

**BRAZIL**

**NATIONAL TOURISM DEVELOPMENT PROGRAM FOR CEARÁ  
(PRODETUR – CEARÁ)**

**(BR-L1204)**

**LOAN PROPOSAL**

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ELECTRONIC LINKS
<p><b>Required</b></p> <ol style="list-style-type: none"> <li>1. Work plan for the first 18 months <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2211199">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2211199</a></li> <li>2. Monitoring and evaluation arrangements <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2208937">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2208937</a></li> <li>3. Procurement plan <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2211181">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2211181</a></li> <li>4. Environmental and social management report <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2231617">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2231617</a></li> </ol> <p><b>Optional</b></p> <ol style="list-style-type: none"> <li>1. Institutional capacity assessment of SETUR <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2218188">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2218188</a></li> <li>2. Risk analysis (Expert Choice) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225280">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225280</a></li> <li>3. Program operating manual <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225777">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225777</a></li> <li>4. Program economic evaluation <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2221876">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2221876</a></li> <li>5. Economic evaluation of sample projects <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225944">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225944</a></li> <li>6. Terms of reference for the first work plan (by component) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225727">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225727</a></li> <li>7. Program legal documents <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225950">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2225950</a></li> <li>8. Fiscal analysis of the State of Ceará <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2207640">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2207640</a></li> <li>9. Brazil Tourism Sector Note (BR-P1140) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2206250">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2206250</a></li> </ol>

## ABBREVIATIONS

AWP	Annual work plan
CETUR	Conselho Estadual do Turismo [State Tourism Council]
ESMR	Environmental and social management report
MTur	Ministry of Tourism
PDITS	Integrated Sustainable Tourism Development Plan
PEDT	Strategic Tourism Development Policy of the State of Ceará
PMU	Program management unit
PNRT	Programa Nacional de Regionalização do Turismo [National Tourism Regionalization Program]
PNT	Plano Nacional de Turismo [National Tourism Plan]
PRODETUR Nacional	Programa de Desenvolvimento do Turismo Nacional [National Tourism Development Program]
PRODETUR/NE	Programa de Desenvolvimento do Turismo no Nordeste [Tourism Development Program in Northeastern Brazil]
SETUR	Secretaria do Turismo do Ceará [Tourism Department of the State of Ceará]

## PROJECT SUMMARY

### BRAZIL CEARÁ TOURISM DEVELOPMENT PROGRAM (PRODETUR – CEARÁ) (BR-L1204)

Financial Terms and Conditions			
<b>Borrower:</b> State of Ceará		Amortization period:	25 years
<b>Guarantor:</b> Federative Republic of Brazil		Grace period:	5 years
<b>Executing agency:</b> Tourism Department of the State of Ceará (SETUR)		Disbursement period:	5 years
<b>Source</b>	<b>Amount</b>	Interest rate:	LIBOR
IDB (Ordinary Capital)	US\$150 million	Inspection and supervision fee:	*
Local	US\$100 million	Credit fee:	*
Other/Cofinancing		<b>Currency:</b> U.S. dollars from the Single Currency Facility of the Bank's Ordinary Capital	
Total	US\$250 million		
Program at a Glance			
<p>The program objective is to increase employment, revenue, and foreign exchange earnings for the tourism sector by strengthening and diversifying the tourism offerings of the state of Ceará. The purpose is to increase tourism spending in the program areas.</p> <p><b>Special contractual conditions.</b> <i>As special conditions precedent to the first disbursement</i>, the borrower must: (i) provide evidence that the program management unit (PMU) has been established, and its coordinator and technical specialists for the minimum complement of PMU staff selected with the qualifications agreed upon with the Bank (see paragraph 3.2); (ii) provide evidence that the short list for selection of the management firm to support the PMU in program execution has been prepared (see paragraph 3.3); (iii) provide evidence that the program Operating Manual has been officially adopted as agreed with the Bank and posted on the SETUR website (see paragraph 3.10); and (iv) provide evidence that the process for selection of the firm that will implement the program management system is under way (see paragraph 2.7)</p> <p><b>Special execution conditions.</b> (i) As a condition precedent to the execution of civil works, the technical cooperation agreement between the borrower/SETUR and the relevant sector administration must have entered into effect on terms agreed with the Bank (see paragraph 3.4); (ii) as a condition precedent to the tendering of municipal works, the cooperation agreement between the borrower/SETUR and the respective municipio must have entered into effect, on terms agreed upon with the Bank (see paragraph 3.5); and (iii) within 180 days after signature of the loan agreement, the borrower must provide evidence that the program management system has been implemented (paragraph 2.7).</p> <p><b>Conditions previously fulfilled:</b> The borrower published legislation confirming the executing agency's authority to carry out the program and to administer the proceeds of the financing (paragraph 3.1)</p> <p><b>Exceptions to Bank policies:</b> None.</p> <p><b>Project consistent with country strategy:</b>    Yes <input checked="" type="checkbox"/>                      No <input type="checkbox"/>    ]</p> <p><b>Project qualifies as:</b>                                      SEQ <input type="checkbox"/>                      PTI <input type="checkbox"/>                      Sector <input type="checkbox"/>                      Geographic <input checked="" type="checkbox"/>                      Headcount <input type="checkbox"/>    ]</p> <p><b>Procurement:</b> All program procurements will follow Bank policies and procedures as established in documents GN-2349-7 and GN-2350-7.</p>			

\* The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## **I. DESCRIPTION AND RESULTS MONITORING**

### **A. Tourism in Ceará**

- 1.1 Tourism is one of the most dynamic economic options for the state of Ceará; its share of state GDP rose from around 4% in 1995 to 10.4% in 2009, making it one of the leading growth sectors. Direct employment in tourism is estimated to have increased from 123,000 in 1995 to 286,000 in 2006, raising the sector's percentage of the economically active population from 3.8% to 7.7%. During the period 2000-2008 direct income from tourism has tripled from 940 million to 2.909 billion Brazilian reais (R\$). The state has concentrated its tourism development primarily on "sun and sand." Fortaleza, the state's main point of entry, receives 21.4% of all tourist arrivals; the western coastal hub, 23.8%; and the eastern coastal hub, 21.5%. This surge in Ceará's tourism industry has been greatly aided by investments since 1995 by the federal government, the state government, and the municípios of the state's western coastal area, with support from the Bank under the umbrella of the Tourism Development Program in Northeastern Brazil (PRODETUR/NE), stages I and II.
- 1.2 Despite tourism's importance in the economy of Ceará and the state's undeniable tourism potential, the sector is still relatively underdeveloped in comparison to the country as a whole: of the more than 48 million domestic and international trips that took place in Brazil during 2005, only 5% had Ceará as a destination. Moreover, the state attracts very little international tourism: Brazilian visitors account for 87% of total arrivals, and they are more likely to stay with relatives or in secondary residences, and spend less time and money on average than foreigners (9.8 versus 12.3 days, and R\$123.60 versus R\$197.60). Tourism service offerings are concentrated both thematically and geographically: 65.6% of visitors come for "sun and sand" tourism, and 75% of hotel accommodation facilities are on the coast. Moreover, recent tourism trends display marked seasonal fluctuations (from December to February and from June to August), shorter average stays (from 12 days in 1995 to 10.5 days in 2009), and modest and stagnant average daily spending per visitor (from R\$134 in 2006 to R\$132 in 2008).
- 1.3 To better position Ceará internationally and generate revenues from the sector, the state government will have to address the following shortcomings, listed in order of their importance in light of the desired outcomes: (i) the range of tourism products is very limited, and is dominated by a "monoproduct" of sun and sand tourism, leaving the remainder of the state's tourism potential underexploited; (ii) an undifferentiated approach to tourism promotion and marketing with little targeting on specific segments of demand or specialized media and communication channels; (iii) shortfalls in infrastructure and basic services at tourism destinations, with only limited access to important tourist attractions; (iv) shortcomings in public management, with tenuous mechanisms for communication and coordination between the state and the municípios and between official tourism offices and the private sector, problems in strategic tourism planning and management at the local level, limited collection and processing of important statistics for sector decision-

making; and (v) poor environmental management, instances of environmental degradation at significant destinations and attractions because of growing pressure on environmental resources and weaknesses in land use planning in tourism areas, as well as in plans for management and public use of fragile areas. For more detail, see the [diagnostic studies](#) of the program target areas.

