

Senhor
Paulo Guilherme Araújo
Secretário Executivo Interino
Ministério do Esporte
Brasília, Brasil

Ref.: ATN/KK-12455-BR. Cooperação Técnica Não-Reembolsável. Programa Grandes Eventos Esportivos e Planejamento de Desenvolvimento Urbano: Intercâmbio de Melhores Práticas.

Prezado Senhor,

Esta carta-convênio (doravante denominada “Convênio”) entre a República Federativa do Brasil (doravante denominado “Beneficiário”) e o Banco Interamericano de Desenvolvimento, na condição de Administrador do Fundo IDB - Knowledge Partnership Korea Fund (KPK) (doravante denominado “Banco”), que submetemos à sua consideração, destina-se a formalizar os termos e as condições para a concessão de uma cooperação técnica não-reembolsável ao Beneficiário, (doravante denominada “Cooperação Técnica”), para apoiá-lo na preparação de grandes eventos esportivos (Copa do Mundo FIFA de 2014 e Jogos Olímpicos Rio 2016) e o planejamento de desenvolvimento urbano por meio do intercambio de melhores práticas nos setores público e privado (doravante denominado “Programa”). Os termos da Cooperação Técnica estão incluídos no Plano de Operações, em inglês, que está anexado à presente e é considerado parte integrante deste Convênio. Os aspectos principais da operação são os seguintes:

1. O montante dos fundos outorgados pelo Banco para a realização da Cooperação Técnica será de até US\$750.000 (setecentos e cinquenta mil dólares dos Estados Unidos da América), que serão desembolsados a débito dos recursos do Fundo KPK (doravante denominada “Contribuição”). A Contribuição é outorgada em caráter não-reembolsável.
2. O prazo para a execução do Programa será de 12 (doze) meses, contados a partir da data de entrada em vigência deste Convênio. O prazo para o desembolso dos recursos da Contribuição será de 18 (dezoito) meses, contados a partir de tal data. Qualquer parte da Contribuição não utilizada dentro de tal prazo será cancelada. Os prazos indicados acima e outros estabelecidos neste Convênio só poderão ser prorrogados por razões justificadas e com o consentimento expresso e por escrito do Banco.

3. Por solicitação do Beneficiário, o Banco utilizará os recursos da Contribuição exclusivamente para contratar e pagar diretamente os serviços de consultoria necessários para o cumprimento dos objetivos da Cooperação Técnica.
4. O Beneficiário compromete-se a colaborar com os consultores na realização de suas tarefas e a fornecer o apoio técnico, logístico e de secretaria necessário para o desenvolvimento da Cooperação Técnica.
5. O financiamento dos serviços de consultoria indicados neste Convênio não implica, de forma alguma, um compromisso por parte do Banco de financiar total ou parcialmente o programa, projeto ou qualquer serviço que direta ou indiretamente possa resultar da execução da Cooperação Técnica. As opiniões dos consultores não comprometerão o Banco, que se reserva o direito de formular a respeito as observações ou salvaguardas que considerar apropriadas.

Nestes termos, solicito a V. Exa., como representante do Beneficiário, a aceitação do mesmo aos termos deste Convênio, mediante a assinatura e entrega de uma das vias originais desta carta à Representação do Banco em Brasília.

Este Convênio, depois de assinado em 2 (duas) vias de igual teor, por representantes devidamente autorizados, entrará em vigor na data da sua assinatura pelo Beneficiário.

Atenciosamente,

/a/

Fernando Carrillo-Flórez
Representante do Banco no Brasil

De acordo:

/a/

Paulo Guilherme Araújo
Secretário Executivo Interino
Ministério do Esporte

Data: 2 de fevereiro de 2011

ANEXO

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BRAZIL

Major Sports Events and Urban Development Planning: Best Practices Exchange (BR-T1159)

PLAN OF OPERATIONS

This document was prepared by the project team comprised of: Huáscar Eguino (FMM/CBR), Project Team Leader; Catalina Gómez (CSC/CBR); Huascar Eguino (FMM/CBR); Matías Bendersky (ORP/ORP); Victoria Florez (OPR/ORP); Fabian Koss, (IMG/DVL); Andrés Consuegra (LEG/SGO); Ana Lúcia Camargo (CSC/CBR) and Ida M. Fernández (ICF/FMM).

