



The European Union's Programme for Lebanon

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HTSPE Limited



HTSPE Limited
Thamesfield House
Boundary Way
Hemel Hempstead
Herts HP2 7SR
United Kingdom
Tel: +44 (0) 1442 202400
Fax: +44 (0) 1442 219886
Email: htspe@htspe.com
Web: www.htspe.com



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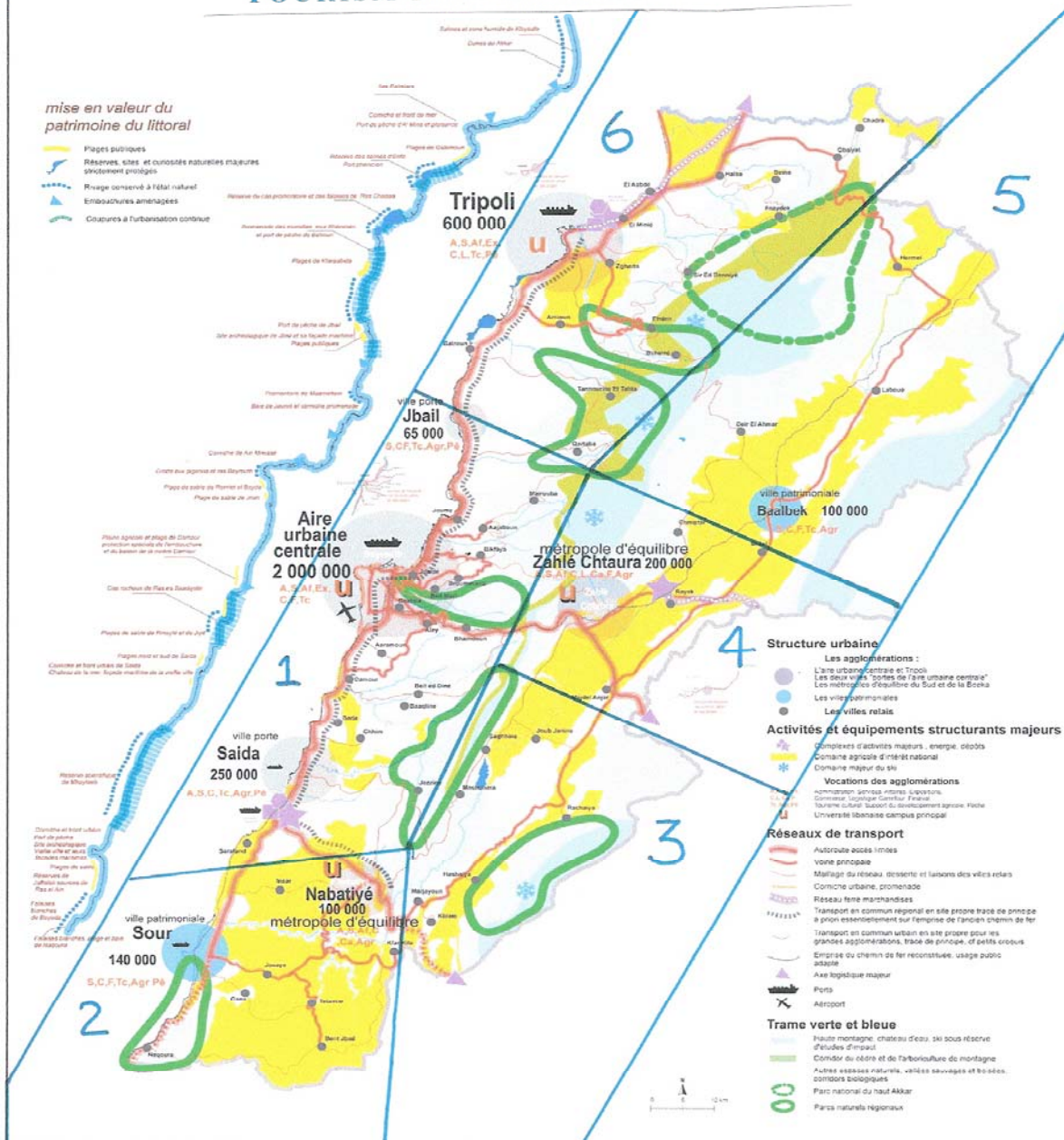
PROGRAM FOR ALTERNATIVE LODGING

LEBANON
A STRATEGIC FRAMEWORK
for
NATIONAL TOURISM DEVELOPMENT

WORKING DRAFT ~ OCTOBER 31ST 2005



National physical plan TOURISM DEVELOPMENT ZONES



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**PERFORMANCE IMPROVEMENT PLANNING
FACT FINDING REPORT
(DELIVERABLE # 1)**

Definitions and Terminology

- (i) **“Alternative lodging”**, for purposes of this report, is defined as any tourist accommodation which is not presented in a “standard” hotel configuration – i.e. an alternative to ‘mainstream’ accommodation.

As such, it may include bed and breakfast accommodations in whatever form, inns and lodges, youth or other hostels, university residences, cabins and camps, farms and ranches, historic buildings such as castles, monasteries, lighthouses and windmills, boats or barges, mud huts, caves or tree houses, as well as individual properties of particular charm and presence (e.g. boutique hotels) due to their unusual design or location or because of the type of ‘participation’ which takes place within (e.g. contemplation/retreats, study, working vacations/village living).

- (ii) **“Environmentally sensitive development”**, is a prerequisite and priority within the proposed program for alternative lodging. In the case of national reserves and areas of outstanding natural beauty, it is implicit that any proposed alternative lodging should be developed in an environmentally sensitive way, geared also towards the social, economic and cultural well-being of the local people; the establishment of architectural/design (and operational) criteria should be essential precursors to development. With respect to reserves, a policy of “preservation through environmentally sensitive development” should be adopted.
- (iii) **“Selected areas”**, are the defined cohesive [tourism/product] zones for tourism development in Lebanon, which together form a ‘national level strategy’ for tourism development via the program for alternative lodging services.
- (iv) **“Local tourism”**, is defined as the tourism activity within and between the ‘tourism zones’. The program for alternative lodging services is directed towards local/domestic tourists (locally domiciled Lebanese nationals), émigré Lebanese (often appearing in statistics as ersatz foreign nationals/tourists) and bona fide foreign visitors.
- (v) **“Program for alternative lodging services”**, proposed as the ‘Little Inns of Lebanon’ is the key output of the assignment, representing the ‘vision’, concept and concomitant action plan, designed to ‘kick-start’ tourism activity in the selected areas, as part of a national level strategy for tourism development [in rural and urban areas].
- (vi) **“Assignment”**, commenced on September 26, 2005 and was concluded on October 30, 2005.

EXECUTIVE SUMMARY

The immediate beneficiary of the assignment and report is the Ministry of Tourism (MOT) of the Republic of Lebanon. The assignment was undertaken within the EU-financed Programme of Assistance to the Rehabilitation of the Lebanese Administration (ARLA) via the Office of the Minister of State for Administrative Reform (OMSAR), which has co-ordinated the overall execution of this project assignment. The global objective of this assignment was to develop local tourism specifically in rural and urban areas, selected by the MOT.

This report acknowledges that Lebanon is still in the early stages of rebuilding its tourism sector; the renaissance of the nation will be crucial to the renaissance of its tourism sector;

- Considerable emphasis has been afforded by various international agencies and Government, to the development of sustainable rural tourism and/or eco tourism development. Unfortunately, these efforts, whilst lofty in intent and in part successful at a micro-economic level, would appear to have had little impact either on the tourism sector or on local communities.
- The program for the development of alternative lodgings is designed to accommodate the **future** profile of tourism in Lebanon. It is a fundamental assumption that Lebanon is entering a new era in its history and that the program for alternative lodging should meet future needs and aspirations.

