, can increase opportunities to conserve China's cultural assets. Four of these forward-looking issues that can provide opportunities to further integrate cultural heritage conservation in sustainable development are to (1) maximize the economic benefits of heritage conservation, (2) leverage traditional knowledge for smart growth and energy conservation, (3) strengthen the integration of cultural heritage conservation and tourism development, and (4) recognize cultural heritage conservation as an asset for creative industries.

## 6.1 Promote Economic Development through Heritage Conservation

Today, historic urban areas that once were the core of China's cities have become only portions of much larger urban settlements. These historic areas often host poor communities and contain built heritage that is under-utilized and under-maintained.

### Asset-Based Approach to Local Economic Development

Rather than turning to demolition and new construction, investing in the conservation of these areas is an asset-based approach to local economic development. It involves leveraging historic urban areas as (1) livable service hubs for the city's internal users, such as communities living in the urban core and in the modern neighborhoods surrounding them; and (2) sustainable destinations for external users, such as outside investors, tourists, and all those from elsewhere who depend on the city for their livelihoods.

■ The adaptive reuse of unique and underutilized buildings is an asset-based approach that can increase local property values and create jobs.

### In the Medium Term, Conservation Is Economically More Sustainable Than Demolition

The conservation and adaptive reuse of underutilized historic built assets can create jobs, help small businesses, reduce urban sprawl, and enhance communities' options for goods and services. An additional and tangible benefit of conservation and adaptive reuse is its positive effect on real estate values. Experience in China and elsewhere in the world shows that the higher value of conservation and reuse, versus demolition and new construction, usually becomes in the short to medium run, (about 5–10 years) after project completion.<sup>9</sup> Challenges



to this approach include a longer project design process, the greater complexity of civil works and infrastructure upgrading, and the existence of fragmented property ownership. Once the initial investments are made, historic city conservation and adaptive reuse have the advantage of becoming self-sustaining by attracting additional investments faster than newly built neighborhoods would and for a longer time, ultimately creating more returns on investment than newly built neighborhoods would.

## 6.2 Leverage Traditional Knowledge for Smart Growth and Energy Conservation

Heritage conservation can play an important role in energy conservation and smart growth. While CO<sub>2</sub> emissions result from the consumption of natural resources, activities to reduce these emissions often lead to further consumption.

### Conserving Buildings Supports Smart Growth

The debate on energy efficiency usually focuses on minimizing operational energy, which is the energy used to heat, cool, and operate buildings. However, considering the overall energy required to build (embodied energy) and operate a given building, the retrofitting and reuse of existing buildings can be more energy efficient than constructing a new one with modern energy-saving features. Removing existing buildings to make way for new ones, results in CO<sub>2</sub> emissions during their demolition and debris disposal. Additional CO<sub>2</sub> emissions are created from producing new construction materials and constructing replacement buildings. More innovative approaches are shifting toward conserving existing resources, rather than consuming more.

### Heritage Assets Are Energy Efficient

A common perception is that existing built assets are not energy efficient. This perception is not exactly true. In fact, due to low energy costs at the

time of their construction, assets built in the second half of the twentieth century are energy inefficient. Assets built in the early twentieth century and before are extremely energy efficient. Indeed, because energy costs in the past were very high, builders focused on ways to make their buildings energy efficient. A groundbreaking study by the U.S. Energy Information Agency (EIA), since followed by a number of similar investigations world-wide, including in China, demonstrate the energy efficiency of historic built assets. These studies show that contemporary, highly energy-efficient buildings require the same operational energy as historic assets built before the 1920s.<sup>10</sup> It must be noted that these studies are based on a simple analysis of the operational energy needed to operate similar categories of existing buildings still in use, looking only at their year of construction.