LEG/SGO/CSC/IDBDOCS: 35580095

CONTENTS

I.	EXECUTIVE SUMMARY	1
II.	BACKGROUND AND JUSTIFICATION	1
III.	PROGRAM DESCRIPTION	3
	A. Program Goal and Purpose	3
	B. Components	4
IV.	BUDGET	5
V.	EXECUTING AGENCY AND MECHANISM.....	6
	A. Executing Agency.....	6
	B. Executing Stucture.....	6
	C. Program Implementation Readiness.....	6
	D. Execution Period.....	6
VI.	MONITORING AND EVALUATION	7
	A. Technical and Basic Responsibility	7
	B. Reports	7
VII.	PROGRAM BENEFITS AND RISKS	7
VIII.	ENVIRONMENTAL AND SOCIAL STRATEGY	7
IX.	CERTIFICATION	ERROR! BOOKMARK NOT DEFINED.
X.	APPROVAL	ERROR! BOOKMARK NOT DEFINED.

ANNEXES

ANNEX I	Results Matrix
ANNEX II	Detailed Budget
ANNEX III	Procurement Plan

BASIC SOCIOECONOMIC DATA

The basic socioeconomic data is available on the Internet at the following address:

English:

http://www.iadb.org/countries/home.cfm?lang=en&id_country=br

Português:

http://www.iadb.org/countries/home.cfm?lang=pt&id_country=br

Español:

http://www.iadb.org/countries/home.cfm?lang=en&id_country=br

ABBREVIATIONS

CSC/CBR	Country Department Southern Cone/Country Office in Brazil
FIFA	<i>Fédération Internationale de Football Association</i>
ICF/FMM	Institutional Capacity and Finance Sector/Fiscal and Municipal Management Division
IT	Information Technology
KPK	Knowledge Partnership Korea Fund for Technology and Innovation
LAC	Latin America and the Caribbean
TC	Technical Cooperation

BRAZIL

Major Sports Events and Urban Development Planning: Best Practices Exchange (BR-T1159)

I. EXECUTIVE SUMMARY

Beneficiary:	Brazil								
Project team:	Huáscar Eguino (FMM/CBR), Project Team Leader; Catalina Gómez (CSC/CBR); Huascar Eguino (FMM/CBR); Matías Bendersky (ORP/ORP); Victoria Florez (ORP/ORP); Fabian Koss, (IMG/DVL); Andrés Consuegra (LEG/SGO); Ana Lúcia Camargo (CSC/CBR); and Ida M. Fernández (ICF/FMM).								
Executing agency:	Inter-American Development Bank (IDB), through the Fiscal and Municipal Management Division in Brazil (FMM/CBR).								
Target Beneficiaries:	Ministry of Sports and Brazilian cities hosting the 2014 World Cup and the 2016 Olympic Games								
Sources of Funding:	<table><thead><tr><th></th><th>US\$</th></tr></thead><tbody><tr><td>IDB- Knowledge Partnership Korea Fund (KPK):</td><td>750,000</td></tr><tr><td>Local:</td><td>0</td></tr><tr><td>Total:</td><td>750,000</td></tr></tbody></table>		US\$	IDB- Knowledge Partnership Korea Fund (KPK):	750,000	Local:	0	Total:	750,000
	US\$								
IDB- Knowledge Partnership Korea Fund (KPK):	750,000								
Local:	0								
Total:	750,000								
Objectives:	The overall objective of the project is to exchange public and private experiences and provide technical assistance to Brazilian cities hosting the 2014 FIFA World Cup and the 2016 Olympic Games.								
Execution Timetable:	This Technical Cooperation (TC) will be executed in a period of twelve (12) months with a disbursement period of eighteen (18) months.								
Special Contractual Conditions:	None.								
Exceptions to Bank Policies and Procedures	None.								
Environmental and Social Review:	The ESR committee reviewed the Project on June 7 2010. No negative environmental or social effects were identified. According to the Safeguard Classification Tool, this TC was classified with “C”, meaning that no environmental assessment studies or consultations are required for this Category.								
Coordination with other Official Development Finance Institutions:	No other similar programs were identified in other development institutions.								