The product in terms of climate, mountains, sea and countryside, history and archaeological sites, is *exceptional*; it is by improving accessibility and stay-time (via the program for alternate lodging) in the regions that the benefits of tourism can be spread throughout the country to the benefit of the economy and people of Lebanon.

- the physical and service product cannot be considered in isolation to issues of security (especially in rural areas), political stability, national economic activity, as well as the international perception and image of Lebanon; it must be assumed that these will no longer be issues in the near future;
- the un-catered for gap in the market is for mid and upper mid-range accommodations [alternative lodgings] which could service both international visitors and, thru a carefully designed discriminatory pricing policy, domestic tourists alike.

The global objective of the program for alternate lodging is “to diversify the source of income for the local population by directly involving them in the process of local tourism”; to meet this key objective, the program for alternate lodging needs to be of an adequate scale, in order to sufficiently impact the sector and local economies;

- if the program for alternative lodging is unfocussed or overly diversified or tries to encompass the entire range of possible alternative lodgings, it is not likely to succeed;
- the vision and concept is clear and concise, realisable, and would appeal to the private sector; prima facie, it would appear to be financially feasible and of sufficient gravitas to attract the necessary investment;
- the design and style of lodgings should be consistent with Lebanon’s preferred market image and positioning – the alternative lodgings should represent a marketable and merchandisable brand and a national image; national reserves and areas of outstanding natural beauty should be highlighted as ‘selected areas’ under the program for alternative lodging;
- alternative lodgings should be viewed as centres for the future expansion of tourism activity in the regions;

Throughout Lebanon, there exist *numerous* opportunities to improve tourism activities and enhance or develop alternative lodging services. With the selected areas defined in this report as a national

program, it has been essential that the wide range of available opportunities be reduced into a single, realisable and priority program of activity.

The Vision – “The Little Inns of Lebanon” (Les Petits Auberges de Liban)

The Vision is to develop a professional, integrated nationwide, structured ‘chain’ of approximately 20 small alternative lodging inns, in the form of creatively-designed (non-standard hotels), boutique properties under a single central management and control, in the selected areas.

‘The Little Inns of Lebanon’ would be located in the selected areas: rural/country centres and in/near the national reserves, in some cases new-buildings will be required, in other cases rehabilitated buildings;

- Flexibility inherent in the concept for the “Little Inns of Lebanon”, would allow each region’s individual identity to be reflected;
- The branding of ‘The Little Inns of Lebanon’ would establish a benchmark price/quality/service for tourist accommodations nationally;
- Each of the properties in the group would act as a regional ‘incubator’ for the tourism sector;
- Individual, privately owned small hotels/inns might be invited to join the group, (franchisees); this would broaden the group’s range and locations and permit a more rapid growth in the number of properties in the group;
- Government should provide land where possible and permit the group to develop a low density, low impact , high quality boutique hotel on a beach between Sidon and Tyr (in addition to any property in the national reserve south of Tyr);
- the ‘Little Inns of Lebanon’ would provide a valuable marketing image for the country and would permit MOT to present and promote the entire country as a single, unified product;
- at merchandising level, the ‘Little Inns of Lebanon’ would guarantee quality and standards, with central pricing and price contract/negotiations, and sufficient critical mass to present the group’s product to markets;
- an element of cost/profit cross-subsidization would be possible, to maintain otherwise marginal properties.

In terms of investment and operational rationale, it would be more cost effective to design, construct and manage a group of small hotels than for any one property individually;

- by developing a “group” of properties as a single product, high quality management can be afforded and retained;
- it would be easier to obtain finance for the group than for individual properties;
- differently styled and priced properties could co-exist within the group; in some instances 20-30 rooms, in others 30-50 rooms; prices might also vary in the range US\$50-150;

In total, the group would comprise between 400 and 600 units (comparative to 2-4 major international hotel properties);

- preliminary outline feasibility estimates suggest that a group of properties, such as is proposed, would be financially feasible and viable;
- construction costs would likely be in the range US\$30-60,000 per unit with an estimated (leveraged) internal rate of return in the range 20-30 per cent per annum (at 60:40 debt/equity) – a sufficient range of return to attract the private sector;
- a total investment/development value in the range US\$30m-40m of which capital/equity in the range US\$15-20m;

The strategy for alternative lodging should form the backbone or framework of a new and enhanced national tourism product [and regional development strategy] for Lebanon;

- in order to create an alternative lodging product of sufficient critical mass to significantly impact the sector, a chain or grouping of approximately 20 properties should be developed (or rehabilitated), in concert with the private sector;

Next Steps

The 'Little Inns of Lebanon' project represents an important and high profile initiative by MOT. The interest it will generate should not be underestimated. Its economic and 'hearts and minds' impact on the selected is likely to be significant.

The following 'next steps' are proposed:

- MOT should:
 - confirm its acceptance of this report to OMSAR as the base/foundation to a national tourism development strategy via a program for alternate lodging services; this may alternatively be re-titled as "The Little Inns of Lebanon" project;
 - endorse the content of this report by re-titling it as a strategy document of the MOT – under cover of the MOT;
 - establish an MOT Working Group for the Little Inns of Lebanon, under the General Director, comprising no more than 3 selected heads of Department;
 - form an inter-ministerial Advisory/Consultative Group, under the direction of the MOT (LIOL) working group; to permit all pertinent Ministries to be involved and to assist;
 - determine a workable modus operandi to involve local municipalities;
 - identify potential/suitable government-owned and private sector land plots;
 - commission a comprehensive market and financial feasibility study in a form suitable for banks;
 - organise a symposium for the private sector (operators and potential investors) to present the LIOL project and to distribute pertinent information;
 - draw-up a short list of potential private sector investors/partners;
 - issue an invitation/request for proposals (RFP), containing a synopsis of the independently produced feasibility report and outlining the potential "partnership";

MOT should enter a contract with a private sector company that:

- comprehensively defines the concept and philosophy of the 'Little Inns of Lebanon' brand;
- specifies that MOT requires input and approval of the architectural design, to ensure that development is environmentally sensitive and appropriate to the basic LIOL concept;
- stipulates any operational requirements in terms of local employment, local purchasing etc.;
- defines financial and other requirements of the Company;
- outlines the possible concession terms with respect to land, leases or other mechanisms;

Applicants/tenderers should be invited to submit detailed proposals containing, inter alia, their background, credentials and qualifications, available expertise, financial position, available operational capabilities, and their ideas to enhance the LIOL concept;

- MOT should commission due diligence of the various tenders;
- the tendering process should not be in the style of the World Bank or international agencies - nor in the form of normal government process; a simple non-commitment procedure which allows for limited dialogue should be permitted so as to retain the optimum partner;
- once a private sector partner has been selected, MOT should remain closely involved (under the limits of contract) so as to ensure compliance in the development process by the Company;
- once operational, MOT should withdraw entirely from LIOL except to monitor compliance to the concession contract or to assist in its mandated governmental role.

1.1 INTRODUCTION

In accordance with the terms of reference, this report comprises the following:

- a) an overview of the mandate and regulations that govern the work of the MOT in the field covered by the TOR – namely, alternative lodging services;
- b) an overview of the available opportunities for tourist's attraction to the selected areas and alternative lodging services - which has been interpreted into the proposed program;
- c) an exploration of the future opportunities for tourists' attraction to the selected areas and alternative lodging services - which is reflected in the designation of the tourism activity zones and the overall strategic approach to alternative lodging development.

The immediate beneficiary of the assignment and report is the Ministry of Tourism (MOT) of the Republic of Lebanon. The assignment was undertaken within the EU-financed Programme of Assistance to the Rehabilitation of the Lebanese Administration (ARLA) via the Office of the Minister of State for Administrative Reform (OMSAR), which has co-ordinated the overall execution of this project assignment. Local tourism development is one component within the scope of Performance Improvement Planning (PIP – Phase 3) and local development planning at municipal level.