**B. The Bank's work in the sector and lessons learned**

- 1.4 The proposed operation continues the Bank's support for tourism development in Brazil, which began in 1994 with approval of the first of two operations to promote socioeconomic development in the Northeast. The first of these, PRODETUR/NE I (loan 841/OC-BR), approved in 1994 for a total of US\$700 million of which the Bank financed US\$400 million, upgraded and expanded eight international airports, built or rehabilitated 877 km of highways and access roads, provided drinking water and sewerage services to 1.13 million people, undertook conservation work on 22 cultural heritage sites, and began conservation efforts for protected ecosystems and areas. The borrower and executing agency for this operation was an intermediary financial institution, Banco do Nordeste do Brasil.
- 1.5 Based on this experience, the Bank approved PRODETUR/NE II (loan 1392/OC-BR) in March 2002, with the key objective of improving the quality of life for the permanent population of tourism hubs by increasing employment and municipal revenues and putting mechanisms in place to ensure sustainable, responsible tourism. In addition to the states that participated in PRODETUR/NE I (Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, and Sergipe), municípios in the northern part of the states of Espírito Santo and Minas Gerais could also participate. By March 2010, the operation, costing a total of US\$400 million, had disbursed 63% of the US\$240 million provided by the Bank, and the states had committed over 94% of those resources through subloans. The last disbursement under PRODETUR/NE II is scheduled for 27 September 2010.
- 1.6 Under PRODETUR/NE I, the State of Ceará received US\$88.3 million in subloans (23% of the program financing), enabling improvements and investments in basic sanitation, accessibility by air, urbanization of tourist areas, restoration of historic heritage sites, and highway development (all important for bringing more tourists to the state and attracting private investment to expand the supply of hotel accommodations). Under PRODETUR/NE II, Ceará received US\$60 million in subloans, all of which has been committed. Consistent with the lessons learned from PRODETUR I (see final evaluation), the investments were identified through an integrated and participatory planning process with special attention to the environmental dimension for the Costa do Sol hub, comprising essentially the municípios of the western coastline. The bulk of the funding has been earmarked for expanding the hub's trunk highways and its water and sanitation facilities (71%) as well as for the urban development of tourist areas and restoration of cultural and historic heritage (13%).

- 1.7 Other operations in the tourism sector include: the Program to Support the Development of Ecotourism in the Legal Amazon Region (loan 1216/OC-BR), with Bank financing of US\$13.8 million, completed in February 2008; and the Ecotourism Development Project for the Mata Atlântica Region of São Paulo (loan 1681/OC-BR) with financing of US\$9 million, 25% disbursed (see the [Brazil Tourism Sector Note](#) for further details).
- 1.8 Support for the National Tourism Development Program (PRODETUR Nacional) (loan BR-L1195), with US\$15 million in Bank financing, provides the Ministry of Tourism (MTur) with the tools to better support state and municipal tourism lending and investment. One beneficiary of that operation will be the State of Ceará.
- 1.9 Based on the various evaluations and the recommendations of the 2000-2008 Country Program Evaluation, the following table shows lessons learned and how they have been integrated into the proposed operation.

Lesson learned	Reflected in program design
Program execution must be as close to the end-beneficiary as possible, so as to avoid inefficiencies through too many intermediaries and ensure that designs are consistent with local capabilities, conditions, and needs.	The borrower will be the subnational government, allowing flexibility to adjust program objectives, targets, timeframes, and investments in light of the government's capacity.
Investments must be planned and staggered to prevent, mitigate, and minimize any adverse impacts from accelerated tourism growth in a given area.	In the first year, the program calls for studies to identify viable tourism products and plan the sequencing of investments.
Tourism projects must be part of a strategic development model targeted at destinations and products that can be positioned successfully, if investments are to have a real impact and not be scattered too thinly.	A market study will be done in the first year of the program to identify, for each hub, the product lines and target demand segments in which it should compete, providing clear strategic guidance for prioritizing investments.
Tourism development plans must include a tangible environmental commitment, either by making the environment a key strategic focus of the plan or by including it as a crosscutting factor in all planned activities.	There is a Social and Environmental Planning and Management Manual for the program setting out management guidelines and requirements. There also will be a strategic environmental assessment of the beneficiary tourism hubs. Investment projects, especially infrastructure projects, will be subject to environmental impact studies, construction firm supervision, and regular environmental audits. Lastly, the environmental management component includes specific measures for environmental conservation and sustainable use of natural and cultural resources of tourism interest.
Tourism development programs must balance investments in basic infrastructure with investments to upgrade productive resources and structure the tourism value chain.	A Tourism Product Strategy will be the key tool for determining investments under the program, recognizing that such products are the reason for tourist trips. For example, the right balance is struck in the proposed operation between investments for upgrading infrastructure and basic

	services for tourist arrivals (53.4%) and investments in tourism products and marketing (33.6%) and in institution-strengthening and environmental management (8%).
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- 1.10 **Country strategy.** The proposed program is consistent with the priorities set in the Bank's country strategy with Brazil (document GN-2327) to (i) promote environmentally sustainable growth with stability, (ii) reduce poverty and promote social inclusion and greater social and regional equality; and (iii) support institutional strengthening and promote democracy and citizen participation; in that it will (i) promote tourism investment under uniform standards of economic, environmental, and social sustainability; (ii) generate greater regional equity and opportunities for inclusion through economic diversification and the provision of basic infrastructure and services; and (iii) strengthen tourism institutions at the state and municipal levels and reinforce mechanisms for participation by the private sector and civil society in tourism destinations.
- 1.11 **The state's sector strategy.** Consistent with the guidelines of the National Tourism Regionalization Program (PNRT), the subsequent National Tourism Plan (PNT), and the PRODETUR Nacional), the ultimate objective of the 2007 Strategic Tourism Development Policy of the State of Ceará (PEDT) is to make the tourism industry more competitive while reducing regional disparities and promoting sustainable development. In this context, 12 tourism areas or regions have been identified for their tourism potential and their potential for interregional and interstate coordination: four on the coastline and eight in the interior. To achieve its objective and optimize the distribution of benefits from tourism, the PEDT focuses on: (i) enhancing and consolidating the existing sun and sand tourism offerings in coastal tourist regions, for sustainable revenues gains over time; and (ii) creating new tourist products that will attract visitors to the state's interior and spur new economic development in those areas.

## C. Program design

- 1.12 The program seeks to generate a sustainable increase in tourism revenues for regions with an existing or potential tourism base. The tourism industry in Ceará could thus act as an engine of regional development, creating jobs and incomes for the local population. Under this development model, tourism can marshal, prioritize, and guide investments to support regional development and growth and improve quality of life for local people. The proposed program will implement this approach by introducing strategic and comprehensive planning in target areas selected in accordance with the state's tourism strategy (PEDT): the eastern coastline, selected for its capacity to generate a new sustainable model of sun and sand tourism that will better position the state's tourism offerings, and the Baturité and Ibiapaba mountains, for their potential to create new products that will help optimize the regional distribution of tourism benefits.

- 1.13 Drawing upon lessons learned, the proposed program has been designed with priority to activities that will expand and deepen the information available for integrated tourism planning in the three beneficiary areas at program startup, through the preparation of market studies and needs analyses for institution-strengthening, manpower training, and business support. The market studies will be used to prioritize demand segments and the products on which efforts should be concentrated. Investments in destinations (geographic areas where the products will be developed) will be organized around comprehensive interventions to enhance public tourist attractions, ranging from the preparation of final designs to actual implementation of activities for recovery and restoration of attractions, provision of tourism installations and facilities, interpretation and management of tourism resources, and development of the local urban surroundings. These interventions will be supplemented with investments in structuring the tourism business chain and job training, accessibility and basic services, and public management enhancements in the municipios that constitute destinations.

**D. Objectives, components, and costs**

- 1.14 The program objective is to increase employment, revenue, and foreign exchange earnings for the tourism sector by strengthening and diversifying the tourism offerings of the state of Ceará. The purpose is to increase tourism revenue from the three program corridors. The proposed program has five components:
- 1.15 **Component 1. Tourism product (US\$58.6 million).** The purpose of this component is to increase daily spending by tourists who visit the coast as well as to generate tourism activity in new areas of the state. The component includes: (i) market studies to identify and prioritize destinations and products with real tourist potential, in light of the expectations of target demand segments; (ii) diagnostic assessment and plan for manpower training and business support, in light of the selected destinations and strategic products; (iii) update of integrated sustainable tourism development plans (PDITS) as tools for integrated local tourism planning; (iv) projects to develop and upgrade tourism destinations, including the recovery and restoration of public attractions and enhancement of their surroundings, as required to compete in tourism markets; and (v) tourism signage and interpretation at destinations.
- 1.16 **Component 2. Promotion and marketing (US\$25.4 million).** This component includes actions to enhance the tourism image of destinations and products and to ensure that the channels selected for promotion and marketing are efficient and effective. It will finance preparation and implementation of the marketing plan for the three target areas, based on the market studies done previously. This will help to diversify outbound markets and capture the strategic demand segments to which the tourism product investments of Component 1 will be targeted.
- 1.17 **Component 3. Institution-strengthening (US\$9.4 million).** This component seeks to build local capacity for planning and managing tourism development; generate the mechanisms for interagency coordination at the state and municipal levels, as

well as to strengthen tourism business associations and support the comprehensive management of tourism destinations for orderly and consensus-based development. It includes preparation and implementation of the following activities: (i) diagnostic assessment and plan for strengthening public and private entities involved in the tourism industry; (ii) strengthening the State Tourism Information System, necessary for proper decision-making in both public and private sectors; and (iii) update of the georeferenced map database of tourism information in the selected destinations.