II. BACKGROUND AND JUSTIFICATION

- 2.1 **Brazil has been selected to host the 2014 FIFA¹ World Cup and the 2016 Olympic Games.** In 2007, FIFA selected Brazil as the host and organizer of the 2014 FIFA World Cup. More recently, in October 2009, the International Olympic Committee selected Rio de Janeiro, as the host city of the 2016 Olympic Games. Major sports events such as these are of great relevance to the host

¹ French acronym for *Fédération Internationale de Football Association*.

country in terms of business opportunities and socioeconomic development. Given the importance of both events, Brazil is seeking international best practices and advice regarding the planning process of major sporting events to ensure an adequate and coherent urban planning, the sustainability of the investments, and a lasting legacy for each host city.

- 2.2 Brazil selected 12 cities² to host the World Cup and is in the process of identifying key investments in sports infrastructure, transport, communication, tourism, and citizen security. At the municipal level, cities are also planning key investments and are harmonizing immediate needs of urban infrastructure that the World Cup will demand with their long term development priorities. Many of these cities require technical assistance to consolidate the planning stage before they move forward to the financing stage. Regarding the preparation of the 2016 Olympic Games, the city of Rio de Janeiro is also in a planning stage and is identifying key investments prior to financing.
- 2.3 **Korea as a partner to assist Brazilian cities.** Korea hosted two major world sport events: the Summer Olympic Games in 1988, and the Korea and Japan World Cup in 2002. These events helped Korea convey a new international image as a dynamic, progressive, democratic and economically vital nation³. Both events were considered to be successfully planned and organized and also generated significant economic profit. According to the Korean Development Institute, the event drew direct gains derived mainly from the infrastructure building (an estimate of US\$9.2 billion industrial output, including US\$252 million spent by overseas visitors), and indirect gains associated with the national image and the positioning of Korean companies through increases in Foreign Direct Investment⁴.
- 2.4 The Korean experience in hosting large scale sports events has been recognized worldwide, especially in urban and transport planning, as well as infrastructure planning (including building new stadiums, accommodation facilities and communication and Information Technology -IT infrastructure). Furthermore, Korea also has recognized experience in developing energy efficient technologies and practices. Therefore, Korea could provide valuable advice to Brazilian national and local authorities in the planning and implementation of the 2014 FIFA World Cup and the 2016 Olympic Games.
- 2.5 In this context, and with the objective of expanding its development assistance to Latin America, the Korean Government has expressed interest in supporting the Bank with non-reimbursable funds so that Korean officials and experts that were responsible for the urban planning of major sports events can exchange their experiences with Brazilian authorities in charge of the 2014 FIFA World Cup and the 2016 Olympic Games. Likewise, the Brazilian Federal Government and some host cities have requested Bank support in order to identify worldwide best

² The 12 host cities are: Sao Paulo, Rio de Janeiro, Porto Alegre, Curitiba, Cuiabá, Brasília, Belo Horizonte, Salvador, Recife, Natal, Fortaleza and Manaus.

³ "Japan, Korea and the 2002 World Cup" John Horne, Wolfram Manzenreiter.

⁴ "Korea and Japan Partnering for the 21st Century" (2002) Yun-Taek Lee, Co-Chairman of the Korean World Cup Organizing Committee for the 2002 FIFA World Cup, Harvard Asia Pacific Review.