### Traditional Building Concepts Are Useful Today

China's built heritage is an important repository of traditional knowledge that can help the country meet the challenges of developing energy-efficient cities. The efficiency of historic buildings is due largely to differences in building design, materials, and construction methods. Historic buildings that have thick, solid walls and high thermal mass reduce the amount of operational energy needed for heating and cooling. Buildings built before the availability of electricity feature windows designed to provide natural light and cross-ventilation. In the past, designers and developers also paid close attention to location, orientation, and landscaping as methods to maximize sun exposure during the winter months and minimize it during warmer months (in other words, they were using passive heating and cooling systems). Some of the most advanced design schools in China, including Tsinghua University, have included courses in their curricula to teach students how to conserve buildings and how to integrate their energy-saving features in the design of modern constructions.



## Heritage Assets Are in Compact Urban Areas

Historic buildings are located primarily in densely built urban areas. Compact urban development means reduced heating and cooling costs because units are smaller or are in multi-unit buildings, and reduced need for public or private motorized transportation. District energy systems can be used to generate power, as China has been doing for decades, thus also creating substantial carbon savings. Municipal infrastructure requirements for roads, sewers, communication, power, and water also are reduced by high-density developments. These topics increasingly are being studied by researchers and scholars in China. Although the work remaining to be done is vast, seriously considering smart growth approaches to conservation and internalizing them in urban development policies at the municipal and central levels will be highly important in China.

## 6.3 Strengthen the Integration of Cultural Heritage Conservation and Tourism Development

Economic reforms over the last several decades in China have resulted in spectacular economic growth and a boom in tourism development.

### Tourism Contributes a Significant Share of China's GDP

The UNWTO recently revised its estimate of the year that China will become the top international tourist destination from 2020 to 2015 (*International Business Times* 2011). China is one of the fastest growing destinations in the world for international travel, with revenues reaching US\$43 billion. However, the country's domestic tourism is estimated to have generated 4 times more revenue than its international tourism, reaching US\$172 billion in 2010 (Wan 2010). Growth in domestic tourism also is rapid, with indications that tourism revenues rose by approximately 30 percent from 2009 to 2010 (China Hospitality News 2010).



### Cultural Tourism Depends on Heritage Conservation

China's cultural heritage assets are nonrenewable resources on which much of the country's tourism depends. Nevertheless, insensitive tourism development poses one of the most serious threats to cultural assets in China today. The success that many cultural tourism sites in China have experienced has meant that increasing numbers of destinations are competing in this sector. The growing sophistication of the Chinese tourist and the increase in independent travel, rather than proscribed bus tours, also means that sites increasingly will need to compete for travelers' attention. A future challenge will be to enable tourism sector representatives and conservation authorities to collaborate on an equal footing to develop sustainable and competitive tourism sites based on authentic conservation and tourism services that provide safe and enjoyable visitor experiences. An invaluable asset in building nationwide appreciation and protection of China's heritage is the work of the informal volunteer groups who help to protect cultural assets. These groups are just beginning to receive some recognition and encouragement from authorities. This new acceptance

■ Examples of compact urban development can be found in many of China's historic city centers.

of community involvement in conservation is an important forward-looking step and brings with it the challenges of developing appropriate training, mechanisms, and platforms to achieve the benefits this participation offers.

### **Sustainable Tourism Must Provide More Community Benefits than Costs**

Tourism brings both costs and benefits to local residents. As tourism grows, these costs can include more congestion, higher prices for basic goods and services, and greater stress on local resources, such as water. One of the most important benefits, of course, is the tourism revenues that can be captured at the local level. However, the low-income groups who are most in need of benefiting from tourism often have few skills, limited access to credit, and little idea of what tourists want. Consequently, supporting the ability of poor residents to generate income based on tourism will continue to be a key challenge for the sustainability of this sector. At cultural sites around the world, international best practice increasingly is focused on ensuring sustainable

tourism by developing consensus among stakeholders on the management of tourism's costs and benefits (Pedersen 2002).

### **6.4 Recognize Cultural Heritage Conservation as an Asset for Creative Industries**

Arts and culture-related industries, collectively known as creative industries, provide direct economic benefits by creating jobs, attracting new investments, generating consumer purchases, and stimulating tourism.

