

BRAZIL
TOURISM DEVELOPMENT PROGRAM IN NORTHEASTERN BRAZIL 2nd STAGE
Tourism
GENERAL PROCUREMENT NOTICE
Loan No. BR-1392

The Government of the Federative Republic of Brazil has requested financing in the amount of US\$ 240 million equivalent from the Inter-American Development Bank (IDB) to finance part of the Tourism Development Program In Northeastern Brazil - 2nd Stage (PRODETUR/NE-II), which has a total cost of US\$ 400 million equivalent (of which US\$ 339.5 million are to direct costs). The borrower and executing agency for the program will be the Banco do Nordeste do Brasil S.A. Resources of the loan will be transferred via sub-loan to finance individual projects within the participating Northeastern States: Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe, Bahia and the states of Minas Gerais and Espírito Santo, which will generally be responsible for carrying out procurement activities and for project execution. The resources from the loan will finance the procurement of goods and services through international and national competitive bidding and other procedures following the IDB's procurement and hiring policies.

The goal of the program is to improve the quality of life of the permanent population of tourism poles as measured by increased employment and increased municipal revenues to provide urban services a better environmental quality. This is to be accomplished by generating and properly managing increased income from tourism. The program will continue financing infrastructures investments necessary for an adequate provision of public services to keep up with the expected tourism growth in the Northeast region of Brazil. However, the program will move away from isolated individual investments by establishing the mechanisms to ensure future investments in the sector area consistent with the concept underlying sustainable and responsible tourism. These concepts are tourism poles, an integrated and participatory planning process, and adequate planning, environmental and fiscal management capacity at the local level prior to any infrastructure investment.

The program will have a number of positive environmental and social impacts from improved solid waste management, potable water and sanitation, protection of fragile areas such as beaches, coral reefs, coastal dunes and freshwater lagoons, and protection and management of the Atlantic Forest and mangrove areas. Community participation in municipal planning and setting of priorities for tourism development actions will ensure that the local population will have an active voice in deciding the direction of tourism development. Community education on tourism and environment and worker training will have positive social impact. To avoid and mitigate the potential negative direct impacts, the Operating Regulations establish a set of technical guidelines and procedures for project environmental analysis, evaluation, supervision and monitoring that are incorporated in all stages of the project cycle.

The program will finance three components as follows:

*Component 1: Strengthening municipal capacity to manage and benefit from tourism (US\$ 65.3 million). The component will support (i) access to municipal administrative and fiscal management programs; (ii) municipal capacity for tourism management; (iii) solid waste management; (iv) protection and conservation of natural and cultural assets (beaches, reefs, parks and historical sites); and (v) waterfront urbanization.

*Component 2: Strengthening of state capacity for strategic planning, training and infrastructure for tourism growth (US\$ 252.9 million). The component still supports state actions in the following areas: (i) strategic studies, managerial information systems and training strengthening state capacity to plan, monitor and evaluate tourism activity; (ii) awareness campaigns; (iii) employment training and skills development for the local population; and (iv) the investments needed to support tourism growth in the poles, such as rehabilitation and expansion of water and sewerage systems, roads and other transportation infrastructure.

*Component 3: Promotion of private investment (US\$ 21.3 million). This component will finance (i) training seminars and workshops targeting small and medium size local travel and tourism business owners, as well as NGO leaders in the areas of basic tourism management, quality control, labor certification, tourism marketing and promotion, as well as sector organization; (ii) consulting services for the preparation of comprehensive marketing plans and campaigns that will promote the main tourist attractions of tourism poles; and (iii) market feasibility and design studies for conventions centers.

Specific procurement notices will be published for each work or group of works by the State Executing Unit for each participating State, the Stage agency directly responsible for executing the work or the Federal Airport Infrastructure Authority (INFRAERO), in the case of the federally controlled airports. Works in excess of US\$ 5 million and goods in excess of US\$ 350,000 will follow the IDB's international competitive bidding or selection/hiring procedures and will be published in <I>UN Development Business</I>. Further information on the goods and services to be procured under the PRODETUR/NE-II may be obtained from:

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