- practices in organizing major sport events and developing urban investments in a sustainable way. Accordingly, this Technical Cooperation (TC) will contribute to the transfer of best practices and to the identification of partnership opportunities with Korea's public and private sector.
- 2.6 In addition, this TC will support the implementation of sports for development activities in order to promote education and health as well as encourage social integration and violence prevention among vulnerable children and youth. The Korean Government and the Bank have been supporting these social development initiatives in other countries, such as Colombia (CO-T1224), with the design of a technical cooperation that promotes violence prevention and social reintegration to vulnerable youth.
- 2.7 **Relation with the Bank's Country Strategy.** The Bank's strategy in Brazil recognizes the importance of improving the cities' standard of living and supports initiatives driven towards sound and sustainable infrastructure, stimulating the economic activities of the population, seeking to create employment and social and economic benefits the most vulnerable groups.
- 2.8 Given the relevance of the 2014 FIFA World Cup and the 2016 Olympic Games for Brazil, as well as the importance the Bank has given to supporting innovative efforts for development through sports, the Bank will support Brazilian cities to learn from successful experiences in the planning process of large scale events to ensure that investments are complementary to other urban and social development initiatives.
- 2.9 **Korea's involvement in the Bank's priorities.** Since the Republic of Korea joined the Bank in 2005, the Korean Government has financed several IDB initiatives, that include poverty alleviation programs and IT best practices exchanges in Latin America and the Caribbean (LAC). In addition, the Bank signed two cooperation agreements with the Export-Import Bank of Korea to co-finance public and private infrastructure sector projects and the Ministry of Strategy and Finance to develop and promote the use of renewable energy, efficient energy technologies and practices and carbon finance activities in LAC.
- 2.10 Korean collaboration with Bank's initiatives are in line with its purpose of promoting economic cooperation between Korea and the developing countries, drawing on Korea's own development experience by providing funding, technical assistance and exchange best practices for their industrial development and economic stability.

III. PROGRAM DESCRIPTION

A. Program goal and purpose

- 3.1 The overall objective of the program is to exchange public and private experiences and provide technical assistance to Brazilian cities hosting the 2014

FIFA World Cup and the 2016 Olympic Games, taking advantage of the knowledge acquired and lessons learned from the Korean 1988 Summer Olympic Games and the Korea and Japan 2002 FIFA World Cup.

B. Components

3.2 In order to achieve the program's objective, this TC will fund the following components:

3.3 **Component I. Lessons learned and best practices exchange.** This component seeks to promote the exchange of knowledge, lessons learned and best practices in the preparation of the World Cup and the Olympic Games with Brazilian cities. The component will fund the following activities:

- a. **Development of technical notes on best practices.** This activity will fund the development of at least five technical notes on best practices related to major sports events planning that are relevant to the Brazilian context. Key topics that have been prioritized by local and national Brazilian authorities, include: (i) sustainability of major sports investments in terms of cost recovery and post- event use of public spaces; (ii) direct investment attraction, business promotion and development of a "city image"; (iii) investment planning mechanisms, such as public-private partnerships (PPP), considering the interaction of municipalities with state authorities and the private sector; (iv) transport and mobility; (v) local community involvement strategies for the host city (organization of volunteer groups, training, tourism initiatives, etc); (vi) citizen security activities focusing on violence prevention; and (vii) technological innovations. Such best practices will be drawn from successful experiences from Korea and other international cases and they will be disseminated in the events described below.
- b. **Dissemination events.** This activity will finance the organization of two events where the best practices and successful experiences of major sports events organization will be presented and discussed. These events will take place in different World Cup host cities and will be excellent opportunities for Brazilian authorities to exchange lessons and experiences among experts on the matter. Each event will gather local, state and national level authorities, as well as business representatives (when appropriate) and will have a specific topic to be discussed, which will be selected from key areas identified (see ¶3.4).
- c. **Field visits.** This activity will finance two field visits. The first one will take place in Korea and will fund the participation of key Brazilian authorities from local governments with the purpose of gaining knowledge on urban infrastructure planning, visit facilities built for the mentioned sports events, and meet authorities in charge of their administration. The second field visit will fund the participation of several Korean urban development experts and

executives to Brazil in order to participate in the dissemination events proposed in this project.

- 3.4 **Component II. Strategic technical assistance.** This component aims to provide specific technical assistance to several host cities in the formulation of integrated urban development plans and projects needed for the World Cup and Olympic Games.
- 3.5 **Component III. Sports for development pilot project.** This component will develop a “sports for development” pilot project in one Brazilian city. The pilot will consist in the funding of capacity building activities to promote health care, improve education, encourage social and personal values (for example: team work, respect, and cooperation), and acquire employability skills through sports. This component is targeted at children and youth at risk aiming to promote social inclusion and development.
- 3.6 **Other costs. Dissemination, logistics and monitoring.** These will focus on the dissemination of results from the activities carried out in this project. It will include the financing of communication material and other dissemination activities, as well as the logistics to organize the activities contemplated in this TC and its respective monitoring.