#### **As Countries Develop, Creative Industries Play an Increasing Role in Their Economies**

Over the past several decades, researchers have been making increasingly explicit connections among economic development, knowledge workers, and creative industries. From 2000 to 2005, international trade in creative goods and services experienced an average annual growth rate of 8.7 percent. In 2005 the value of world exports of creative goods and services reached \$424.4 billion, representing 3.4 percent of total world trade (UNCTAD 2008). This trend is increasingly important in China due to its emerging middle class. In fact, cities in China are quickly becoming focal points of the fast-growing creative industries and knowledge workers, because it is mainly in cities that creative ideas are produced, exchanged, and marketed.

#### **Creative Industries are Growing Fast in China**

Many of China's creative industries are experiencing rapid growth. This growth is fuelled by a combination of public and private investment in infrastructure and technology; a rise in the digitization of information; a significant increase in personal communications; and a marked rise in consumer spending on media, culture, information, and entertainment. Growth has been sustained by a robust economy and a young population. A number

■ To be sustainable, the benefits of cultural tourism must outweigh the costs to local communities.



of factors underscore the connection between economic competitiveness and creativity in China. For example, (1) companies' decisions concerning where to locate their businesses often have been influenced by factors such as various locations' ready availability of a creative workforce and the quality of life available to potential employees; (2) arts and culture play a growing role in community development by creating new jobs as well as fostering an environment and amenities that attract talented young workers; and (3) tourism centered on arts and culture is contributing to local economic growth by providing a diversified and sustainable means for creating jobs and attracting revenue.

### Heritage Conservation Contributes to the Growth of Creative Industries

The cultural assets that attract knowledge and creative workers can include not only entertainment and recreational opportunities but also the livability and unique sense of place that are created by historic districts and traditional neighborhoods. In addition, the relatively lower-cost space and centrality frequently offered by historic urban cores provide excellent locations for small businesses, especially creative industries, which frequently begin as start-up companies. Cultural heritage conservation also is valuable in preserving sources of aesthetic forms and sensitivities, and cultural symbols and their meaning that provide inspiration for new creative work. Historic buildings and sites offer examples of outstanding aesthetic elements and opportunities to learn through visitors' direct experience of their art and architecture (ICOMOS China 2002). Support for living culture and intangible heritage preserves opportunities for creative entrepreneurs to learn traditional production techniques and performance skills.

### Investing in Creative Industries Can Be Socially Inclusive

Efforts in China to redress regional discrepancies in economic development with expanded opportunities hold strong and largely positive implications

for many of China's creative industries. From the work of culture-related businesses to the impact of culture-oriented tourism in China, it is clear that the creative sector is becoming an important economic driver throughout the country. As many women work in the production of art, crafts, fashion, and organizing cultural activities, creative industries can play a catalytic role in promoting gender balance in the workforce. While clusters of creative industries in urban areas still are the norm, better telecommunications and internet access can facilitate a wider distribution of creative industries. Such wider distribution has the potential to benefit residents of areas often thought to lack economic potential, such as small and medium town centers. At the heart of the creative industries are individual artists who typically are well-grounded in the arts and culture of the communities in which they reside. Linking these artists with entrepreneurial opportunities both within and beyond their communities offers many economic development possibilities.



■ Ancient pottery provides a source of inspiration for contemporary work.



# 7 Conclusion

Over the last 30 years, China's cultural heritage has suffered from the modernization and infrastructure investments necessitated by the country's rapid economic growth and intensifying urbanization. Fortunately, however, cultural heritage conservation recently has begun to receive more attention as stakeholders progressively see heritage as a resource by which to achieve more sustainable and inclusive growth. The 12 projects developed under the China-World Bank partnership represent only a small portion of the ongoing conservation work in China. However, the World-Bank-financed projects have seen evidence that the levels of appreciation and skills for conservation are growing steadily. The project work has also confirmed that, to realize China's full potential to conserve its cultural assets for harmonious development, additional training, and investment to address the issues described in this report are needed.

Overall, experiences under the China-World Bank partnership have shown that integrating cultural heritage conservation in development projects can deliver both social and economic benefits to local communities. These benefits are based on conservation that expands economic opportunities and revenues, enhances residents' quality of life, generates local identity and energy for development, and provides opportunities for competitive regional and international branding. This partnership will have been particularly successful if, in the coming years, it provides the basis for refining and renewing approaches that will assist and empower the new generations of Chinese who will be working with the objective to make the legacy of their past the foundation for their country's prosperous, sustainable, and inclusive future.

