

Brazil in the 2010 South Africa World Cup

The road to the 2014 World Cup

What action will the Brazilian government take during the World Cup in South Africa?

Brazil's main action in South Africa consists of featuring Brazil Sensational Experience, the "Casa Brasil", providing information to a diversified audience about the country's best offers in cultural, sports, tourism, industrial and technological fields. *Casa Brasil's* structure is multifunctional, with interactive activities and sensory games. It is the result of Federal Government action coordinated by the Brazilian Tourism Institute (Embratur) in partnership with the 2014 World Cup Local Organizing Committee, with host-cities also participating.

Casa Brasil will be a meeting venue for tourists, international journalists and prospective investors who are already on the lookout for business opportunities now existing in Brazil, as host to the 2014 World Cup.

Which Brazilian government bodies are involved in setting up *Casa Brasil*?

The project was developed with the participation of Federal Government's partners: the 2014 World Cup Organizing Committee (COL) and host-cities, Ministry of Development, Industry and Foreign Trade (MDIC), Brazilian Trade and Investment Promotion Agency (Apex), Ministry of Sports (MES), Ministry of Tourism (Mtur), Ministry of Science and Technology (MCT), Research and Project Funding Agency (Finep), Secretariat for Social Communication of the Presidency of Brazil (Secom) and Ministry of External Relations (MRE).

The project was financed by Finep, Apex, Embratur and Ministry of Sports. COL funded the project itself, designed by graphic artist Gringo Cardia. All the partners will run previously scheduled activities in *Casa Brasil*.

How does Brazil intend to promote its companies and products in *Casa Brasil* during the 2010 World Cup?

Through the Brazilian Trade and Investment Promotion Agency (Apex), the Ministry of Development, Industry and Foreign Trade is a major partner in *Casa Brasil*,

which will be a popular venue for the international press, prospective investors, importers, top sportspeople, and the general public. The aim is to build up a positive image of the country and promote different Brazilian productive sectors.

Besides exhibiting touristic potential, technological advances and sport as a means for social inclusion and development, Apex's action in *Casa Brasil* is intended to promote and disseminate Brazilian companies' potential as excellent business options, whether due to products' added value, our flexible negotiating style, or quality and innovation.

How were the responsibilities of the Federal Government, States and Municipalities decided for the 2014 World Cup in Brazil?

On January 13, 2010 – four and a half years before the Cup –, the mayors of the 12 host-cities, the respective state governors and the Ministry of Sports signed the 2014 World Cup Responsibility Matrix in the presence of Brazil's President. The document establishes the responsibilities of every entity (federal, state and municipal governments) in preparing the event covering five areas of infrastructure priority: stadiums, airports, ports, urban mobility and hospitality. The full document is available in the Ministry of Sports' website - www.esporte.gov.br

What are the Federal Government's duties in preparing the 2014 World Cup?

Its main duties as set out in the Responsibility Matrix are to:

- a) Comply with guarantees offered to FIFA regarding changes in law and administrative norms;
- b) Prepare the infrastructure of ports and airports;
- c) Coordinate security action;
- d) Monitor the action of the other agents; and
- e) Coordinate action for dissemination and promotion of the 2014 World Cup and the Confederations Cup, in 2013.

What are the duties of FIFA, the Local Organizing Committee and CBF (Brazilian Football Confederation) in preparing for the 2014 World Cup?

The Local Organizing Committee and FIFA are responsible for:

- a) Establishing rules and technical norms governing installations and use of logos;

- b) Commercializing broadcast rights and sponsorship of the event;
- c) Commercializing tickets and tourist packages for the Cup;
- d) Welcoming and accompanying foreign delegations whilst in Brazil; and
- e) Operating matches and media infrastructure during the event.

CBF has no direct duties in organizing the event, except managing the Brazilian National Team.

What are states' and host-cities' duties in preparing the 2014 World Cup?

The States involved are responsible for intervening in and operating projects for urban mobility and security, and for excluding unauthorized people from exclusive event premises. Host-cities are responsible for intervening in and operating projects for urban mobility and excluding unauthorized people from exclusive event premises.