1.2 OBJECTIVES

The global objective of this assignment is to develop local tourism specifically in rural and urban areas, selected by the MOT [in co-operation with the municipalities concerned].

The specific objectives of this performance improvement planning assignment are as follows:

- to enhance [local] tourism development by attracting Lebanese and/or foreign tourists to areas where there is shortage of hotel accommodation by establishing alternative lodging – or where accommodation standards might be improved or the rehabilitation of existing buildings would be appropriate;
- to build an effective partnership between the municipal councils and local communities for local tourism development – at design, construction and operational levels;
- to strengthen the relationship between the MOT and municipalities – to the extent that local participation in tourism should be considered essential;
- to diversify the source of income for the local population by directly involving them in the process of local tourism – to which effect a national program is proposed.

Assignment Context

The following related projects, agencies, reports and studies are pertinent to the current assignment:

- USAID Expanded economic opportunities: far-reaching and comprehensive tourism sector program (concluding)
- JICA Integrated tourism development plan (2003)
- World Bank Cultural heritage and urban development (current)
- OMSAR Performance improvement planning – Tourism development and municipalities (concluding)
- UNDP/WTO Sustainable Rural Tourism Development Mission Report (March 2004)
- DfID (UK Govt) Sustainable tourism and poverty alleviation study (1999)
- WTTC 2005 Report – Economic impact, estimates and forecasts
- CDR Council for Development and Reconstruction – Infrastructure and land use plan, (Progress report July 2005)
- Bank Audi
 - Quarterly Economic Report – 2nd Quarter 2005
 - - Audi-Saradar Group – Lebanon, Country and Market Update 2005

The above have been reviewed and considered as part of the formulation of the program for alternative lodging services.

1.3 METHOD OF APPROACH

In accordance with the TOR, the Consultant undertook a fact-finding survey and data collection based on desk research and field visits to specific locations identified with the MOT (throughout all the regions of Lebanon) to assess the current needs for [local] tourism development and alternative lodging. A list of places reviewed is attached in Appendix.

The survey included the following:

- a) Review of the mandate of the MOT and other relevant regulations in the field of hotel accommodation and alternative lodging;
- b) Visits to a representative sample of [municipalities and related] touristic sites in areas selected by the Director General and the Task Force of the MOT, to gain insight of current tourists' accommodation services. The Consultant considered the local development plans that have been developed in 12 clusters of municipalities that included proposals and priorities of municipalities in the field of tourism;
- c) Visits to a representative sample of tourism professionals selected in cooperation with the Director General and the Task Force of the MOT to better understand the prevailing situation, current and expected problems and future requirements for alternative lodging;
- d) Analysis and assessment of the gathered information, involving the designated MOT staff members in the process and transferring to them the used methodology.

Project management and responsibilities

The Ministry of Tourism:

- appointed a Project Coordinator from amongst the task force members;
- Supervised the project implementation and progress;
- Reported to the Director General the progress of work and provided feedback;
- Ensured that MOT personnel were concerned in and informed about the assignment activities - and secured their involvement and 'ownership' during the assignment period and for the subsequent implementation phase;
- Coordinated the efforts of the Consultant, assisted in facilitating interviews, provided necessary documents and explained the institutional framework;
- Received project deliverables in informal/working draft form for discussions and comment prior to final reporting.

In view of the limited availability at MOT of computers and internet connections, extensive background data and information has been provided by the Consultant in both electronic and report appendices in hard copy form.

The Consultant extends his thanks for the positive and comprehensive assistance from MOT, notably H.E. The Minister of Tourism – Mr. Joseph Sarkis; Mrs Nada Sardouk Ghandour - General Director of Tourism, Mrs Mona Haddad Fares – Director of Tourism Promotion (and Archaeological sites management), Mr. Joseph Haimari – Adviser to H.E. The Minister of Tourism, MOT Directors/Heads of Department and regional offices. The Consultant also extends thanks to Mr. Wahib El Haddad and Mr. Samer Hankir of OMSAR, for planning and coordinating the assignment.

1.4 OVERVIEW OF THE MANDATE AND REGULATIONS THAT GOVERN THE WORK OF THE MOT IN THE FIELD COVERED BY THE TOR

Similarly to most other Ministries of Tourism around the world, the mandate and role of MOT is predominantly one of planning, licensing and control. The following key points apply:

- BOT projects (build, operate and transfer) have previously been undertaken by MOT in respect of the Rest House in Tyre and Jeita Caves;
- Current government policy is, however, directed towards privatisation rather than towards further State involvement in projects and activities that might perhaps be better undertaken by the private sector;
- The Consultant was instructed by MOT that it would not be able to proceed with a 'typical' joint venture or BOT for the development of private sector operated accommodations, but that it could facilitate and support a joint MOT-private sector initiative for the development of alternate lodging services;
- Responsibility for inward investment is vested in IDAL (Investment Development Authority of Lebanon) and is thereby outside the remit of MOT;
- Given the above constraints, MOT is somewhat limited in the type and range of pro-active actions that it could take in respect of alternative lodging development initiatives;
- The current accommodation licensing and categorisation system is not appropriate to the current needs of the sector and requires both a substantive overhaul and simplification; this is, however, of minor relevance to the proposed program for alternative lodging services since it is proposed that no formal grading (star rating) for the group should be sought; it is preferred that the chain/group establish its own branding and market positioning and should not rely on its formal categorisation;
- Should MOT select to endorse the proposed program for alternative lodging services, it's role should then be to coordinate the initiative with the private sector, other government ministries and agencies and would help in the identification and/or appropriation of land, as Government's contribution to the enterprise; full details of the steps required to launch the proposed program alternative lodging service (and national development strategy) are presented in 2.2.6;

Since, in general, investment in the tourism sector is viewed as long-term in nature and, in consequence, considered to be high risk, particularly in emerging destinations, a primary responsibility of Government will be in the establishment and maintenance of a political and economic environment that is conducive to planned development, orderly growth and profitable operation of the sector.

If tourism is to grow in Lebanon, as in other destinations throughout the world, the activities of planning, regulation, promotion and monitoring the sector must of necessity be the joint responsibility of the public and private sectors and undertaken within well defined roles. In view of the concentration of development in Beirut and Mount Lebanon, it is likely that the Government will need to take a highly proactive role if the benefits of tourism are to be spread nationwide, via the program for alternate lodging services.

It has previously been highlighted that MOT lacks a formal [and comprehensive] tourism policy and concomitant strategy for tourism development. It is suggested that the program for alternative lodging would, by implication, represent a statement by MOT of its intentions and intentions towards supporting the regions, by enabling them to improve their share of tourism activities.

1.5 OVERVIEW OF THE AVAILABLE OPPORTUNITIES FOR TOURIST'S ATTRACTION TO THE SELECTED AREAS AND ALTERNATIVE LODGING SERVICES

Considerable emphasis has been afforded by various international agencies [and consultants] and Government, to the development of (so-called) sustainable rural tourism and/or eco tourism development. Unfortunately, these efforts, whilst lofty in intent and in part successful at a micro-economic level, would appear to have had little impact either on the tourism sector or on local communities. The issues are follows:

- without an overnight stay involved, tourism activities in the regions is necessarily limited; in consequence, relatively little tourism expenditure remains at local level; the majority remains with the operator;
- domestic tourists do not 'generally' pay for/require overnight accommodation; VFR (visiting friends and relatives, and home towns/villages) is the predominant accommodation preference;
- the opportunity to increase eco/rural tourism activities is severely limited by limited current 'stay times';
- the types and volumes of domestic tourism are largely predicated by weekends and national holidays;
- b&b and other small scale enterprises are unlikely to create the type of tourism critical mass (and associated investment) that Lebanon requires for sustainable long term national tourism development;
- most alternative lodgings are likely to remain on the fringe of mainstream tourism (and economically marginal) unless a formal strategy and process of tourist dispersal to the regions is adopted;
- unless overnight/staying demand is increased via the development of new 'tourism centres' (nuclei/hubs), as conceived under the program for alternate lodgings, the opportunities for tourism development throughout the nation, will remain limited;
- conceptually, the proposed strategy is for a "string of pearls", unifying the national product whilst allowing for a diversity of styles and regional identities in individual properties; this would be in the form of a chain/group of alternative lodging properties on routes or circuits throughout the regions – including the major cities;

Profile of tourism demand in Lebanon relevant to Alternative Lodging

The program for the development of alternative lodgings is designed to accommodate the *future* profile of tourism in Lebanon. It is a fundamental assumption that Lebanon is entering a new era in its history and that the program for alternative lodging should meet future needs and aspirations.