- 1.18 **Component 4. Destination access infrastructure and basic services (US\$133.5 million).** This component will improve accessibility and connectivity for the selected destinations, making it easier for visitors to reach and move about within them and creating tourism circuits and corridors, as well as providing adequate public services to meet tourists' needs during their stay. This component includes the preparation of feasibility studies and final designs as well as civil works for access enhancement, municipal airport improvements, and water and sanitation systems, including sanitary landfills.
- 1.19 **Component 5. Environmental management (US\$10.1 million).** This component will support sustainable development of the sector by ensuring the preservation and sustainable use of natural and cultural resources that form the basis of tourism activity, and by preventing and mitigating any adverse impacts that tourism investments might have on the territory and its population. Planned activities include: (i) strategic environmental assessments of the program's three target areas; (ii) environmental impact studies and socioenvironmental audits of selected works at each destination; (iii) plans for the preservation, management, and public use of sensitive natural and cultural resources of tourism interest; and (iv) plans for the restoration of degraded tourism areas.

**E. Key results indicators**

- 1.20 The main benefits of the program will be to increase the tourism industry's contribution to the state economy. In this respect, the results attributable to the program will be: (i) increased tourism spending; (ii) increased formal employment in the sector; and (iii) increased private investment in the sector. The Results Framework (see Annex II) provides a breakdown of all of the program's outcome and output indicators, along with their respective intermediate and final targets.

## **II. FINANCING STRUCTURE AND RISKS**

**A. Financing instrument**

- 2.1 The total cost of the program is US\$250 million. The Bank will finance US\$150 million (60%) of that amount through the Single Currency Facility of the Bank's Ordinary Capital. The government of the State of Ceará will contribute the local counterpart of US\$100 million equivalent (40%).

<b>Program Cost and Financing (in millions of US\$)</b>				
<b>Investment component</b>	<b>IDB</b>	<b>Local</b>	<b>Total</b>	<b>%</b>
<b>I. Administration, supervision, and monitoring</b>	9.6	3.0	12.6	5.0
<b>II. Direct costs</b>	140.0	97.0	237.0	94.8
2.1 Tourism product	26.1	32.5	58.6	23.4
2.2 Marketing	25.4	-	25.4	10.2
2.3 Institution-strengthening	3.8	5.6	9.4	3.8
2.4 Destination access infrastructure and basic services	77.1	56.4	133.5	53.4
2.5 Environmental management	7.6	2.5	10.1	4.0
<b>III. Other costs</b>	<b>0.4</b>	<b>-</b>	<b>0.4</b>	<b>0.2</b>
3.1 Audits	0.2	-	0.2	0.1
3.2 Evaluations	0.2	-	0.2	0.1
<b>Total</b>	<b>150.0</b>	<b>100.0</b>	<b>250.0</b>	<b>100</b>
<b>Percentage</b>	<b>60%</b>	<b>40%</b>	<b>100%</b>	

\* Interest will be paid by the borrower outside the program .

- 2.2 The program was designed as a global multiple-works loan. For disbursements, a revolving fund will be established for up to 5% of the total financing. Resources are expected to be disbursed in accordance with the following schedule:

<b>Disbursement Schedule (in millions of US\$)</b>							
<b>Source</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>	<b>%</b>
IDB	5.0	29.6	39.5	39.1	36.8	150.0	60%
Local	35.2	22.7	17.0	12.8	12.3	100.0	40%
<b>Total</b>	<b>40.2</b>	<b>52.3</b>	<b>56.5</b>	<b>51.9</b>	<b>49.1</b>	<b>250.0</b>	<b>100.0%</b>

## **B. Technical and economic viability**

- 2.3 With Bank support, the Tourism Department of the State of Ceará (SETUR) has prepared the technical studies for the program components: (i) all terms of reference for studies and technical assistance to be conducted in the first 18 months of the program (US\$16.1 million); and (ii) feasibility studies (with final designs) for a sample of civil works: improvements to Highway CE-040 (Fagundes-Beberibe) and the water and sewer system for Porto das Dunas; both feasibility studies were performed in compliance with the technical annexes of the Program Operating Manual (see paragraph 3.6). The cost of these works is US\$57.5 million.
- 2.4 **Economic viability.** The economic evaluation of the project was based on a simulation of scenarios with and without the project. In the “no project” scenario, tourism flows continue their current trend with a growth rate of 15% a year for international tourists and 7% for domestic tourists. These growth rates, associated

with a lack of investment in tourism attractions and products, begin to affect the quality of destinations, and in the near future will have an adverse impact on tourism spending and the number of overnight stays. In the “project” scenario, the proposed program increases public investment and induces private investment, enhancing the quality of products and services and raising the prices at which they are offered. In the short term, these price hikes lower the numbers of domestic tourists significantly, since they are more price-sensitive. Gradually, with more attractions, overnight stays by international tourists rise, along with average spending. The “project” scenario is a model of tourism development with lower but sustainable tourist flows, a relatively larger proportion of long-haul foreign visitors, higher average spending per tourist, and a greater number of overnight stays. The proposed program was evaluated by simulating these scenarios through a regression analysis and projecting the flow of benefits (value added from tourist spending) for 20 years. This flow of benefits was compared with the investment costs of the program plus 10% a year for operation and maintenance. Under these assumptions, the program’s internal rate of return is 20%.

- 2.5 The borrower also conducted a cost-benefit evaluation of a sample of works projects in the program—Highway CE-040 and the water and sewer system for Porto das Dunas—including an analysis of alternatives in the latter case, following the guidelines of the technical annexes to the program Operating Manual. The internal rate of return is 28.8% for the improved CE-040, and 18% for the Porto das Dunas system.

**C. Environmental and social safeguard risks**

- 2.6 The program is classified as category “B” under the Bank’s Environment and Safeguards Compliance Policy (Operational Policy OP-703). The following studies and activities agreed in the program’s environmental and social strategy were conducted during program preparation: (i) a social and environmental [performance evaluation](#) of the state during execution of PRODETUR/NE II; and (ii) an [environmental analysis of the three areas selected](#) to identify their most significant social and environmental features and their vulnerabilities in light of the proposed activities and the main risks and safeguards to be considered, and to define the program’s social and environmental indicators. This analysis was used as the basis for designing the environmental management component (see paragraph 1.19), which will provide funding for management, conservation, and environmental safeguards. Program investments will be planned, designed, and implemented in accordance with the requirements and guidelines of the Environmental and Social Management Planning Manual, attached as an annex to the program Operating Manual, which consolidates the instructions and requirements of the applicable Bank policies (Operational Policies OP-703, OP-710, OP-765, OP-704, and OP-102) as well as the specific requirements for works in the technical annexes to the program Operating Manual (see paragraph 3.6). The [environmental and social management report](#) (ESMR) includes details on the expected impacts, institutional capacity, and measures proposed to prevent, mitigate, or offset adverse impacts.

## **D. Fiduciary risks**

- 2.7 The [institutional capacity of SETUR](#) was assessed during program preparation, applying the Institutional Capacity Assessment System (ICAS) methodology on the following dimensions: programming and organization, management, and control. The assessment rated the risks for these three systems as low. In addition, the Expert Choice [risk analysis](#), conducted with the help of the Country Office fiduciary team, found the risk to be moderate tending to low. The findings acknowledge SETUR's previous experience in executing Bank-financed programs, and confirm that the identified risks can be mitigated through: (i) training for the executing agency in the accounting, administrative, and financial procedures required by the Bank; (ii) establishing provisions in the program Operating Manual for controls of financial management, accounting, and disbursements; settlement of expenses and payments; and audit; and (iii) introduction of a program management system with a financial management and accounting module for reporting to the Bank. **As a condition precedent to the first disbursement, the borrower must have begun the process for selection of a firm to implement the program management system.** Within 180 days after signature of the loan contract, the borrower must present evidence that the program management system has been implemented on the terms agreed with the Bank.
- 2.8 **Audits.** SETUR will use the loan proceeds to commission an independent firm of external auditors to conduct the annual external audit of program financial statements, in accordance with terms of reference approved by the Bank and the rules for the selection and contracting of audit firms. The annual external audit report will be delivered to the Bank within four months after the close of the fiscal year. The Tribunal de Contas do Estado do Ceará [State Audit Court of Ceará] may assume auditing responsibilities for the program, once certified by the Bank.

## **E. Other issues**

- 2.9 **Financial position of Ceará.** The [analysis](#) shows that the state government of Ceará has pursued an appropriate fiscal policy in the last four years. The state generated current account surpluses sufficient to finance its investments. The budgetary balance was positive in 2005 to 2008, although a small deficit was recorded in 2003-2004. Current revenue projections for the next 10 years show sustainable fiscal performance. Keeping investment at its current level in coming years, the projection reveals substantial room for additional borrowing and suggests that the state's ability to pay is sufficient to service additional debt within the limits of the Fiscal Responsibility Act. Thus, there is room for this loan operation, the counterpart contribution, and payment of finance charges during project execution without placing Ceará's fiscal health at risk.
- 2.10 **Poverty-targeted investment.** The project is classified as a poverty-targeted investment, using the geographic classification criteria. All program-eligible municípios (on the eastern coast, plus Baturité and Ibiapaba) have a human

development index below the national average (0.742) and the state average (0.700), according to the latest Brazilian census data (2000).