Different entities are in charge of the stadiums' renovations. Eight stadiums are under the responsibility of States (Manaus, Salvador, Fortaleza, Brasília, Belo Horizonte, Cuiabá, Recife and Rio de Janeiro). The stadiums of São Paulo, Curitiba and Porto Alegre are privately owned by football clubs, who are responsible for the works. Finally, the stadium of Natal is administered by the municipality.

How will the government coordinate efforts to make the World Cup viable?

In January, the President of Brazil issued a decree setting up two bodies concentrating the Federal Government's efforts related to the World Cup: the Managing Committee, responsible for establishing, approving and supervising action included in the Governmental Strategic Action Plan for the 2014 FIFA World Cup – CGCOPA 2014. This committee comprises 20 bodies in the Federal Government and its objective is to propose and consolidate all public action, putting together a comprehensive strategic plan for the event.

GECOPA 2014 Executive Group was also put in place to coordinate and consolidate action in different levels, establish targets and monitor implementation and execution results of the Governmental Strategic Action Plan for the 2014 FIFA World Cup. The Executive Group comprises five ministries: Ministry of Sport, Office of the Chief of Staff of the Presidency, Ministry of Finance, Ministry of Planning, Budget and Management, and Ministry of Tourism.

Besides these federal bodies, the Committee for Responsibility was also set up, comprising state and host-city representatives, thus bringing together the entire public sector involved in preparing the event. A model for governance was

approved at its first meeting, in early March, creating 10 Thematic Chambers to watch over all the sectors involved, to be made up of government and host-city representatives.

What about the Federal Government's integration with CBF and FIFA?

The Federal Government, the Brazilian Football Confederation (CBF) and the Fédération Internationale de Football Association (FIFA) interact through the Local Organizing Committee, with which close relations are maintained to ensure the success of the event.

What is the Ministry of Sport role in preparation for the 2014 World Cup?

The Ministry of Sport coordinates the 2014 FIFA World Cup Management Committee, and is in charge of establishing, approving and supervising activities of the Governmental Strategic Action Plan. The committee brings together 20 government bodies, including 16 ministries, the Office of the Chief of Staff, the Office of the Solicitor-General, the Federal Government's General Controllershship, and Presidency's Special Secretariat for Ports. The Ministry of Sport assisted in designing a system to monitor progress of construction works, to ensure that the schedule agreed upon with FIFA is complied with.

How will construction work and action, and thus public funds, be controlled?

The Ministry of Sport is putting the final touches to a website of its own, which will allow anyone with access to the internet to watch over, in real time, the progress of all action related to organizing the 2014 World Cup, in both the public and private spheres. It is expected to be ready for public consultation in the second half of 2010.

Additionally, there are the usual mechanisms of control bodies. The Federal Government's General Controllershship and the Federal Court of Audit have made available space specifically for the 2014 World Cup in their respective websites.

How do financial entities' credit mechanisms function in the case of infrastructure works for the 2014 World Cup?

Brazil's National Bank for Economic and Social Development (BNDES) and Caixa Econômica Federal (CEF) have set up special financing lines for projects linked to the World Cup. Credit lines are already available for:

- Public and private stadiums: US\$ 218,5 million or 75% of the undertaking. The period for repayment is 15 years, with two years' grace. Projects must necessarily include solutions for the surroundings (accessibility) and environmental certification.
- Urban Mobility: projects committed to by federal, state and municipal governments in the Responsibility Matrix amount to US\$ 6,3 billion, of which US\$ 4,2 billion will be financed by CEF. It is important that collective transportation projects have been prioritized – 85% bus/Bus Rapid Transit and rail transport.
- Tourism: US\$ 546 million has been approved by BNDES for hotel requalification, with preferential terms for environmentally sustainable projects.

What are the main areas of investment for the 2014 World Cup?