The key market characteristics and issues of Lebanon's demand profile, relevant to alternative lodging, may be summarised as follows (comprehensive tourism data is attached in appendix):

- Lebanon is a small and relatively compact country destination whereby most "rural" or regional areas can readily be visited in a day-trip from major population centres; this is equally true of ski related trips in the mountains; - in consequence, existing generating markets and segments currently provide highly limited demand for rural or alternative lodging;
- Domestic tourists tend to make multiple visits to their home towns and villages but are more likely to stay with friends and relatives, or in owned or borrowed apartments;

- Prevailing salaries in Lebanon are relatively low, by international standards. Consequently, even low to mid-range 'international' hotel room prices (US\$50-100) are likely to be perceived as expensive by the (current) broad middle market;
- Higher price range hotels and resorts cater generally for international markets (especially GCC markets etc.) as well as for affluent Lebanese, higher socio-economic groups;
- Existing eco tourism activities are relatively low yield and are highly price-sensitive; the duration and organisation of such activities are normally tailored to day trips;
- Distinct from eco tourism, 'discovery and soft adventure' tourism (which may include educational elements) is relatively buoyant, although the absolute visitor numbers are relatively low (major operator, 1,000 pax per annum); such tours/activities are generally marketed as a regional product comprising Lebanon, Syria and Jordan;
- The ages of discovery and soft adventure tourism is dominated by the 40-50 year old range and not younger age groups which might be anticipated;
- Cultural/historic tours are generally marketed as a multi-destination product, including Syria and Jordan;
- Many tourists categorised by immigration and MOT as international/foreign are frequently émigré Lebanese, travelling on foreign passports; such visitors are frequently attending weddings and family functions and, as a result, their travel preferences and patterns are not typical of mainstream tourism;
- A significant percentage of foreign/international visitors are cross-border visitors, often resident in adjacent countries or within the region; this is a crucially important issue in respect of destination marketing activities which tend to focus on Europe, when many European visitors are in fact resident in the region;

Profile of tourism product in Lebanon relevant to Alternative Lodging

The key product characteristics and issues of Lebanon's product (accommodation) profile, relevant to alternative lodging, may be summarised as follows:

- This report acknowledges that Lebanon is still in the early stages of rebuilding its tourism sector; the renaissance of the nation will be crucial to the renaissance of its tourism sector.
- The product in terms of climate, mountains, sea and countryside, history and archaeological sites, is *exceptional*; it is by improving accessibility and stay-time (via the program for alternate lodging) in the regions that the benefits of tourism can be spread throughout the country to the benefit of the economy and people of Lebanon.
- The physical and service product cannot be considered in isolation to issues of security (especially in rural areas), political stability, national economic activity, as well as the international perception and image of Lebanon; it must be assumed that these will no longer be issues in the near future.
- Currently, the 'top end' and 'bottom end' of the market are relatively well provided for by existing hotels, auberges and other forms of accommodation.
- High-end hotels sell at international rates (US\$150+) and generally achieve acceptable occupancies and yields (average room rates).
- Low end properties perceive there to be a price ceiling of approximately US\$20, with US\$25 considered to be more than the market will bear.

- Between these extremes are accommodations which often do not offer the correct balance between price and quality; as such, they are not of an adequate price/quality to attract more mainstream international tourists nor is their pricing suitable to encourage greater domestic tourism.
- The un-catered for gap in the market is for mid and upper mid-range accommodations [alternative lodgings] which could service both international visitors and, thru a carefully designed discriminatory pricing policy, domestic tourists alike.

Principles and assumptions for the launch of a program for alternate lodgings

The following principles and assumptions are inherent in the program strategy:

- The global objective of the program for alternate lodging is “to diversify the source of income for the local population by directly involving them in the process of local tourism”; to meet this key objective, the program for alternate lodging needs to be of an adequate scale, in order to sufficiently impact the sector and local economies.
- If the program for alternative lodging is unfocussed or overly diversified (as is normally the case in government master plans and funding agency methodologies), or tries to encompass the entire range of possible alternative lodgings (from eco camps to youth hostels), it is not likely to succeed.
- The vision and concept is clear and concise, realisable and would appeal to the private sector; prima facie, it would appear to be financially feasible and of sufficient gravitas to attract the necessary investment.
- Future market demand characteristics should be the primary determinant of the style and pricing of alternative lodgings.
- The design and style of lodgings should be consistent with Lebanon’s preferred market image and positioning – the alternative lodgings should represent a marketable and merchandisable brand and a national image.
- Given the environmental degradation of many areas within the country, national reserves and areas of outstanding natural beauty should be highlighted as ‘selected areas’ under the program for alternative lodging.
- Alternative lodgings should be viewed as centres for the future expansion of tourism activity in the regions; these would generate greater opportunities for training and employment.
- The generation of economic activity [via tourism] in the regions might help alleviate the continuing drift of population to the cities.

1.6 FUTURE OPPORTUNITIES FOR TOURISTS’ ATTRACTION TO THE SELECTED AREAS AND ALTERNATIVE LODGING SERVICES

Throughout Lebanon, there exist *numerous* opportunities to improve tourism activities and enhance or develop alternative lodging services. With the selected areas defined in this report as a national program, it has been essential that the wide range of available opportunities be reduced into a single, realisable and priority program of activity.

Skiing

A significant opportunity exists for the development of international ski tourism and resorts – which would appeal principally to the European market but which would have a broader international appeal if correctly planned and developed. The following points apply in this regard:

- Lebanon has all the ingredients for the development of an enhanced international ski product;
- The existing product is currently let-down by a lack of proper linkages between hotels, restaurants and facilities, i.e. sidewalks, street lighting, public areas and squares – in all, a shortfall at the level of resort/urban planning;
- Development has been haphazard and in most cases has been detrimental to the delicate mountain environment; some development is distinctly inappropriate in terms of design construction;
- Alternative lodging development within ski areas would be entirely appropriate within the proposed program.

Rural/Non-ski alternative lodging

The following key points apply:

- because of the plethora of available opportunities, it is essential that MOT (and the country) focus on a clear, coherent and 'realisable' program for national tourism development [via the program for alternative lodging services] – and then permit and support its implementation;
- should MOT choose to adopt a less focussed program, success would be significantly less likely;
- the core of the proposed program is for the creation/development of a 'backbone' or 'framework' of accommodations which would form tourism nuclei throughout the regions; this framework allows for many other activities surrounding each nucleus including eco pursuits, trekking, mountaineering, rafting, cycling, as well as general tourist visits to towns and attractions.

Bed & Breakfast Alternative Lodgings

Increasingly, in North America and Europe, the standard of bed and breakfast accommodations (Inns) has improved to the extent that B&B prices can, in many instances, exceed those of mainstream, traditional hotels. In the US, quality B&B "Inns" are frequently in the price range US\$80-150 per room per night. From New England to Californian, these inns generally offer charm and intimacy and sell at a premium rate. In Europe, the move towards non-traditional hotel accommodation is apparent in chambre d'hotes, Paradores and Pousadas as well as country properties in Italy. Smaller properties tend to join B&B groups and invariably promote themselves thru B&B guides which act as ersatz marketing collectives.