### III. IMPLEMENTATION AND MANAGEMENT PLAN

#### A. Program execution and administration

- 3.1 The borrower will be the State of Ceará, and the executing agency will be the Tourism Department of the State of Ceará (SETUR), which will have full responsibility for overall program management, supervision, and evaluation. State government departments (known as “sector administrations”) will be involved in preparation, tendering, supervision, and operation and maintenance of the various investments under their responsibility. To this end, the borrower will publish legislation confirming SETUR’s authority to execute the program and administer the proceeds of the loan.
- 3.2 The PMU will have the following responsibilities: (i) execute the program in accordance with the contractual conditions; (ii) present the program work plans; (iii) present competitive bidding processes to be forwarded to the Central Tendering Commission of the State of Ceará; and (iv) prepare the required program statements and reports; (v) disseminate program outcomes and monitoring and evaluation reports. In discharging these functions, the PMU will have a professional coordinator with project execution experience, reporting directly to the Secretary of SETUR; technical specialists (in tourism, environment and engineering) to prepare the program’s operating and monitoring and evaluation plans; a procurement specialist to present competitive bidding processes; and a financial management specialist. **As conditions precedent to the first disbursement, the borrower will provide evidence that the PMU has been established, and its coordinator and other technical forming the minimum complement of PMU staff selected as agreed with the Bank.**
- 3.3 A [management firm](#) will assist the PMU and the sector administration with technical, administrative, financial and competitive bidding procedures, and with program works supervision. **As a condition precedent to the first disbursement, the borrower will provide evidence that a short list of candidates for management firm to assist the PMU carry out the program has been selected.**
- 3.4 SETUR will receive technical support from the sector administration responsible for the program areas of activity in: (i) preparing studies and projects; (ii) competitive bidding processes; (iii) technical and environmental supervision of works; and (iv) acceptance, operation, and maintenance of works upon completion. As a condition precedent to the execution of civil works under its responsibility, the technical cooperation agreement between the borrower/SETUR and the relevant sector administration must have entered into effect.
- 3.5 SETUR will also receive support from the municípios in the program target areas. Their responsibilities include: (i) holding title to the land on which works are built;

- (ii) assisting in obtaining authorizations, permits, and other local formalities as required for the investments; (iii) indicate its no objection to the works and services under their jurisdiction; (iv) allowing SETUR, construction companies, external auditors, and the Bank free access to construction sites during program execution; and (v) properly operating and maintaining the assets within their jurisdiction in accordance with generally accepted technical standards, and reporting annually on their status to SETUR. Each participating municipio will have to prepare an asset maintenance plan and demonstrate that it has the financial capacity to bear the annual operating and maintenance costs of the assets. Before issuing a service order for the first works within the jurisdiction of any program municipio, the borrower must provide evidence that activities are under way for the institutional strengthening of the tourism management in that jurisdiction. These responsibilities will be formalized in cooperation agreements between SETUR and each municipio. As a condition precedent to the tendering of municipal works, the cooperation agreement between the borrower/SETUR and the respective municipio must have entered into effect, on terms agreed upon with the Bank.
- 3.6 **Program Operating Manual.** Program execution will be governed by the program Operating Manual, which contains procedures and responsibilities of the participating entities in terms of planning and execution of each project, including: (i) preparation and approval of integrated tourism development plans for new tourism corridors; (ii) development of individual projects; (iii) technical review (see Box 1); and (iv) requirements for works supervision.
- 3.7 The executing agency may select new tourism areas and prepare the relevant integrated sustainable tourism development plan (PDITS), in consultation with the affected communities, interested parties, local governments, and the private tourism industry. The PDITS will include a tourism market study based on current and projected potential demand trends in target markets as justification for selecting destinations and products, as well as an investment plan based on that study. The PDITS will be submitted to CETUR for discussion and validation before its approval. Once approved, the PDITS will be submitted for the Bank's no objection and then published on the executing agency's website.
- 3.8 Once the PDITS is approved, the sector administrations and the municipios will participate in preparing the technical documentation for the selected projects within their jurisdiction, with support from the management firm, in compliance with the technical eligibility criteria (see Box 1).
- 3.9 The sector administrations and the municipios will participate in the technical and environmental supervision of activities within their jurisdiction, which will be contracted by SETUR. SETUR will prepare six-monthly supervision reports and conduct environmental audits of selected infrastructure projects. The environmental audits will be done in accordance with guidelines established in the program Operating Manual.

- 3.10 The program Operating Manual also establishes rules and procedures for the executing agency in terms of programming activities, financial and accounting management, procurement, audits, and program monitoring and evaluation. **As a condition precedent to the first disbursement, the borrower must present evidence that the program Operating Manual has been officially adopted on the terms agreed with the Bank and has been posted on the SETUR website.**

**Box 1. Project Eligibility Criteria**

A project will be eligible for program financing if:

- (i) it is included in the approved Comprehensive Sustainable Tourism Development Plan; and
- (ii) it meets the technical, economic, financial, social, and environmental criteria of the technical annexes to the program Operating Manual.

For civil works the project must also include:

- (iii) evidence that the local community has been consulted as required by law, that the necessary environmental licenses and authorizations have been obtained, and that pertinent social and environmental safeguards are in place;
- (iv) in cases of involuntary resettlement, a resettlement plan consistent with Bank policies;
- (v) a suitable cost recovery plan.

For water and sanitation projects, there must be evidence that:

- (vi) the service provider has a positive net cash flow when the project is included in the program and, in the case of water, that the service provider is charging rates sufficient to cover all operating and maintenance costs.

- 3.11 **Recognition of expenditures.** Outlays by the borrower may be recognized retroactively as a charge to the state counterpart contribution in an amount up to US\$17 million for the Highway CE-040 project (see paragraph 2.3), provided they were incurred under conditions substantially analogous to those in the loan contract.

**B. Procurement**

- 3.12 Procurement will be carried out by the state's Central Tendering Commission, which falls under the state Prosecutor General's office and has responsibility for all procurement by the state government. It has a Special Tendering Commission for procurement and contracts financed by multilateral banks. The procurement of goods and the contracting of works and services for the program will comply with Bank policies GN-2349-7 and GN-2350-7, approved in July 2006, in accordance with Annex III – Procurement Plan. Procurement transactions financed by the program will be reviewed ex ante until the Bank authorizes the move to ex post review.

**C. Monitoring and evaluation arrangements**

- 3.13 **Monitoring.** SETUR will send semiannual progress reports to the Bank, within 60 days after the end of each six-month period during program execution. For this purpose, it will have a computerized monitoring system (project management

system), which will include the financial-accounting management of the operation and achievement of its outputs (see paragraph 2.7). Reports will focus on the fulfillment of output indicators and progress towards achieving the outcomes proposed in the Results Framework; they will also analyze the problems encountered and propose corrective measures. The reports in the second half of the year will also contain the annual work plan (AWP) for the following calendar year, together with a forecast of disbursements and an updated Procurement Plan. Adjustments to the program arising from the discussion of these reports will be agreed upon with the Bank in the respective semiannual meetings with SETUR. The respective monitoring reports will be posted on the program's page on the SETUR website.

- 3.14 **Evaluation.** As part of program evaluation, SETUR will submit to the Bank a preliminary review 18 months after the loan contract becomes effective; a midterm review within 90 days after the date on which 50% of the loan proceeds have been committed; and a final evaluation report 90 days after the date on which 90% has been disbursed. These reports will include: (i) analysis of the program's financial execution, by component and financing source; (ii) progress in achieving the outputs, outcomes and impacts in the Results Framework, and the results of a comparative analysis against the program baseline; (iii) effectiveness in applying the program Operating Manual, and in particular the technical, economic and social-environmental guidelines for preparing and executing projects and works; (iv) the degree of fulfillment and the effectiveness of environmental control and protection measures; (v) the degree of fulfillment of contractual commitments; and (vi) a summary of the audit reports on the program's financial statements, procurement processes, disbursement requests, and internal control systems. The final evaluation report will include, as well, the results of measuring the program's impact, in accordance with the agreed evaluation plan.
- 3.15 The program provides funding for the planned evaluations. These evaluations will be performed independently, preferably by tourism specialists who will be contracted by the executing agency and financed from the loan. Once accepted by the Bank, each evaluation report will be posted on the program's page on the SETUR website. The reports, including supporting documentation and statistical data, will be kept available for use should the borrower or the Bank decide to conduct an ex post evaluation after the end of the program. The program includes funding for strengthening the state's Tourism Information System, and in particular for conducting annual surveys to collect the basic information needed to formulate tourism aggregates for the target areas.