■ Efforts to ensure that China's cultural heritage is passed down from one generation to the next is helping provide a strong foundation for future development.



# Appendix 1

## Project Summaries

(In order of Fiscal Year approval)

### Zhejiang Multicities Development Project

Approval FY: 1993

Total Project Cost: US\$231.0 mil

Loan/Credit Amount: US\$110.0 mil (IDA)

Cultural Heritage Component Total Cost: US\$2.3 mil

Cultural Heritage Component Loan Amt: US\$0.15 mil

Status: Closed



The Zhejiang Multicities Development Project was designed to strengthen the planning and delivery of urban services in Shaoxing, Hangzhou, Wenzhou, and Ningbo in Zhejiang Province. In Ningbo, the project widened major roads and improved urban services along their alignment (sewage, storm drains, underground power and telecommunication lines, and street lighting).

Cultural heritage conservation activities also were supported in Ningbo, which began evolving sometime before 770 B.C. and contains many culturally significant residential, religious, and institutional buildings. Support for cultural heritage included the conservation of important cultural heritage properties and the historic urban fabric along the path of project-supported roads. Project resources and local funds were combined for direct physical works to conserve and repair historic bridges, temples, gates, facades, and embankments in the project area, including the historic area of Moon Lake and Liuting Island. Preliminary road alignments were changed to save cultural property. When this was not possible, some significant historic buildings were moved to other locations. Although the component loan amount for cultural heritage was small, it was important because it was the first World Bank project in China to show that conservation of cultural heritage could be integrated effectively with urban regeneration.

*Sources:* Zhejiang Multicities Development PAD and ICR.

### Liaoning Environment Project

Approval FY: 1995

Total Project Cost: US\$350.8 mil

Loan/Credit Amount: US\$110.0 mil (IBRD)

Cultural Heritage Component Total Cost: US\$2.2 mil

Cultural Heritage Component Loan Amt: US\$0.68 mil

Status: Closed



The Liaoning Environment Project aimed to (1) protect the main water resources in Liaoning Province to enable their sustained economic and safe use for

drinking, industrial, and agricultural purposes; (2) strengthen pricing policies and institutional arrangements for environmental protection, water pollution control, and waste water and municipal solid waste management, and (3) institute measures for air pollution control.

The project also supported the recording, protection, conservation, and presentation of cultural heritage assets. These activities were chosen from a broad array of possibilities. The final selection was designed to cover representative conservation and management challenges in museums, archaeological sites, and historic structures. The component consisted of four major elements, each with associated training. These are (1) investment in electrical and mechanical systems to improve humidity and temperature control, lighting, and security for the world-class collection of the Liaoning Provincial Museum, (2) protection of excavated areas at the Niuheiliang Neolithic burial ground (Hongshan culture), (3) stabilization of the Jiumenkou area of the Great Wall, and (4) archaeological site-investigation works at Jieshi Palace. The component significantly raised conservation management skills and general awareness of the importance of cultural heritage conservation during a time of rapid development in Liaoning. More than three times the loan amount was leveraged from local resources for cultural heritage protection.

*Sources:* Liaoning Environment PAD and ICR.

## Inner Mongolia and Yunnan Earthquake Reconstruction Program

Approval FY: 1996

Total Project Cost: US\$60.0 mil

Loan/Credit Amount: US\$30.0 mil (IDA)

Cultural Heritage Components Total Cost: US\$12.8 mil

Cultural Heritage Component Loan Amt: US\$7.0 mil\*

Status: Closed



In response to an earthquake measuring 7.0 on the Richter Scale, an existing Bank credit was amended to provide reconstruction support for Inner Mongolia and Yunnan Province. In Yunnan, funding was provided for water supply and treatment, sanitation, irrigation, roads, hydropower stations, and institutional development; as well as for the rehabilitation of schools, hospitals, and industrial enterprises.