Gites, Farm Stays and other forms of alternative lodgings

The characteristics and form of other types of alternative lodgings would not meet the overall goals and objectives under the current TOR. This does not preclude such developments but indicates that these should not be specifically included under the program for alternative lodging services.

Zonal Strategy

It is proposed that a zonal strategy for tourism development should be adopted by MOT (and Government), via the program for alternative lodging services. *These do not represent administrative boundaries but are distinct tourism zones.* The map depicts the proposed zones. The following points apply:

- only by creating new centres (or hubs) for tourism activity can tourism activity practically be spread throughout the regions;
- it is proposed that each zone would have one or more centres from which tourism activity would emanate; this would permit stays in each region, in preference to day trips;
- zones (see map) have been selected so as to represent a cohesive zonal tourism product – either in terms of appeal, activities or geographical attributes;
 - Zone 1: from Batroun to the north to Sarafand to the south, to the eastern mountains;
 - Zone 2: From Safarand to the southern border to Marjayoun;
 - Zone 3: from Marjayoun to Joub Janine and to the eastern border;
 - Zone 4: from Anjar to the south to Britel (south of Baalbek);
 - Zone 5: from Baalbek to the north to mountains to the west;
 - Zone 6: Tripoli and to the northern border, mountains to the east.
- in each tourism zone, one or more ‘appropriate’ alternate lodgings should be either newly developed, or else suitable buildings should be rehabilitated/restored;
- the following preliminary distribution of 20 alternative lodging centres/Little Inns of Lebanon (alternative lodgings) is proposed:
 - Zone 1: (5) Beirut (2); Sidon (1); Metu Mount Lebanon, Baskinta (1) Ain Dara (1)
 - Zone 2: (4) Tyr (1); Tyr Beach NR (1); South-east/Aalm ech-Chaab or Taya Felsay (1); Marjayoun for Ch. De Beaufort (1)
 - Zone 3: (2) Chebba/Mount Herman/Reshaya el Wady (1); Rachaiya (1)
 - Zone 4: (2) Zahle (1); Aanjar (1)
 - Zone 5: (3) Baalbek/Khirbit Aamichki (1); Deir Mar Maroun/Qaa; (1); Beqaa Valley (1)
 - Zone 6: (4) Tripoli/Enfe (2); Manjez/Qbayatt (1); (upgrade Al Jourd); Tannourine area (1);

It is recommended that separate zonal strategic plans for tourism development should be formulated, based upon the zonal alternative lodging program. Such strategies should seek to consolidate the product in and marketing for each zone.

National Reserves

To the greatest extent possible, alternative lodgings should be located in or accessible to the seven National Reserves of:

- Al Shouf Cedar NR;
- Horsh Ehden NR;
- La Reserve Afqa NR;
- Palm Islands NR;
- Tannourine NR
- Tyre Beach NR;
- Yammouneh NR

**PERFORMANCE IMPROVEMENT PLANNING
PROGRAM FOR ALTERNATIVE LODGING SERVICES
THE 'LITTLE INNS OF LEBANON' (LES PETITS AUBERGES DE LIBAN)
(DELIVERABLE # 2)**

2.1 INTRODUCTION

In accordance with the terms of reference, Deliverable #2 comprises an alternative lodging program, under the working name/title 'The Little Inns of Lebanon' (les Petits Auberges de Liban) that is divided into three components:

- Vision & Action Plan for alternative lodging in the selected areas (Component 3)
- Citation of international experience in the field of alternative lodging useful for Lebanon (Component 2)
- Exploration of the possibilities for alternative lodging in the selected areas (Component 1)

These components are presented below:

2.2 VISION & ACTION PLAN FOR ALTERNATIVE LODGING IN THE SELECTED AREAS (COMPONENT 3)

2.2.1 Introduction

In accordance with ToR 2.3.2 ii b. this section proposes a vision and action plan for the provision of alternative lodging services in the selected areas [national].

2.2.2 The Vision – “The Little Inns of Lebanon”

(Les Petits Auberges de Liban) – or other name as may be decided.

The Vision is to develop a professional, integrated nationwide, structured 'chain' of approximately 20 small alternative lodging inns, in the form of creatively-designed (non-standard hotels), boutique properties under a single central management and control, in the selected areas. The following apply:

- The program for the development of alternative lodgings is designed to accommodate the **future** profile of tourism in Lebanon. It is a fundamental assumption that Lebanon is entering a new era in its history and that the program for alternative lodging should meet future needs and aspirations;
- 'The Little Inns of Lebanon' would be located in the selected areas: rural/country centres and in/near the national reserves, in Tyr, Baalbek, Sidon, as well as two or more each in Beirut and Tripoli as city “anchors”; in some cases new-buildings will be required, in other cases rehabilitated buildings;
- Alternative accommodations could, in some cases, be designed in a 'village' format, similarly to Taybet Zaman in Jordan, properties in New Orleans, Captiva Island Florida, southern France, Bali/Obud etc.. In these cases, accommodation might be located in several separate buildings, but with a single reception, which then guides guests to their room/suite; (with centralised housekeeping, food and beverage and other services);
- In cities/towns such as Beirut and Tripoli, upper floor accommodations in souks or squares might be utilised – or several old buildings might be converted to form a single alternative lodging; lodgings need not be linear but could be part of a street or a square; (a good example is the small hotel being constructed in Sidon, opposite the Chateau de la Mer and rest house);
- The development/conversion of such buildings would be important for the preservation of buildings which might otherwise be demolished or inappropriately renovated;

- The flexibility inherent in the concept for the “Little Inns of Lebanon”, would allow for each region’s individual identity to be reflected in the buildings, furnishings (textiles, artwork etc.) but would allow for common, high standards, in keeping with the price which could be demanded;
- The branding of ‘The Little Inns of Lebanon’ would establish a benchmark price/quality/service for tourist accommodations nationally; a wide range of prices would be possible, depending on the location, style and quality of lodgings; the common theme to all properties would be the standards, quality, and security of the “brand”; (many past and present examples in France);
- Each of the properties in the group would in effect act as a regional ‘incubator’ for the training of hotel staff (for SMEs); for the provision of local tourist information; would be a “centre” or base for eco and activity tour operators; and could, in the case of reserves, include attached environmental/wildlife study centres;
- Individual, privately owned small hotels/inns might be invited to join the group, effectively as franchisees and thereby benefit from the chain’s knowledge, expertise and branded-marketing (website, central reservations etc.); this would be attractive to the group as it would broaden the group’s range of accommodation types and locations – it would be attractive to other auberges as it would open new markets for them; it would also permit a more rapid growth in the number of properties in the group;
- It is recommended that government should also provide land and permit the group to develop a low density, low impact , high quality boutique hotel on a beach between Sidon and Tyr (in addition to any property in the national reserve south of Tyr); this would give the group a full product range to be offered internationally;
- The ‘Little Inns of Lebanon’ would provide a valuable marketing image for the country and would permit MOT to promote the entire country as a single, unified product;
- At merchandising level, the ‘Little Inns of Lebanon’ would represent a product for both FIT tourists and ‘tour operator/wholesalers’ with guaranteed quality and standards, central pricing and price contract/negotiations, and with sufficient critical mass to present the group’s product to markets;
- To an extent, an element of profit cross-subsidization would be possible, thereby maintaining financially marginal properties (to be defined in the Government/private sector contract)

2.2.3 Investment/operational Rationale

The investment and operational rationale is as follows:

- **operations:** it would be more cost effective to design, construct and manage a group of small hotels than for any one property individually;
- **management:** by developing a “group” of properties as a single product, high quality management can be afforded and retained;
- **financing:** it would be easier to obtain finance for the group than for individual properties;
- **range:** differently styled and priced properties could co-exist within the group; in some instances 20-30 rooms, in others 30-50 rooms; prices might also vary in the range US\$50-150;
- **critical mass:** in total, the group would comprise between 400 and 600 units (comparative to 2-4 major international hotel properties);
- **viability:** preliminary outline feasibility estimates suggest that a group of properties, such as is proposed, would be financially feasible and viable;

- **cost/return:** construction costs would likely be in the range US\$30-60,000 per unit with an estimated (leveraged) internal rate of return in the range 20-30 per cent per annum (at 60:40 debt/equity) – a sufficient range of return to attract the private sector;
- **investment quantum:** a total investment/development value in the range US\$30m-40m of which capital/equity in the range US\$15-20m;

2.2.4 Locational strategy

It is proposed that:

- the strategy for alternative lodging should form the backbone or framework of a new and enhanced national tourism product [and regional development strategy] for Lebanon;
- in order to create an alternative lodging product of sufficient critical mass to significantly impact the sector, a chain or grouping of approximately 20 properties should be developed (or rehabilitated), in concert with the private sector; the regional/locations, which shall require further examination and feasibility analysis, might include the areas of:
- the following preliminary distribution of 20 alternative lodging centres/Little Inns of Lebanon (alternative lodgings) is proposed:
 - Zone 1: (5) Beirut (2); Sidon (1); Metu Mount Lebanon, Baskinta (1) Ain Dara (1)
 - Zone 2: (4) Tyr (1); Tyr Beach NR (1); South-east/Aalm ech-Chaab or Taya Felsay (1); Marjayoun for Ch. De Beaufort (1)
 - Zone 3: (2) Chebba/Mount Herman/Reshaya el Wady (1) Rachaiya (1)
 - Zone 4: (2) Zahle (1); Aanjar (1)
 - Zone 5: (3) Baalbek/Khirbit Aamichki (1); Deir Mar Maroun/Qaa (1); Beqaa Valley (1)
 - Zone 6: (4) Tripoli/Enfe (2); Manjez/Qbayatt (1); (upgrade Al Jourd); Tannourine area (1);

A total of 20 properties/locations is thus envisaged.

2.2.5 National reserves

The alternative lodging product shall provide a platform for national tourism development. It shall provide to National Reserves:

- A combination of environmentally sensitive and appropriate developments in or near national parks
- Protection via the generation of funds for park management and policing;
- The self-financing and sustainability of national reserve areas;
- Access which shall increase awareness of the reserves and of conservation issues;
- Centres for study and visits to otherwise largely inaccessible areas.

To the greatest extent possible, alternative lodgings should be located in or accessible to the seven National Reserves of:

- Al Shouf Cedar NR;
- Horsh Ehdén NR;
- La Reserve Afqa NR;
- Palm Islands NR;
- Tannourine NR
- Tyre Beach NR;
- Yammouneh NR

The above represents a cohesive and comprehensive national coverage for alternative lodging development.

2.2.6 Steps required to launch a comprehensive alternative lodging service

The 'Little Inns of Lebanon' project represents an important and high profile initiative by MOT. The interest it will generate should not be underestimated. Its economic and 'hearts and minds' impact on the selected is likely to be significant.

The following 'next steps' are proposed:

- MOT should confirm its acceptance of this report to OMSAR as the base/foundation to a national tourism development strategy via a program for alternate lodging services; this may alternatively be re-titled as "The Little Inns of Lebanon" project;
- MOT should endorse the content of this report by re-titling it as a strategy document of the MOT – under cover of the MOT;
- An MOT Working Group for the Little Inns of Lebanon (LIOL), under the Chairperson of the General Director, comprising no more than 3 selected heads of Department, should be established;
- The Chairperson of the working group (under the authority of H.E. The Minister of Tourism) should call a meeting of representatives of involved Ministries;
- An inter-ministerial Advisory/Consultative Group should be formed, under the direction of the MOT (LIOL)working group; this will permit all pertinent Ministries to be involved and to assist as required;
 - The confidentiality of the LIOL process should be highlighted and ensured by MOT; all participants in the consultative group should agree to sign a group Confidentiality and Non-Disclosure agreement and policy;
 - A workable modus operandi to involve local municipalities should be determined for after the private sector partner has been agreed; in the case of individual properties being consolidated as accommodations, community groups/committees shall need to be formed to represent individuals;
 - Potential government-owned land plots should be identified by the LOT and consultative group;
 - Suitable plots in key locations, under private ownership, should be identified;
- A comprehensive market and financial feasibility study should be commissioned, which should be in a form suitable for banks; this should include design and development criteria;
- A symposium for the private sector (operators and potential investors) should be arranged, to present the LIOL project and to distribute pertinent information;
- Prior to the symposium, a short list of potential private sector investors/partners should be drawn-up;
- Applicants may be consortia which could include national or foreign investors, hotel management/operators, existing hotel operators wishing to expand; title applicants must be locally registered individuals/companies of good standing;
- an invitation/request for proposals (RFP) should be sent-out, containing a synopsis of the independently produced feasibility report; full transparency in the process should be ensured by MOT;

- the RFP should define the limited role of MOT as “initiator” and “facilitator” to the LIOL project, and should specify the “design, build and operate” nature of the LIOL project;
- An outline of the potential “partnership” should be explained: - MOT/Government shall require a contract with a private sector company (the Company) that:
 - Comprehensively defines the concept and philosophy of the ‘Little Inns of Lebanon’ brand;
 - Specifies that MOT requires input and approval of the architectural design, to ensure that development is environmentally sensitive and appropriate to the basic LIOL concept;
 - Stipulates any operational requirements in terms of local employment, local purchasing etc.;
 - Defines financial and other requirements of the Company;
 - Outlines the possible “concession” terms with respect to land, leases or other mechanisms;
- Applicants/tenderers for the LIOL should be invited to submit detailed proposals containing, inter alia, their background, credentials and qualifications, available expertise, financial position, available operational capabilities, and their ideas to enhance the LIOL concept;
- MOT should commission due diligence of the various tenders;
 - The tendering process should not be in the style of the World Bank or international agencies - nor in the form of normal government process; a simple non-commitment procedure which allows for limited dialogue should be permitted so as to retain the optimum partner;
 - Tenderers should be obliged to sign a confidentiality and non-disclosure agreement;
 - Once a private sector partner has been selected, MOT should remain closely involved (under the limits of contract) so as to ensure compliance in the development process by the Company;
- Once operational, MOT should withdraw entirely from LIOL except to monitor compliance to the concession contract or to assist in its mandated governmental role.

2.3 CITATION OF INTERNATIONAL EXPERIENCE IN THE FIELD OF ALTERNATIVE LODGING USEFUL FOR LEBANON (COMPONENT 2)

2.3.1 Relevant Experiences of other developed and developing countries in enhancing local tourism by providing alternative lodging services

In accordance with ToR 2.3.2 ii a., this section presents the **relevant** experiences of other developed and developing countries in enhancing local tourism by providing alternative lodging services; the conditions and mechanisms established to make such services available to tourists: legal and administrative relationships between the owners of alternative lodges, local councils, travel agents and tour operators and the central administration.

It is not possible to simply transpose the product concept of another country to Lebanon. Moreover, only a very limited carry-over of concept components is even possible.