**Development Effectiveness Matrix  
Summary**

Indicator	Score	Maximum Score
<b>I. Strategic Relevance</b>	<b>Low-High</b>	
<b>1. IDB Strategic Development Objectives</b>	<b>6.3</b>	<b>10</b>
Country Diversification	0.7	2
Corporate Initiatives	2.5	2.5
Harmonization and Alignment	1.1	3.5
Beneficiary Target Population	2.0	2
<b>2. Country Strategy Development Objectives</b>	<b>4.6</b>	<b>10</b>
Country Strategy Sector Diagnosis	4.2	6
Country Strategy sector objective & indicator	0.4	4
<b>II. Development Outcomes - Evaluability</b>	<b>Highly Satisfactory</b>	
<b>3. Evidence-based Assessment &amp; Solution</b>	<b>9.7</b>	<b>10</b>
<b>4. Evaluation &amp; Monitoring Plan</b>	<b>7.6</b>	<b>10</b>
<b>5. Cost-Benefit or Cost-Effectiveness</b>	<b>10.0</b>	<b>10</b>
<b>6. Risks &amp; Mitigation Monitoring Matrix</b>	<b>7.5</b>	<b>10</b>
<b>III. IDB's Role - Additionality</b>		
<b>7. Additionality</b>	<b>10.0</b>	<b>10</b>
Technical Assistance provided prior the project	3.0	3
Improvements in management of financial, procurement, monitoring or statistics internal controls	4.0	4
Improvements in environmental, health and labor performance	3.0	3

**I. Strategic Relevance:** This project is executed in Brazil, an A country in South America. The program has an emphasis on infrastructure investment to promote tourism and geographically targets poverty. Government Procurement and Environmental Management systems will be used. The current country strategy is out of date but the project is shown to be relevant to the country's development challenges.

**II. Evaluability:** The project is clear in its objectives and there is consistency in its logic of intervention. It presents the factors that contribute to the development of the problem and there is empirical evidence of the problem and factors. It considers specific indicators. The program has a clear evaluation plan using a simulation approach (quasi-experimental) to evaluate impact of the components of the project and the project as a whole. There is an economic analysis for individual components and the project as a whole. Mitigation measures have been identified but there are no indicators to follow up the implementation of these mitigation measures.

**III. Additionality:** The program will contribute to the improvement of the tourism ministry's management systems. The program will improve the ability of the public sector to evaluate individual tourism investments as well as to assess the broader impact of tourism on employment and income generation.

**PROGRAM IMPACT AND OUTCOME INDICATORS  
(BR-L1204)**

**Objective:** To increase employment, revenue, and foreign exchange earnings for the tourism sector by strengthening and diversifying the tourism offerings of the state of Ceará.

Key outcomes	2008 Baseline	Target level	Observations
By program end, tourism is generating greater revenues for the state.	Tourism revenues were 2,908.7 million Brazilian reais (R\$).	Increase tourism revenues to R\$5,626.3 million.	Indicates a growing contribution from tourism to the state's economy and productive development.
By program end, tourists are spending more and staying longer, on average.	Average daily spending per visitor was R\$132.20.	Increase average daily spending per visitor to R\$156.3.	Daily spending is associated with the concept of each tourist's "productivity" or the efficiency of each tourist arrival at a place or destination.
By program end, there is a greater level of formal employment in tourism.	The number of jobs in the accommodation business was 6,652.	Increase the number of formal jobs in the accommodation business to 7,817.	Employment is one of the most important direct benefits that the local population receives from each tourist arrival.
By program end, there are new private investments in tourism.	Private investment in hotels was R\$549.7 million.	Increase the amount of private investment in hotels to R\$1,705.4 million.	Creating favorable conditions for attracting private investment is key to maintaining the industry's dynamism and its contribution to the state economy.

Source: SETUR/CE.

Component I: Tourism Product Strategy										
Hub	Output	Current situation (2009)	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN COASTAL AND MOUNTAIN	1 market study completed to define the tourism development strategy for the three Hubs, based on tourism products, identifying eight priority destinations.	No market study is available. Current statistical data are incomplete and make no reference to potential demand or existing consumer habits and preferences; there is no analysis of supply by subsector (hotels, restaurants, leisure etc.).	Progress with the study (% completed)	100%					100%	<u>Frequency of measurement</u> Monthly. Critical activity that must not take longer than six months to complete. <u>Means of verification</u> Program management reports <u>Responsibility of</u> Program management unit (PMU)
	1 diagnostic study and action plan prepared and implemented for training tourism sector personnel.	Shortage of skilled workers. Ad hoc training activities of SENAC and SEBRAE have been inadequate.	Progress with the study (% completed)	100%					100%	In all municipios that contain or are part of the 8 priority tourism destinations, based on conclusions of the market study. <u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			Progress with implementation of the plan (% completed)	-	30%	60%	80%	100%	100%	
	1 diagnostic study and action plan prepared and implemented in support of small and medium-sized tourism enterprises	Support for the private sector is insufficient, considering the tourism and entrepreneurial potential of the state. Possible incentives involve technical assistance and training in the following areas: quality, environment, innovation, new technologies, certification systems, access to financing sources, etc. Still in the process of approval: the Financiamento Acionistas de Turismo (FINACTUR) fund and Pousadas de Charme incentive program in coordination with this program	Progress with the study (% completed)	100%					100%	In the municipios that are part of the 8 tourist destinations selected in accordance with the market study. <u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			Progress with implementation of the plan (% completed)		30%	60%	80%	100%	100%	

	<b>3 integrated sustainable tourism development plans (PDITS) for the Hubs reviewed and updated</b>	Preliminary PDITS for the three Hubs to be supplemented by market studies (potential and current demand and supply), strategic environmental assessments, and analysis of needs for institutional strengthening, entrepreneurial support and manpower training.	Review and update according to the OR guidelines (% completed)	-	100%				100%	<u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
	<b>8 integrated projects to upgrade tourist attractions implemented at selected destinations</b>	Tourism destinations in the three Hubs have done too little to capitalize on their attractions. Upgrade projects will include outfitting natural and cultural attractions to receive visitors, management of their use and improvement of their setting (i.e. beach equipment, revival of historic heritage, museums and interpretation centers, ecocenters for adventure tourism in the mountains, etc.). This will encourage development of the products identified in the market study.	Progress with project preparation (% completed)	38%	100%				100%	<u>Definition of destination</u> Geographic area where the tourism product prioritized in the market study will be developed.
			Progress with project implementation (% completed)		25%	50%	75%	100%	100%	<u>List of the 3 priority destinations on the Eastern coast:</u> Cumbuco, Morro Branco/ Praia das Fontes and Canoa Quebrada. Destinations in the mountains will be identified by the market study.
			Number of destinations with upgraded tourist attractions		2	4	6	8	8	<u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
	<b>3 tourism signage and interpretation plans prepared and implemented in the three Hubs</b>	Inadequate tourism signage in the three Hubs: need for directional signs and identification and interpretation of tourist attractions at destinations.	Progress with preparation of the plan (% completed)		100%				100%	The focus will be on attractions and destinations prioritized in the market study <u>Frequency of measurement</u>
			Progress with preparation of the plan (% completed)		60%	100%			100%	Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU

Hub	Result	Current situation (2009)	Indicator(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN COASTAL AND MOUNTAINS	<b>The public and private sectors have clearly identified target markets and demand segments for tourism development.</b>	There is no clear identification of target markets and demand segments, consumer preferences and habits with respect to tourist products. There is a shortage of objective, complete and up-to-date basic information.	Target markets and demand segments identified	All		All			All	<u>Frequency of measurement</u> Annual <u>Means of verification</u> Market Study <u>Responsibility of</u> PMU
	<b>The state has a strategy and clear priorities for public and private investment in key tourism attractions and selected Hubs</b>	The lack of up-to-date and market-segmented information means that the state has no clear identification of priorities for steering investment in the sector.	Public and private investment priorities in tourism identified	All		All			All	<u>Frequency of measurement</u> Annual <u>Means of verification</u> Market study, diagnoses and training plans and incentives for businesses under the program <u>Responsibility of</u> PMU
	<b>Visitor satisfaction with tourism facilities and services has increased in program destinations</b>	<p>The baseline has been researched, based on the definition of destinations.</p> <p>There are data on visitor satisfaction for the first 3 prioritized destinations: Cumbuco, Morro Branco/Praia das Fontes, and Canoa Quebrada.</p> <p>The statistics unit of SETUR is collecting information on the degree of satisfaction that can be used to derive the value, once the destinations have been defined and prioritized.</p>	Visitors to each destination report moderate satisfaction with tourist services.			≥ 20%			≥ 60%	<p>Tourism destinations and products will be defined in the market study. The degree of satisfaction refers only to tourism services and products in those destinations.</p> <u>Frequency of measurement</u> Year 3 and at program end <u>Means of verification</u> Research prepared by the SETUR/CE coordination office for tourism product and destination development, in reports available for download on its website. <u>Responsibility of</u> PMU

EASTERN COASTAL AND MOUNTAINS	The main products (prioritized in the market study) at tourist destinations have been upgraded and are ready for marketing in the three Hubs	Too little has been done to upgrade attractions and destinations for marketing as competitive tourist products.	% of new “sun and sand” products (identified in the market study) being marketed by foreign operators.			≥ 25%			≥ 60%	<u>Frequency of measurement</u> Year 3 and at program end <u>Means of verification</u> Operator research prepared by the SETUR/CE coordination office for tourism product and destination development, in reports available for download on its website. <u>Responsibility of</u> PMU
			Number of new nature, adventure or cultural tourism products (identified in the market study) being marketed by operators.			≥ 1			≥ 2	