At the local government's request, the program also included the repair and rehabilitation of cultural heritage assets that had sustained severe earthquake damage. A major focus of this work was Lijiang, a UNESCO World Heritage City, which is known for its vibrant ethnic minority cultures and a uniformly traditional cityscape. In ancient Lijiang, the project made repairs to traditional streets, sidewalks, bridges, canal embankments, sanitation facilities, and the water supply and distribution system. The project supported a grant program for materials for housing repair, which emphasized earthquake-resistant construction and benefited approximately 15,300 families. For the grant program, construction and improvement guidelines for traditional housing were developed and a local technical assistance team formed. In addition, the Mu Fu, a 20,000 m<sup>2</sup> historic compound, was reconstructed to be used for educational activities and tourism. The project work and technical assistance contributed to rebuilding Lijiang while increasing local awareness and skills in conserving the city's unique urban landscape and ensuring continued economic opportunities.



through tourism development. Small investments in the repair and conservation of historic buildings also were supported in nearby Jianchuan and He Qing in Dali prefecture.

*Sources:* Inner Mongolia and Yunnan Earthquake Reconstruction Project Memorandum and Recommendation and the ICR.

*Note:* \* = The amount of the loan estimated to support of urban cultural heritage conservation includes funding for infrastructure upgrading because this work was focused on the historic area.

## Sichuan Urban Environment Project

Approval FY: 1999

Total Project Cost: US\$346.7 mil

Loan/Credit Amount: US\$152.0 mil (IBRD/IDA)

Cultural Heritage Component Total Cost: US\$3.5 mil

Cultural Heritage Component Loan Amt: US\$0.3 mil

Status: Closed



The primary objective of the Sichuan Urban Environment Project was to finance municipal service improvements in five urban areas of Sichuan Province that would address environmental degradation and water pollution. The project supported improved wastewater and water supply systems and solid waste management.

The project worked with the Sichuan Cultural Heritage Bureau to develop a cultural heritage database and a provincial conservation strategy. The strategy identified one of the better known cultural assets in the province as a priority for conservation: the UNESCO World Heritage site of the Leshan Grand Buddha. Located at the confluence of 3 rivers, the 1,200-year-old statue is an impressive 71 meters high. It was carved into the riverside cliffs between 713 A.D. and 803 A.D. This buddha attracts large numbers of tourists who can visit it from top to bottom via narrow and treacherous flights of stairs dug into the cliff face. The component supported stabilization of the rapidly deteriorating buddha and plans to improve visitor safety. Work included (1) extending the buddha's platform and the embankment at the North Gate and (2) strengthening the foundations of the Linbo Pagoda and Zaijiu Pavilion. Technical assistance funded by the project provided substantial exposure of local cultural heritage experts to international best practice in conservation planning and design.

*Sources:* Sichuan Urban Environment PAD and ICR.

## Chongqing Urban Environment Project

Approval FY: 2000

Total Project Cost: US\$535.9 mil

Loan/Credit Amount: US\$200.0 mil

Cultural Heritage Component Total Cost: US\$9.3 mil

Cultural Heritage Component Loan Amt: US\$1.0 mil

Status: Closed



The Chongqing Urban Environment Project focused primarily on the development of urban infrastructure to improve wastewater and solid waste management, increase water supplies, and upgrade water quality monitoring.

In addition, the project supported the development of a strategic master plan for cultural heritage in conjunction with the Chongqing Cultural Heritage Bureau. This plan identified a complex, known as Huguang Huiguan, as a priority for conservation. The project supported technical assistance for the master plan and the planning and conservation work for the complex. Covering approximately 10,000 square meters, the complex comprises several guild halls, which were constructed and modified over the course of the Qing dynasty (1644–1911). Although the buildings were seriously deteriorated, the traditional roofs, structural elements, and delicate carvings remained. This fact combined with the level of the site’s documentation meant that the complex could be appropriately conserved.

Buildings in Huguang Huiguan were conserved and adapted for new uses including a theater, exhibit hall, and cultural center. Huguang Huiguan is situated among low-income neighborhoods, and the necessary infrastructure investments for the complex were extended to these surrounding neighborhoods. The adaptation of the complex has created a focal point for the municipality’s civic events and a popular tourism site. It has stimulated small business start-ups in the surrounding neighborhoods and raised residents’ awareness of their history.