IV. BUDGET

- 4.1 The total cost of this project will be US\$750,000. This cost will be financed with resources from the Knowledge Partnership Korea Fund (KPK) as a non-reimbursable operation.

Table 4.1: Budget (in US\$)

Type of Expense	TOTAL
Component I	250,000
Technical notes on best practices	75,000
Dissemination events (2 events)	67,050
Field Visit of Key Brazilian authorities to Korea	56,700
Field Visit of Key Korean authorities to Brazil	51,250
Component II	300,000
Strategic Technical Assistance	300,000
Component III	150,000
Sports for Development Pilot Project	150,000
Other Costs (dissemination and monitoring)	50, 000
TOTAL	750,000

V. EXECUTING AGENCY AND MECHANISM

A. Executing Agency

- 5.1 This project will be executed by the Inter-American Development Bank (IDB). The Fiscal and Municipal Management Division at the Brazil's Country Office (FMM/CBR) will have the principal technical and fiduciary responsibility.

B. Executing Structure

- 5.2 Consistent with the procedures of the KPK, the Bank's Fiscal and Municipal Management Division (ICF/FMM) and the Country Office in Brazil (CSC/CBR), will select and hire the required consulting services.
- 5.3 The hiring of these consultancies will be made in accordance with the Bank's policies and procedures (see documents GN-2349-7 and GN-2350-7)
- 5.4 For Component I, it is expected that all five technical notes will be completed by June 2011. The field visit from Brazilian authorities to Korea and the field visit from Korean authorities to Brazil are expected to take place between February and June 2011, as well as, the dissemination events.
- 5.5 For Component II, specialized consultant firms and individual consultants will be hired to support 2 to 6 host cities in the formulation of strategies and projects related to the sporting events. Such assistance is expected to take place from February to September 2011.
- 5.6 For Component III, it is expected that the Sports for Development project to be developed and launched in March 2011.

C. Program implementation readiness

- 5.7 This TC is ready to start its implementation once it is approved.

D. Execution period

- 5.8 The execution period of the proposed TC will last 12 months and the disbursement period will be 18 months.

VI. MONITORING AND EVALUATION

A. Technical and basic responsibility

- 6.1 FMM/CBR will be responsible for technical supervision as well as for disbursement.

B. Reports

- 6.2 Individual reports for each consultancy will be produced. The reports should be delivered to the Bank in a timely schedule in order to proceed with the implementation schedule. An integrated final report will be prepared by the project team to include lessons learned and experiences to be applied in the preparation of future operations in the field.

VII. PROGRAM BENEFITS AND RISKS

- 7.1 The products of Component I will contribute to the knowledge exchange of best practices and lessons learned from major sports events planning and implementation from Korea and other successful cases, and will help Brazilian local and national authorities to best plan their infrastructure and services for their upcoming World Cup and Olympic Games. The results of Component 2 will contribute to specific needs of the host cities to better plan its investments for the World Cup and the Olympic Games. The result from Component 3 will contribute to promote sports for development initiatives and to generate greater awareness of the topic as well as future partnerships taking advantage of the major sports events Brazil is hosting in the next years.
- 7.2 A minor risk of the project is associated to its political calendar, as new national and state authorities will be elected during November 2010. The new administrations will take office in early 2011. To minimize the risk that the change of authorities could bring at both the national and state levels, the Bank will follow up to inform the new administrations about the project objectives and activities in support of their planning activities.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 The ESR committee reviewed the project on June 9, 2010. No negative environmental or social effects were identified. According to the Safeguard Classification Tool this TC was classified with "C", meaning that no environmental assessment studies or consultations are required for this Category.
- 8.2 The project, as such, is not expected to generate environmental concerns of any sort. Nonetheless, the technical feasibility studies of the projects that will be financed by the TC will include terms of reference to both mitigate eventual negative environmental impacts, such as the ones due to urban infra-structure

such as construction sewerage systems, transportation corridors, overpasses and to also maximize the socio-environmental impacts of the investments. In that case the team to be hired will include international and local environmental and social impact specialists.