COMPONENT II: MARKETING STRATEGY										
Hub	Product	Current situation (2009)	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN COASTAL AND MOUNTAINS	3 marketing plans for the Hubs, based on market information, prepared and implemented and attracting consumers for the products generated in Component I.	The strategy to date has been to promote “branding” of the state as a whole without focusing on the three Hubs and with inadequate market intelligence.	Preparation (% completed)	-	100%				100%	Preparation of the plans must await completion of the market study in Component I. <u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			Implementation (% completed) for the eastern coastal hub	-	-	40%	70%	100%	100%	
			Implementation (% completed) for the mountains	-	-	20%	50%	100%	100%	
Hub	Result	Current situation (2009)	Indicator(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN COASTAL AND MOUNTAINS	Tourism demand is diversified and the state is better positioned in the sun and sand segments and is making inroads in the nature and cultural tourism segments.	Heavy dependency on a few markets. For the eastern coastal hub the current foreign markets are Portugal, Spain, and Italy. Domestic markets are confined to neighboring states. There are currently no real markets for the mountain hubs.	Number of new sun and sand segments in the eastern coastal hub			≥ 1			≥ 2	<u>Frequency of measurement</u> Year 3 and at program end <u>Means of verification</u> Research prepared by the SETUR/CE coordination office for tourism product and destination development <u>Responsibility of</u> PMU
			Number of new nature/cultural segments in each mountain hub			/			≥ 1	

COMPONENT III: INSTITUTION-STRENGTHENING										
Hub	Product	Current situation (2009)	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN OASAL AND MOUNTAINS	<b>1 diagnostic study and proposal for institutional strengthening of public and private tourism entities prepared and implemented</b>	There is inadequate understanding of the institutional strengthening needs and the weakness of management mechanisms in SETUR, the municipal tourism offices and tourism associations. The program will facilitate technical assistance, training and procurement of equipment and materials in the following areas: process engineering, preparation of legislation and regulations, survey of tourism establishments, enforcement of tourism standards and supervision, methods for compiling and processing tourism data, tools and mechanisms for intersector coordination, state and municipal administration, cooperation with the private sector, etc.	Progress with the studies (% completed)	100%					100%	These studies will be conducted in tourism municipios that will receive investments under the program and that are part of the destinations selected in the market study.  <u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			Progress with the studies (% completed)	-	25%	50%	75%	100%	100%	
	<b>8 standardized and georeferenced map databases prepared for the selected destinations for developing tourism projects and activities.</b>	The database on tourism destinations is incomplete and not standardized. There is no georeferencing. It is difficult to make proper decisions and appreciate their implications for land use planning in the three Hubs.	Progress with the tourism information management system (% completed)	-	30%	60%	90%	100%	100%	The databases will be available on the state tourism website (Portal de Turismo do Ceará). <u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			Number of tourism destinations with updated maps	-	2	4	7	8	8	
	<b>1 State Tourism Information System completed and operational, offering indicators for input to the Ministry of Tourism's system for monitoring the CCLIP and the national project for implementing the MTur Tourism Satellite Account.</b>	The available information on tourism in Ceará is incomplete, not stratified by Hub, and based solely on arrivals data. What is needed is a tourism market intelligence system (supply + demand) based on a profitability analysis of product lines and consumer habits and preferences.	System design (% completed)	-	100%				100%	<u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Reports from the State Tourism Information System project <u>Responsibility of</u> PMU
			System implementation (% completed)	-	-	40%	90%	10%	100%	

Hub	Result	Current situation (2009)	Indicator(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN OASTAL AND MOUNTAINS	Tourism administrations at all levels (SETUR, municipal tourism offices and tourism associations) in program destinations have been strengthened and can perform their functions	Tourism planning and management in the three Hubs displays institutional weaknesses.	To be identified from the institutional diagnostic study.			Institution al diagnostic study			Institution al diagnostic study	<u>Means of verification</u> The specific indicators, means of verification, as well as information sources and frequency of measurement will be decided in light of the required interventions, which will be identified from the institutional diagnostic study and the strengthening plan. <u>Responsibility of</u> PMU

COMPONENTE IV: TOURISM DEVELOPMENT INFRASTRUCTURE AND BASIC SERVICES										
Hub	Product	Current situation (2009)	Indicator(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN COASTAL	<b>2 segments of highway CE-040, the main connection route in the eastern coastal hub, have been twinned and improved:</b> <b>1st segment: Junction CE-453 (Fagundes) to Jct. CE-352 (Beberibe) - 45 km</b> <b>2nd segment: Jct. CE-352 (Beberibe) to Jct. BR-304 (Aracati) - 73 km</b>	Highway CE-040 is the main access route to the beaches and tourism centers of the eastern coastal hub. Traffic exceeds capacity, especially on weekends and holidays and in high tourist season (December to February and June to August).  Tourism investment, including international (resorts and multifamily dwellings) is increasing and placing further traffic demands on the Hub.  For segment 1 the detailed project plan and tendering for construction and supervision have been completed.	Adaptation of the detailed project design for segment 1 to the OR (% completed)	100%					100%	These detailed project designs must include economic and environmental feasibility studies and management mechanisms consistent with OR guidelines.  <u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			% of works completed on segment 1	30%	60%	100%			100%	
			Project and complementary studies for segment 2 (% completed)	70%	100%				100%	
			% of works completed on segment 2	-	10%	50%	90%	100%	100%	
	<b>6 segments of access road to major beaches and tourist sites built or restored:</b> <ul style="list-style-type: none"> <li>• CE-352, Segment: Beberibe – Praia das Fontes – Hotel District – 10 km</li> <li>• CE-371, Segment: Jct. BR-304 Canoa Quebrada/ Majorlândia /Quixaba – 16 km</li> <li>• CE-253, Segment: Cascavel – Barra Nova – 12 km</li> <li>• CE-261, Segment: Icapuí - Barreiras – 7 km</li> <li>• CE-123, Segment: Fortim – Maceió – 6 km</li> <li>• Segment Pindoretama – Praia do Batoque – 10 km (nova)</li> </ul>	Road surfaces are in poor condition, and safety shoulders, lighting, signs, signals, and pavement markings are poor.  Tourism investment is increasing and placing further traffic demands on the hub.  Access to the Praia do Batoque beach area is inadequate.	Projects and complementary studies (% completed)	100%					100%	The detailed project designs must include economic and environmental feasibility studies and management mechanisms consistent with OR guidelines.  <u>Frequency of measurement</u> Semiannual  <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			% of works completed	-	30%	70%	100%		100%	

	<b>1 airport expanded and terminal constructed in Aracati providing air access for tourists to the southern portion of the eastern coastal hub.</b>	<p>Aracati (an important tourism center in the eastern coastal hub) is more than 150 km from the Fortaleza International Airport and cannot handle commercial aircraft.</p> <p>Tourism investment is increasing and the number of visitors to the hub is rising.</p> <p>Work on the runway is 80% completed.</p> <p>Detailed project designs have been completed. The terminal works are in the final stage of tendering.</p>	Complementary studies (% completed)	100%						<p>The detailed project designs must include economic and environmental feasibility studies and management mechanisms consistent with OR guidelines.</p> <p><u>Frequency of measurement</u></p> <p>Semiannual</p> <p><u>Means of verification</u></p> <p>Program management reports</p> <p><u>Responsibility of</u></p> <p>PMU</p>
			% of works completed.	10%	60%	100%			100%	
	<b>1 regional sanitary landfill in Aracati that can handle growing waste disposal needs in tourist areas in the southern part of the eastern coastal hub.</b>	<p>There is no suitable local site for disposing of solid wastes.</p> <p>Increased investment and tourism activity are generating more wastes.</p>	Preparation of project and additional studies (% completed)	100%						<p>The detailed project designs must include economic and environmental feasibility studies and management mechanisms consistent with OR guidelines.</p> <p><u>Frequency of measurement</u></p> <p>Semiannual</p> <p><u>Means of verification</u></p> <p>Program management reports</p> <p><u>Responsibility of</u></p> <p>PMU</p>
			% of works completed	-	80%	100%			100%	
	<b>1 basic sanitation system installed for the hotel and tourism sector of Porto das Dunas</b>	<p>There is no public water and sewer service. With rising tourism investment there is greater demand for the services. Detailed project designs must be reviewed and updated in accordance with OR criteria.</p>	Adaptation of the project and preparation of additional studies in accordance with OR guidelines (% completed)	75%	100%					<p>The detailed project designs must include economic and environmental feasibility studies and management mechanisms consistent with OR guidelines.</p> <p><u>Frequency of measurement</u></p> <p>Semiannual</p> <p><u>Means of verification</u></p> <p>Program management reports</p> <p><u>Responsibility of</u></p> <p>PMU</p>
			% of works completed	-	-	10%	50%	80%	100%	