*Sources:* Chongqing Urban Environment PAD and ICR.

## Shanghai Urban Environment Project APL I

Approval FY: 2003

Total Project Cost: US\$512.2 mil

Loan/Credit Amount: US\$200.0 mil (APL Phase I)

Cultural Heritage Component Total Cost: US\$14.8 mil

Cultural Heritage Component Loan Amt: US\$6.0 mil

Status: Phase I Closed



The Shanghai Urban Environment Project was designed to enhance environmentally sustainable economic growth by supporting (1) facilities for the collection, treatment, and disposal of municipal wastewater, and solid waste disposal; (2) protection of water resources; and (3) strengthening institutions with responsibility for environmental management. The project also supported planning for urban development and pilot infrastructure upgrading in a historic area adjacent to the central core, which is facing strong pressure for redevelopment.

The conservation area of Hongkou District was identified for investments due to its extremely high density, and deteriorating housing and infrastructure. The project funded the upgrading of structural elements and basic services of historic low-rise apartment blocks. The traditional, lane-style (*li long*) apartment buildings built in the 1920s and 1930s comprised housing in extremely poor condition, with living space of, generally, less than 15 m<sup>2</sup> per household and basic services shared among multiple households. Housing

upgrading improved about 2,500 housing units and retained the functionality of the historic buildings. In association with the project, the Shanghai Municipal Finance Bureau commissioned a Shanghai Cultural Heritage Strategy.

*Sources:* Shanghai Urban Environment Project APL 1 PAD and ICR.

## Zhejiang Urban Environment Project

Approval FY: 2004

Total Project Cost: US\$334.3 mil

Loan/Credit Amount: US\$133.0 mil

Cultural Heritage Component Total Cost: US\$122.0 mil

Cultural Heritage Loan Component Amt: US\$45.0 mil

Status: Closed



The Zhejiang Urban Environment Project is intended to (1) strengthen the collection and treatment of wastewater and the disposal of solid waste; and (2) improve urban infrastructure services, including the rehabilitation of inner waterways, lakes, and roads in the cities of Hangzhou, Ningbo, and Shaoxing.

The project also supported cultural heritage conservation in Shaoxing, which is more than 2,500 years old. The city has played a key role as a political, economic, and cultural center throughout the centuries; and has been home to highly respected literary, artistic, and revolutionary figures. Specific investments in the Shaoxing's historic core include (1) urban upgrading and conservation of cultural heritage in five historic neighborhoods to improve public utilities, residential environments, and land use; and (2) investments in the area known as the Capital of the Yue Kingdom to plan and construct a museum and improve landscaping, public spaces, housing, and sewerage. Technical assistance on urban planning, conservation principles and guidelines, M&E of conservation work, and an extensive study on tourism development also was funded.

Although the project is still open at the time of this writing, much of the work has been completed. Activities that have been completed are the investments to build a municipal museum, improve 20 km of canals and embankments, install sewer connections to individual houses, and upgrade housing for 8,000 households. The overarching goal of the city is to improve health and safety and to conserve the traditional neighborhoods with their existing communities and water-side lifestyles, which give the city its unique character.

*Source:* Zhejiang Urban Environment PAD.



## Xi'an Sustainable Urban Transport Project

Approval FY: 2008

Total Project Cost: US\$414.3 mil

Loan/Credit Amount: US\$150.0 mil

Cultural Heritage Component Total Cost: US\$54.16 mil

Cultural Heritage Component Loan Amt: US\$21.6 mil

Status: Active



The project aims to assist Xi'an Municipality to address the challenges of increasing urbanization and rapid motorization by improving transport accessibility and mobility, while protecting the city's cultural heritage. Xi'an is the eastern endpoint of the "Silk Road" and is home to many significant cultural heritage assets. Annually, millions of tourists are attracted to the world-renowned Qin Terracotta Warriors, the Ming Walled City, and the palace remains at the archaeological site of Chang'an, the capital of the Western Han Dynasty (206 B.C.–8 A.D.).