Extensive information and data exists regarding alternative lodging concepts. However, few of these are of significance relevance to Lebanon. The following have been examined for possible application to the situation in Lebanon:

- Spain: Paradores, inland tourism (villas etc.);
- Portugal: Pousadas;
- United States: National Parks
- France: Gites de France; Chambre d'Hotes; Logis de France; Chateaux Hotels etc.;
- Cyprus: Troodos Hills;
- Greece: Tavernas;
- Puerto Rico: Small Inns (also Jamaica and other similar Caribbean initiatives);

Of the above, the Pousadas in Portugal offers the nearest comparative concept to that which is proposed for the 'Little Inns of Lebanon' program and brand. The key conceptual similarities and differences are as follows:

- The 'Little Inns of Lebanon' would be private sector owned and operated, rather than owned/operated by Government or parastatal;
- Under the full development program, there would be some 20 'Little Inns of Lebanon' as against 40 or so Pousadas;
- The Pousadas were first established some 65 years ago; the 'Little Inns of Lebanon' would only be starting in 2006/7;

Nonetheless, from a visualization point of view, the Pousadas provide a ready comparison.

Since direct comparisons are few, background details of the key comparatives above are presented in Appendix.

2.3.2 Legal and administrative relationships

Under the proposed program for alternative lodging services, the 'Little Inns of Lebanon', there would be no significant issues with respect to the alternative inns. Neither would there be any particular issues in respect of local councils, travel agents or tour operators. Given that it is proposed that the 'Little Inns of Lebanon' would be an integrated chain of properties, there would be no ancillary issues in respect of central reservations, management or control.

2.3.3 Conditions that must be available to provide the service

- *Legal framework, licensing conditions and procedure*
The necessary framework for the development of alternative lodgings already exists either by Government applying existing powers to facilitate and enable the 'Little Inns of Lebanon' to be realised, in concert with the private sector or thru the use of BOT procedures as required;
- *Quality standards and quality assurance processes, quality control criteria and procedure*
These would be established and maintained at group level and would in part mirror those of international hotel groups;
- *Coordination mechanism between the lodge owners, municipalities and Ministry of Tourism*
As a private sector operation (albeit as a result of a MOT/government initiative), the prevailing mechanisms would apply;

- *System of tourists' referrals to alternative lodges and information campaigns to make the tourists aware of the service*
The development of the comprehensive 'Little Inns of Lebanon' chain and brand would allow for an integrated sales and marketing system, including internet and other electronic media. As such, MOT would be in a position to include these in its normal international marketing efforts;

2.4 EXPLORATION OF THE POSSIBILITIES FOR ALTERNATIVE LODGING IN THE SELECTED AREAS (COMPONENT 1)

These are considered under 2.3.1 and 1.5 above. Further, relevant details are presented in appendix.

APPENDIX 1

TERMS OF REFERENCE

1. TERMS OF REFERENCE

Performance Improvement Planning
Local Tourism Development Consultant

1. BACKGROUND

1.1 The EU financed ARLA Programme

This Project is one of several support projects for the rebuilding of public sector capacity in Lebanon within the EU-financed Programme of Assistance to the Rehabilitation of the Lebanese Administration (ARLA).

ARLA is an EU financed programme of Assistance to the Rehabilitation of the Lebanese Administration (loan LBN/B7-4100/IB/97/0687). ARLA is a six-year, multi sector programme. Total investment in the ARLA programme is Euro 45.2 million, of which Euro 38 million is provided under a grant funded by the European Union's MEDA facility. The funds are channelled to the beneficiary institutions through the Office of the Minister of State for Administrative Reform (OMSAR).

1.2 Scope of work

The OMSAR launched the Performance Improvement Planning (PIP) Project early March 2001. This programme adopted a consistent and systematic methodology that focused first on analyzing what the organization is actually doing and what that organization should be doing. It identified areas that need to be changed and improved for the organization to be more effective.

Local tourism development falls within the scope of PIP-phase 3 that includes several ministries. While this project is concerned with local tourism, there is an ongoing project related to local development planning on a municipal level, within the framework of the ARLA programme, of which tourism development is one of its components.

2. DESCRIPTION OF THE ASSIGNMENT

2.1 Beneficiary

The Ministry of Tourism (MOT) of the Republic of Lebanon is the immediate beneficiary of this project. The OMSAR is in charge of the ARLA programme under which this project is executed. In this regard, it plays an advisory role to the MOT and coordinates the overall execution of this project.

2.2 Global and specific objectives

The global objective of this assignment is to develop local tourism specifically in rural and urban areas to be selected by the MOT in co-operation with the municipalities concerned.

The specific objectives of this performance improvement planning assignment are the following:

- To enhance local tourism development by attracting Lebanese and/or foreign tourists to areas where there is shortage of hotel accommodation by establishing alternative lodging;
- To build an effective partnership between the municipal councils and local communities for local tourism development;
- To strengthen the relationship between the MoT and municipalities;
- To diversify the source of income for the local population by directly involving them in the process of local tourism.

2.3 Requested Services

In order to meet the above objectives, the Consultant must complete the following tasks:

2.3.1 Task 1: Fact Finding and Data Collection

The Consultant shall undertake a fact-finding survey and data collection based on desk research and field visits to specific locations to be identified by the MOT to assess the current needs for local tourism development and alternative lodging.

The survey shall include the following:

- a) Reviewing the mandate of the MOT and other relevant regulations in the field of hotel accommodation and alternative lodging ;

- b) Paying visits to a representative sample of municipalities and related touristic sites in areas selected by the Director General and the Task Force of the MOT to get some insights on their current tourists' accommodation service. The Consultant shall consider the local development plans that were developed in 12 clusters of municipalities that included proposals and priorities of municipalities in the field of tourism
- c) Paying visits to a representative sample of tourism professionals selected in cooperation with the Director General and the Task Force of the MOT (eg. Travel Agents Association, etc.) to better understand the prevailing situation, current and expected problems and future requirements for alternative lodging..
- d) Analyzing and assessing the gathered information, involving the designated MOT staff members in the process and transferring to them the used methodology.

2.3.2 Task 2: Development of an alternative lodging program:

The Consultant shall develop an alternative lodging program that is divided into three components:
Component 1: Exploration of the possibilities for alternative lodging in the selected areas;

Component 2: Citation of international experience in the field of alternative lodging useful for Lebanon;

Component 3: Suggesting the required conditions and an action plan for alternative lodging in the selected areas.

2.4 Outputs

The Consultant shall submit the deliverables of the assignment in accordance with the schedule indicated in Section 4.3 here below. All deliverables shall be subject to the review and approval of the MOT. The Consultant shall take into consideration the comments related to the deliverables which might be raised by the MOT. These deliverables shall comprise the following:

i- A Fact Finding Report (Deliverable # 1):

The Consultant shall prepare and submit Report number 1 with the assistance of a selected number of MOT staff members. The Report must comprise the following:

- a) An overview of the mandate and regulations that govern the work of the MOT in the field covered by the TOR.
- b) An overview of the available opportunities for tourists' attraction to the selected areas and alternative lodging services.
- c) An exploration of the future opportunities for tourists' attraction to the selected areas and alternative lodging services.

ii- A Program for Alternative Lodging Services (Deliverable # 2):

The Consultant shall prepare and deliver a program for alternative lodging services in the selected areas based on the fact finding survey and international best practices. The report shall:

- a. Present the experiences of other developed and developing countries in enhancing local tourism by providing alternative lodging services and explain the conditions and mechanisms established to make such services available to the tourists. This section of the report must describe the legal and administrative relationships between the owners of alternative lodges, local councils, travel agents and tour operators and the central administration.
- b. Propose a vision and an action plan for the provision of alternative lodging services in the selected area. The action plan must include the steps required to launch a comprehensive alternative lodging service and the conditions that must be available to provide the service, including the legal framework and licensing conditions and procedure, quality standards, quality assurance processes, quality control criteria and procedure, the coordination mechanism between the lodge owners, municipalities and Ministry of Tourism, the system of tourists' referrals to alternative lodges and information campaigns to make the tourists aware of the service.

All documents shall be written in English or French and submitted in four (4) copies. All documents shall be conveyed in hard and soft copies, making use of the most recent version of MS Office software.