MOUNTAINS	Miscellaneous tourism infrastructure works in the Hubs of Ibiapaba Plateau and Baturité Massif implemented, expanded or improved and ready for use	Rising tourism investment is placing increased demands on infrastructure in the two Hubs.  Tourism infrastructure needs in the two Hubs have yet to be determined. The tourism market study will identify needs relating essentially to roads, water and sanitation.	Identification of tourist infrastructure needs from the market study (% completed)	100%					100%	The detailed project designs must include economic and environmental feasibility studies and management mechanisms consistent with OR guidelines.  <u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
			Preparation of projects and complementary studies (% completed)	-	100%				100%	
			% of works completed	-	-	50%	80%	100%	100%	
Hub	Result	Current situation (2009)	Indicator(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN OASTAL AND MOUNTAINS	Tourist satisfaction with infrastructure and basic services in program destinations is higher.	In 2008 fewer than half of tourists (41.7%) were satisfied with tourist infrastructure in Ceará. There are no data disaggregated by hub.	% of tourists satisfied with infrastructure in each hub			≥ 45% (in eastern coastal hub)			≥ 67%	<u>Frequency of measurement</u> At outset, in year 3 and at program end <u>Means of verification</u> Field research by SETUR on the degree of tourist satisfaction. <u>Responsibility of</u> PMU
EASTERN COASTAL	There is adequate access to tourist attractions in program destinations, ensuring user safety and comfort and smooth-flowing traffic.	Access to beaches and other major tourist attractions is inadequate in terms of signage, lighting, capacity, state of repair, etc. There is no disaggregated information on tourist road travel.  Travel times between major attractions are long and ease of travel is reduced by traffic jams and accidents (564 in 2006) in the high tourist season (December to February and June to August).	% increase in tourist vehicles			10%			30%.	<u>Frequency of measurement</u> At outset, in year 3 and at program end. <u>Means of verification</u> Field research by DER on vehicle flows on roads covered by the program, increase in volume of tourist traffic, number of accidents and number of traffic jams, with reports available for download on its website. <u>Responsibility of</u> PMU
			% reduction in average travel time between attractions			20%			50%	
			% reduction in number of accidents			15%			50%.	
			% reduction in number of traffic jams			20%			60%	

	<b>Tourists can reach the eastern coastal hub by air.</b>	There is currently no direct access by air to the eastern coastal hub, especially the southern part of the hub, which is further from Fortaleza and contains the historic center of Aracati.	% of domestic and foreign tourists arriving at the airport			≥ 10%			≥ 33%	<u>Frequency of measurement</u> Year 3 and at program end <u>Means of verification</u> Infraero data and field research by the Secretariat of Tourism at the new airport to determine the increase in the number of tourists, and their profile. <u>Responsibility of PMU</u>
	<b>Tourist destinations in the eastern coastal hub have an efficient regional service for the collection and disposal of solid wastes without impacting the environment.</b>	There is no suitable local disposal site for solid wastes. The regional sanitary landfill of Aracati is expected to receive 80% of solid wastes from the catchment area.	% of solid wastes treated			≥ 35%			≥ 70%	<u>Frequency of measurement</u> Year 3 and at program end <u>Means of verification</u> Observation records at the reception site and weighing of garbage, to be performed by the site's managers. <u>Responsibility of PMU</u>
	<b>The hotel and tourism sector of Porto das Dunas has a water supply and sanitation system that offers quality service to tourists.</b>	There is no public water and sewer service. There has been a substantial increase in tourist arrivals at Porto das Dunas.	% of water service coverage			/			95%	<u>Frequency of measurement</u> At program end <u>Means of verification</u> Annual data from the state water and sewer company, CAGECE. <u>Responsibility of PMU</u>
			% of sewage volume treated			/			≥ 80%	
	<b>Tourism infrastructure in the hubs of Ibiapaba Plateau and Baturité Massif has been expanded, restored or put into operation.</b>	The two mountain hubs lack the infrastructure needed to support sustainable and competitive tourism development	The indicators will be identified in light of the market study to be conducted			Market study			Market study	<u>Means of verification</u> The specific indicators, means of verification, as well as the sources of information and frequency of measurement, will be decided in light of the required works, which will be identified in the market study to be conducted. <u>Responsibility of PMU</u>

COMPONENT V: ENVIRONMENTAL MANAGEMENT

Hub	Product	Current situation (2009)	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN COASTAL AND MOUNTAINS	3 strategic environmental assessments conducted, and their environmental recommendations incorporated in the tourism investment plans for the Hubs (PDITS).	Preliminary PDITS with recommendations for strategic environmental assessment.	% of the strategic environmental assessment incorporated into the three PDITS in accordance with OR guidelines	-	100%				100%	<u>Frequency of measurement</u> End of year 2 <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
	Socioenvironmental audits of selected works	No such audits are currently conducted.	Annual number of socioenvironmental audits for each selected work site	1	1	1	1	1	1	The works covered by the OR guidelines will be audited. These audits are a contractual commitment of the borrower. <u>Frequency of measurement</u> Annual <u>Means of verification</u> Program management reports <u>Responsibility of</u> PMU
EASTERN COASTAL	1 environmental management plan for the Canoa Quebrada tourist site prepared and implemented	APA has been created. Preliminary environmental studies are in hand for preparing the plan.	Preparation of the plan (% completed)	50%	100%				100%	<u>Frequency of measurement</u> Semiannual <u>Means of verification</u>
			Implementation of the plan (% completed)	-	-	40%	80%	100%	100%	Program management reports <u>Responsibility of</u> PMU
	Various environmental management instruments designed, formalized, and implemented in the more vulnerable areas of environmental and tourism interest in selected destinations of the eastern coastal hub	There is an “economic ecological zoning” of the eastern coastal hub but the management instruments have not been implemented. Dunes, cliffs, estuaries, and lakes are threatened. The program could benefit such sites as the Monumento Natural das Falésias, Dunas de Cumbuco, and others. Management instruments could include: declaration of conservation areas, regulations implementing legislative instruments, municipal master plans management plans and public use plans for protected areas, etc.	Design of instruments (% completed)	35%	100%				100%	<u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports <u>Responsibility of</u>
			Implementation of instruments (% implemented)	-	20%	60%	90%	100%	100%	PMU

BATURITÉ MASSIF	1 ecological recovery program prepared and implemented in degraded areas of tourism interest in the Baturité massif	APA has been created. It has a management plan approved and in place. There are areas of natural value that are degrading. Those of tourism interest for attention under this program will be identified in the market study.	Diagnostic studies and recovery plan (% completed)	-	100%				100%	Natural areas of tourism interest will be identified in the market study.
			Preparation of projects identified in the plan (% completed)	-	-	100%			100%	<u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports
			Restoration work (% of areas restored)	-	-	10%	70%	100%	100%	<u>Responsibility of</u> PMU
IBIAPABA PLATEAU	1 ecological recovery program prepared and implemented in degraded areas of tourism interest on the Ibiapaba Plateau	There are areas of natural value that are degrading. Those of tourism interest for attention under this program will be identified in the market study.	Preparation of the diagnostic study and recovery plan (% completed)	-	100%				100%	Natural areas of tourism interest will be identified in the market study.
			Preparation of projects under the plan (% completed)	-	-	100%				<u>Frequency of measurement</u> Semiannual <u>Means of verification</u> Program management reports
			% of areas recovered	-	-	10%	70%	100%	100%	<u>Responsibility of</u> PMU
Hub	Result	Current situation (2009)	Indicator(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Observation
EASTERN COASTAL AND MOUNTAINS	In program destinations tourists are satisfied with the state of conservation and public use of the environment and natural resources.	The index of tourist satisfaction with natural attractions in the state is 90.6%. There are no data disaggregated by hub.	% of tourists satisfied with the state of conservation of natural resources in each of the three Hubs.			/			95%	<u>Frequency of measurement</u> At program end <u>Means of verification</u> Field research by SETUR on the degree of tourist satisfaction. <u>Responsibility of</u> PMU
EASTERN COASTAL	Tourism use of natural areas in LL is regulated and instruments for environmental management and public use have been formalized and are being applied.	There are dunes, cliffs, estuaries and lakes that are under threat. Those threats will be quantified during development of the management instruments.	% of natural areas of tourism interest (identified in the market studies) in the eastern coastal hub where use is regulated and degradation is under control.			33%			100%	<u>Frequency of measurement</u> Year 3 and at program end <u>Means of verification</u> Program management reports and socioenvironmental audit reports <u>Responsibility of</u> PMU

<b>MOUNTAINS</b>	<b>Degraded natural areas of tourism interest in the mountains are recovering ecologically, or their degradation is under control</b>	Despite their inclusion in conservation areas and the availability of management instruments, some areas are still degrading.	% of degraded natural areas of tourism interest in the mountains (identified in the market studies) that are now recovering.			25%			100%	<u>Frequency of measurement</u> Year 3 and at program end <u>Means of verification</u> Program management reports and socioenvironmental audit reports <u>Responsibility of</u> PMU
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## PROCUREMENT PLAN (BR-L1204)