The project has two cultural heritage subcomponents. The first aims to develop a network of bicycle routes within Xi'an's Walled City. This network will comprise over 30 km of roads and alleyways in which pedestrians and cyclists will have full priority over motorized traffic. The routes are to link all the main tourist sites, city gates, and forthcoming metro stations, thus providing an effective means of bicycle travel for residents and tourists. This shift to bicycle use will substantially reduce vehicle traffic congestion and pollution. The road and bicycle route design will conserve the existing historic urban spaces and street profiles, thus protecting the historic urban fabric.

The second subcomponent aims to reconstruct the Han Dynasty road system around the Weiyang Palace, which is the primary archaeological site within the City of Chang'an. Approximately 8.5 km of roads are to be reconstructed along the original alignment according to archaeological evidence. The road will be constructed over and above a protective earth layer so that the original road surface is protected and the reconstruction is fully reversible. Additional investments will be directed to preliminary archaeological excavations, 47,000 m<sup>2</sup> of landscaping, a parking lot, water supply and sewage systems, street lighting, and signage. This work forms part of the first phase of the General Plan for the Preservation of the Han Chang'an City Ruins.

*Source:* Xi'an Sustainable Urban Transport PAD.

## Gansu Cultural and Natural Heritage Protection and Development Project

Approval FY: 2008

Total Project Cost: US\$57.75 mil

Loan/Credit Amount: US\$38.4 mil

Cultural Heritage Component Total Cost: US\$57.75 mil

Cultural Heritage Component Loan Amt: US\$38.4 mil

Status: Active



The Gansu project aims to generate benefits for local communities from the development of sustainable cultural tourism based on a balanced program of cultural and natural heritage conservation, infrastructure investment, and tourism development and training in Gansu Province.

Gansu Province contains significant portions of the ancient Silk Road and the western-most sites of the Great Wall. Today, it is one of the poorest provinces in China and is targeted by the government for development with a strategy that includes sustainable tourism. The project is financing investments in six municipalities at nine high-priority cultural and natural heritage sites. These sites include the Great Wall, Buddhist grottoes, archaeological and tomb sites, historic trading and administrative towns, and national parks and scenic areas.

The project supports (1) research, conservation, interpretation, and presentation of cultural and natural assets; (2) investment in physical infrastructure that raises local standards of living and has a high potential to promote local economic development through tourism; (3) institutional strengthening and capacity building, including training of site managers, staff, and local residents in cultural heritage conservation, site management, and tourism development; and (4) implementation of several key tourism and cultural heritage conservation studies designed to assist the provincial and local governments to protect cultural assets and develop a sustainable tourism industry in Gansu.

*Source:* Gansu Cultural and Natural Heritage Protection and Development PAD.

## Guizhou Cultural and Natural Heritage Protection and Development Project

Approval FY: 2009

Total Project Cost: US\$90.0 mil

Loan/Credit Amount: US\$60.0 mil

Cultural Heritage Component Total Cost: US\$90.0 mil

Cultural Heritage Component Loan Amt: US\$60.0 mil

Status: Active



The Guizhou project aims to assist the province in providing economic benefits to local communities through improving protection for cultural and natural heritage and increased tourism revenues. The project aims to support 17 ethnic minority

villages, 4 ancient towns, and 4 national parks to conserve tangible and intangible cultural heritage and natural heritage, while addressing poverty and development issues.

The four components of this project are (1) Ethnic Minority Cultural Heritage Protection, which is intended to improve basic living conditions and increase employment and incomes of residents in selected minority villages and ancient towns; (2) Natural and Scenic Site Protection and Development, which will carry out physical investments to improve infrastructure and tourism facilities in three national parks; (3) Tourism Gateway Town Facilities, which will comprise (a) construction of tourist information centers and tourism capacity building at the county level, and (b) construction of the Guizhou Cultural and Natural Heritage Protection and Development Center in Guiyang, which will carry out research on cultural and natural heritage, conduct training, and host performances and lectures; and (4) Institutional Capacity Building, which aims to strengthen the project implementation capability of the Guizhou Tourism Bureau.