Outputs ought to be delivered by the Consultant to the OMSAR's, and MOT's representatives for review and approval. Approval of the outputs as to their quality and relevance shall rest with the MOT and OMSAR as to their compliance with the contract requirements.

3. EXPERT PROFILE (category 1)

A Senior expert with international experience is requested. He/she must have the following qualifications:

- Experience in the tourism sector in developed and developing countries for at least 15 years. Experience in the Mediterranean region is an asset.
- Excellent communication and presentation skills;
- Fluent in English or French. ; Arabic will be an asset

4. PROJECT MANAGEMENT AND RESPONSIBILITIES

4.1 OMSAR

Technical matters will be monitored by a Policy Analyst assigned to the project by the OMSAR Institutional Development Unit who will work with the Consultant and the MOT to ensure the success and timely completion of the project activities.

4.2 Ministry of Tourism

The MOT will appoint a Project Coordinator from among the Task Force members. The Project Coordinator will:

- Supervise the project implementation and progress; in case of problems suggest solutions and report suggestions for improvement;
- Report to the MOT Director General on the work progress and provide feedback from and to her;
- Ensure that the MOT personnel concerned are informed about the project activities to secure their involvement and ownership during and after implementation;
- Coordinate the efforts of the Consultant, assist in facilitating the interviews to be conducted, provide the Consultant with the necessary documents, and explain the current legal and institutional framework that governs the daily work of the MOT.
- Receive project deliverables and prepare MOT for any discussions, presentations or meetings that are required for the approval of deliverables.

4.3 The Consultant

4.3.1 Technical assistance

In order to accomplish the objectives and requested services, the Consultant's assignment shall be completed in one mission as shown in the following table:

Mission Number	Mission Title	Duration (starting from the day of commencement of the assignment)	Deliverable
1	Task 1 Fact Finding Survey and Data Collection;	20 calendar days	A Fact-finding Report (Deliverable # 1 - See

	Task 2: Development of a Program for Alternative Lodging Services	15 calendar days	2.4 i); A Program for Alternative Lodging (Deliverable # 2 – See 2.4 ii)
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TOTAL CALENDAR DAYS: 35

Throughout the days of his/her assignment, the Consultant is supposed to coordinate closely with the MOT selected staff and involve them in all the theoretical and practical steps.

APPENDIX 2

FACT FINDING TRIP(S)

2. FACT FINDING TRIP(S)

The fact finding trips were undertaken in October 2005 and included the following locations:

Downtown Beirut	Museum of Gibron
Biel Exposition	Qadicha Valley
Hamra	Beirut
Bourghamoud	Beirut/Tyr
Jounie/Jouneh	Via: Damour
Kaslik: Acropolis, Porterilio	Sidon: Chateau de la Mer, Hotel Kalla
Century Park	Tyr Resthouse: cornice, town and area
Dbayeh: Royal Plaza, Metropolitan, "La Marina" Project	Tyr/Zahle
Masoureh: Broumana	Via: Deir Kifa, Chateau de Beaufort (Qasr Arnine)
Beit Mery	Hasbaya, Nabi Safa, Rachaiya, Joub Jannine, Wed Danoue
Grandhills Village	Anjar
Jeita Caves	Zahle: Grand Hotel Kadri, Akl Hotel, other small hotel(s) and guesthouses
Faqra: Faqra Club	Baalbek site and antiquities
Faraiya (Faraya): Mezzar Intercontinental	Jabal El; Barouk
Auberge Suisse	Beit Ed Dine
Beirut/Bcharre	Deir El Qamar
Via: Byblos,	Beirut; museums, attractions
Tripoli: Citadel, Souk, Lake, main sites, various hotels	Halba, Menjez, Qbaiyat
Zgharta, Ehden, Deir Qouzhai, Haouqa	Qaa, Deir Mar Maroun
Chbat Hotel	
Cedres: small hotels	

APPENDIX 3

**LEBANON'S CULTURAL TOURISM SITE DEVELOPMENTN – STRATEGIC
CONSIDERATIONS**

3. LEBANON'S CULTURAL TOURISM SITE DEVELOPMENT - STRATEGIC CONSIDERATIONS

The cultural and historic resources of Lebanon are of intrinsic value to humanity. Nonetheless, it is crucial that they are also identified as representing valuable long term, economic, income-generating assets to the country and its people. Cultural heritage development in Lebanon could benefit significantly if, from the outset, sensitive and appropriate commercialization of cultural heritage is integrated into the planning and strategy process.

The rich cultural heritage of Lebanon needs to be integrated into a unified and quantified strategy for cultural heritage and tourism development, to the benefit of local people and the nation as a whole. This highly important aspect should be prioritised within the tourism planning process.

Appropriate levels of private sector participation and public/private sector partnerships in cultural heritage activities should be examined, organisational and legislative framework issues and considerations, investment and development options and priorities (desirability, feasibility and viability assessment). The prospect for "sensitive" commercial use of restored areas and buildings should, where appropriate, be identified as well as the possibility of alternative institutional arrangements in order to ensure sustainability.

Constraints of Government funds in Lebanon are likely to preclude the allocation of adequate financial and human resources to cultural heritage programmes. Such programmes generally represent significant budget expense items without necessarily generating offset-able and concomitant revenue flows. Moreover, generated income is frequently absorbed into general government funds and may not return in the form of funding and investment for preservation and development activities. Consequently, it is proposed that cultural heritage inputs should be targeted to become at least partially self-financing within defined development terms. Entrance ticketing; taxes and levies; the licensing of guides; the allocation of commercial concessions; transport, parking and access; and other means should be evaluated as potential tools to accomplish this aim. Mechanisms to "feed-back" funds into local communities should also be actively considered.

The following further issues should be considered:

- Greater partnership opportunities
 - private/public investment opportunities to further develop or maintain existing cultural heritage assets;
 - potential for better controlled commercial concessions for food and beverage outlets; local guide assistance (obligatory or optional); land lease provision for parking; souvenir outlets;
 - start-up assistance to professional tourism agencies; ground operators, travel agencies etc.;
 - local entrepreneurial opportunities and funding methods - accommodation, activity facilities, leisure etc.;
- "sensitive" commercial use of restored areas
 - improved interpretation centres - audio visual exhibits, learning spaces, school visit facilities;
 - conversion of buildings for traditional-style accommodation (eg. Paradores, Pousadas); home stay, local/traditional accommodation;
 - semi private sector opportunities for non profit making organisations, collaboratives or village level associations - handicraft groups, NGO based SMEs;
 - local people involvement and ownership - construction and maintenance of facilities;
 - income from parking of cars and buses, backpacker safe storage etc.;
 - selected rental of prime space - for standard commercial facilities and operations;
- ticketing
 - multi ticket passes for single or multiple entries to sites and monuments;
 - photo identity cards for visitors (commercial opportunity);
 - ticket coding for revenue sharing.

- public private sector limited concessions to operators
 - accommodation; food and souvenir outlets at prime access points;
 - production of reproduction items - application of official stamps and logos;
 - opportunities for use of international copyright on art, antiquities and handicrafts;
 - internal transport (animal/mechanical);
 - guides, guide/drivers (their training and licensing)
 - increased number of shows, exhibits, demonstrations, concerts - imaginative and non-damaging uses for sites.

- alternative institutional arrangements
 - establishment of local and national tourist board / cultural services division; institutional strengthening; possible local representation via task forces and committees;
 - local development corporations/collaboratives.

- theft
 - data base inventorying; international referencing; internet accessing; antiquities registers; marking; cataloguing;

- Training of key staff
 - guide, guide/driver training; formal and informal training;
 - development of commercial attitudes to cultural heritage development and management;
 - train the trainer programs;
 - local level communication and information campaigns; leaflets to guide visitors at sites.