Ref No..	Description and estimated cost of procurement contract		Procurement method	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification  (Yes/No)	Estimated dates		Status (Pending, in process, awarded, canceled)	Comments
					IDB (%)	Local/ Other (%)		Publication of specific procurement notice	Completion of contract		
<b><u>A</u>    <u>WORKS</u></b>											
1	Hub:	Eastern coastal, Baturité, Ibiapaba	ICB	Ex ante	42.6%	57.4%	No	1st Contract: Q1/ Year II	Q4/ Year IV	Pending	Dates estimated only for the first contract
	Component:	Tourism product strategy									
	Product:	Tourist site upgrade projects in the three hubs (2 contracts)									
	Município:	The market study will identify the beneficiary municípios									
	Amount (US\$000):	51,551									
2	Hub:	Eastern coastal	NCB	Ex ante	62.4%	37.6%	No	Q1/ Year II	Q4/ Year IV	Pending	
	Component:	Infrastructure and basic services									
	Product:	Construction or restoration of paved access roads to beaches and tourist sites. Various segments: <ul style="list-style-type: none"> <li>• CE-352, Segment: Beberibe – Praia das Fontes – Hotel District – 10 km</li> <li>• CE-371, Segment: Junction BR-304 to Canoa Quebrada/Majorlândia/Quixaba – 16 km</li> <li>• CE-253, Segment: Cascavel – Barra Nova – 12 km</li> <li>• CE-261, Segment: Icapuí - Barreiras – 7 km</li> <li>• CE-123, Segment: Fortim – Maceió – 6 km</li> <li>• Paved highway, Segment Pindoretama – Praia do Batoque – 10 km (new)</li> </ul>									
	Município:	Aquiraz, Pindoretama, Cascavel, Beberibe, Fortim, Aracati, Icapuí									

## PROCUREMENT PLAN

Ref No..	Description and estimated cost of procurement contract		Procurement method	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification	Estimated dates		Status (Pending, in process, awarded, canceled)	Comments
					IDB (%)	Local/ Other (%)	(Yes/No)	Publication of specific procurement notice	Completion of contract		
	Amount (US\$000):	10,009									
3	Hub:	Eastern coastal	NCB	Ex ante	100%	0%	No	Q1/ Year II	Q4/ Year IV	Pending	Detailed projects designs exist
	Component:	Infrastructure and basic services									
	Product:	Expansion/installation of the sanitation system for Porto das Dunas									
	Município:	Aquiraz (in Porto das Dunas)									
	Amount (US\$000):	22,382									
<b><u>B</u>    <u>GOODS</u></b>											
(Not applicable in this period)											
<b><u>C</u>    <u>CONSULTING SERVICES (FIRMS)</u></b>											
1	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	100%	0%	No	Q1/ Year I	Q1/ Year II	Pending	
	Component:	Tourism product strategy									
	Product:	Market studies to define the tourist site development strategy for the three hubs									
	Município:	The market study will identify the beneficiary municípios									
	Amount (US\$000):	1,000									
2	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	100%	0%	No	Q1/ Year I	Q1/ Year II	Pending	
	Component:	Tourism Product Strategy									

## PROCUREMENT PLAN (BR-L1204)

Ref No..	Description and estimated cost of procurement contract		Procurement method	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification	Estimated dates		Status (Pending, in process, awarded, canceled)	Comments
					IDB (%)	Local/ Other (%)	(Yes/No)	Publication of specific procurement notice	Completion of contract		
	Product:	Diagnostic study and action plan for training tourism sector personnel and supporting tourism businesses in the three hubs									
	Municipio:	The action plan will identify the beneficiary municipios									
	Amount (US\$000):	100									
3	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	100%	0%	No	Q1/ Year I	Q1/ Year III	Pending	
	Component:	Tourism Product Strategy									
	Product:	Integrated tourist site upgrade projects in the three hubs									
	Municipio:	The market study will identify the beneficiary municipios									
	Amount (US\$000):	2,982									
4	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	100%	0%	No	Q4/ Year I	Q4/ Year II	Pending	
	Component:	Tourism Product Strategy									
	Product:	Consolidation of the PDITS for the three hubs									
	Municipio:	The market study will identify the beneficiary municipios									
	Amount (US\$000):	111									
5	Hub:	Eastern coastal	QCBS	Ex ante	100%	0%	No	Development of management instrument: Q1/ Year I	Q1/ Year II	Pending	Dates, sources and amounts only for the development phase of the management
	Component:	Environmental management									

## PROCUREMENT PLAN

Ref No..	Description and estimated cost of procurement contract		Procurement method	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (Yes/No)	Estimated dates		Status (Pending, in process, awarded, canceled)	Comments instruments
					IDB (%)	Local/ Other (%)		Publication of specific procurement notice	Completion of contract		
	Product:	Development and implementation of management instruments in the more vulnerable areas of environmental and tourism interest in the eastern coastal hub									
	Municipio:	The areas and the municipios to which they belong will be identified during the instrument development phase									
	Amount (US\$000):	107									
6	Hub:	Eastern coastal	QCBS	Ex ante	100%	0%	No	Preparation of management plan: Q1/ Year I	Q1/ Year II	Pending	Date sources and amounts only for the preparation phase of the management plan
	Component:	Environmental management									
	Product:	Preparation and implementation of the environmental management plan for Canoa Quebrada									
	Municipio:	Aracati									
	Amount (US\$000):	80									
7	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	100%	0%	No	Q1/ Year I	Q4/ Year V	Pending	
	Component:	Environmental management									
	Product:	Socioenvironmental audits of selected works									
	Municipio:	The municipios involved will be identified during selection of the works to be audited									
	Amount (US\$000):	222									
8	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	20.6%	79.4%	No	Q4/ Year I	Q3/ Year V	Pending	



## PROCUREMENT PLAN

Ref No..	Description and estimated cost of procurement contract		Procurement method	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification	Estimated dates		Status (Pending, in process, awarded, canceled)	Comments
					IDB (%)	Local/ Other (%)	(Yes/No)	Publication of specific procurement notice	Completion of contract		
	Product:	Preparation of the promotion and marketing plan for the three hubs									
	Municipio:	The market study will identify the beneficiary municipios									
	Amount (US\$000):	444									
12	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	100%	0%	No	Q1/ Year I	Q4/ Year V	Pending	
	Component:	Program administration									
	Product:	Support for program management									
	Municipio:	All municipios of the eastern coastal hub. The market study will identify the beneficiary municipios in the two mountain hubs									
	Amount (US\$000):	6,222									
13	Hub:	Eastern coastal, Baturité, Ibiapaba	QCBS	Ex ante	52.8%	47.2%	No	Q1/ Year I	Q4/ Year V	Pending	
	Component:	Program administration									
	Product:	Supervision and inspection of works									
	Municipio:	All municipios of the eastern coastal hub. The market study will identify the beneficiary municipios in the two mountain hubs									
	Amount (US\$000):	6,311									
14	Hub:	Eastern coastal, Baturité, Ibiapaba	CQS	Ex ante	100%	0%	No	Q1/ Year I	Q4/ Year V	Pending	
	Component:	Program administration									

**PROCUREMENT PLAN  
(BR-L1204)**

<i>Ref No..</i>	<i>Description and estimated cost of procurement contract</i>		<i>Procure-ment method</i>	<i>Review (ex ante or ex post)</i>	<i>Source of financing and percentage</i>		<i>Pre-qualification</i>	<i>Estimated dates</i>		<i>Status (Pending, in process, awarded, canceled)</i>	<i>Comments</i>
					<i>IDB (%)</i>	<i>Local/ Other (%)</i>	<i>(Yes/No)</i>	<i>Publication of specific procurement notice</i>	<i>Completion of contract</i>		
	Product:	External audit									
	Municipio:	All municipios of the eastern coastal hub. The market study will identify the beneficiary municipios in the two mountain hubs									
	Amount (US\$000):	150									

**ICB:** International Competitive Bidding; **LIB:** Limited international bidding; **NCB:** National Competitive Bidding; **PC:** Price comparison; **DC:** Direct contracting; **FA:** Force account; **PSA:** Procurement through specialized agencies; **PA:** Procurement agents; **IA:** Inspection agents; **PLFI:** Procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** Build, own, operate / Build, operate, transfer / Build, own, operate, transfer; **PBP:** Performance-based procurement; **PLGB:** Procurement under loans guaranteed by the Bank; **CPP:** Community participation procurement. Consulting firms: **QCBS:** Quality- and cost-based selection; **QBS:** Quality-based selection; **FBS:** Fixed budget selection; **LCS:** Least-cost selection; **CQS:** Selection based on the consultants' qualifications; **SSS:** Single-source selection.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/10

Brazil. Loan \_\_\_/OC-BR to the State of Ceará  
National Tourism Development Program  
PRODETUR NACIONAL - Ceará

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the State of Ceará, as Borrower, and with the Federative Republic of Brazil, as Guarantor, for the purpose of granting the former a financing to cooperate in the execution of the National Tourism Development Program - PRODETUR NACIONAL - Ceará. Such financing will be for an amount of up to US\$150,000,000 from the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.