*Source:* Guizhou Cultural and Natural Heritage Protection and Development PAD.

## Yunnan Urban Environment Project

Approval FY: 2009

Total Project Cost: US\$240.00 mil

Loan/Credit Amount: US\$90.0 mil

Cultural Heritage Component Total Cost: US\$75.73 mil

Cultural Heritage Components Loan Amt: US\$29.7 mil

Status: Active

The project aims to assist Yunnan Province to improve the effectiveness and coverage of critical urban infrastructure services in selected counties and the effectiveness of lake basin management in Dianchi, through investments in systems to manage waste water, water supply, solid waste, and river environment.



Urban infrastructure investments also will support cultural heritage conservation and continued tourism development in the UNESCO World Heritage City of Lijiang. While the city is known for its extensive cultural landscapes, the rapid growth of its population and tourism has created a need to upgrade the old city's environmental management infrastructure. The project is supporting (1) a new wastewater treatment plant and improvements to the sewage system covering the historic urban core; (2) a new landfill and solid waste collection system to serve the old city and its vicinity; and (3) improvements to the environmental conditions of Lion Mountain, which is an important buffer zone between the old and new city. The Lion Mountain component includes development of water supply, drainage, and sewer networks; 32 hectares of environmental greening and landscaping; and approximately 9 km of hiking trails. This project also includes technical assistance to enhance the cultural heritage conservation policies and practices of the Lijiang Municipality.

*Source:* Yunnan Urban Environment PAD.



## Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project

Approval FY: 2011

Total Project Cost: US\$131.0 mil\*

Loan/Credit Amount: US\$50.0 mil

Cultural Heritage Component Total Cost: US\$131.0 mil

Cultural Heritage Component Loan Amt: US\$50.0 mil

Status: Active



The project aims to assist Shandong Province to create economic and social benefits for residents of Qufu and Zoucheng through enhanced cultural heritage conservation and tourism management, as well as improved infrastructure services.

The historic cities of Qufu and Zoucheng are the hometowns, respectively, of Confucius and his disciple Mencius. The temple, cemetery, and family mansion of Confucius in Qufu are inscribed on the UNESCO World Heritage List and are an integrated ensemble of cultural heritage representing the roots of Confucianism.

The project components comprise (1) conservation works for the Confucius and Mencius temples, mansions and cemeteries, Lu Old City, Nishan Mountain, and a signage and display system for the area; (2) upgrading the Ming Historic City, restoring the Qufu water system; and rebuilding and renovating Zoucheng Old City including the Zoucheng water system; (3) historic-city planning and community participation programs through provision of (a) handbooks for historic-city regeneration and development control and income-generation and community participation; (b) management and development plans for the World Heritage Site and the historic cities; (c) community training in traditional culture, tourism products, and business operation, and support for cultural heritage products design and marketing; and (4) technical assistance in design review, project management, monitoring and evaluation, and conservation techniques.

*Source:* Shandong Confucius and Mencius Cultural Heritage Conservation and Development Project Draft PAD.

*Note:* \* = All costs from draft PAD.

## Endnotes

- 1 Wang (2010).
- 2 China has ratified the following UNESCO cultural conventions: 1954 Convention for the Protection of Cultural Property in the Event of Armed Conflict; 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property; 1972 Convention Concerning the Protection of the World Cultural and Natural Heritage; 2003 Convention for the Safeguarding of the Intangible Cultural Heritage; and 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions.
- 3 Shan (2006).
- 4 Ningbo Tourism Development Integrated Report (2008–2018).
- 5 Zhang (2005).
- 6 He (2009).
- 7 Zhang (2005).
- 8 Wang (2009).
- 9 See references for Florida (2002), Lang (2003), and Leinberger (1995 and 2005).
- 10 See references for Building and Social Housing Foundation and Empty Homes Agency (2007), Brookings Institution Center on Metropolitan Policy (2003), Cole (1996), Creyts (2007), Hammond (2006), Thormark (2001), EIA (2003), GSA (1999).

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