The government has mapped out ten areas for investment: stadiums, ports, airports, health, security, foreign trade, energy, urban mobility, hospitality, and professional qualification. A summary of the five priority areas in greater detail is available at www.brazil.gov.br/brasildascopas.

What is the role of the National Investment Information Network (Renai) in attracting investment for the 2014 World Cup in Brazil?

The Ministry of Development, Industry and Foreign Trade's National Investment Information Network (Renai) keeps investors posted on opportunities in different infrastructure areas: airports, ports, urban mobility, stadiums and hospitality. The network makes use of the Ministry's portfolio of international contacts to present projects to the private sector, and, through Renai, the Ministry distributes information about available projects in Brazil to investors. Renai will help make investments viable, especially in the case of projects listed as priorities by host-cities.

What countries have shown the greatest interest in investing in Brazil on account of the event?

The countries showing the greatest interest in investing in Brazil are those that have hosted sporting events in the past, such as, for instance, the UK. The British Government reckons that contracts for up to US\$ 47 billion will be in the offing due to the two events (World Cup and 2016 Olympic Games in Rio de Janeiro) in seven years.

The main area of interest to investors lies in adaptation work in the 12 stadiums. Germany is also interested in investing in Brazil. The Brazilian Association of Infrastructure and Basic Industry (Abdib) and the Federation of German Industries (BDI) have signed a cooperation agreement designed to take advantage of the Germans' experience with the 2006 World Cup to prepare for the 2014 World Cup in Brazil.

Which areas attract the most investment?

Traditionally, certain sectors have always grown with events of the magnitude of a World Cup: architecture and civil construction, rental of equipment (stalls, mobile structures), vehicle rental, the security, communications and IT (mobile telephone, broadband, software, and computing equipment) industries, companies organizing events linked to the games, tourism, leisure and services in general.

How much has the Brazilian sports industry invested for the 2014 Cup?

It is not yet possible to measure the value of private investment in the sports industry, but it is an opportunity to professionalize the entire productive chain. Areas such as licensing and selling sports products, security, stadium maintenance, sports gear (including fashion) and sports arena construction technology will benefit enormously.

What will these investments mean to Brazil in the long term, especially after the 2014 World Cup?

Long-term impact will depend on pre-Cup investment and how successful the event is. Historically, events like the World Cup have left host-countries an important legacy, including improvements to infrastructure in general and increased production capacity of the sports industry. Also, the country's image abroad tends to improve.

The Ministry of Sport predicts that 300,000 direct jobs will be created by preparations for the event, as a result of investment. An estimated 400,000 temporary jobs will be created during the event itself.

How can it be ensured that work completion deadlines will be met?

The formalization of commitments entered into by federal, state and municipal governments in a single document – the Responsibility Matrix – signed in January 2010, allows society, investors and partners to better watch over compliance with commitments. This document defines every entity's role in carrying out projects, showing expected investments and timelines for starting and completing different undertakings.

A monitoring system has also been put in place, allowing the Federal Government and society to follow the progress of every undertaking: schedule, cost and delivery, so that possible problems can be quickly identified and solved. Representatives of all the host-cities will be trained to provide information input for the system, which is expected to come on line before the end of 2010, with access for the general public.

Will the 2014 World Cup benefit cities not hosting events?

The benefits of the impact of the 2014 World Cup are not limited to host-cities; they will be felt by the entire country, whether directly or indirectly.

Besides the host-cities, a number of cities will provide lodging for players and premises for national teams' training centers. The Ministry of Tourism has drawn up a list of priority destinations, given that foreign fans attending the Cup often tour different parts of the country before and after the event, as well as on days between matches.

Indirectly, the entire country will benefit from enhancement of infrastructure (highways, ports and airports, for example), increased volume of business (exports and investments), attracting tourists from abroad and from other Brazilian states, and reinforcing a positive image of Brazil abroad.

Will the 2010 elections in Brazil affect preparations for the Cup?

Because it is an election year, the deadline for funding contracts and allocating funds is June 3, 2010. States and municipalities must therefore submit completed plans for projects and all associated documentation by then to gain access to resources. Contracts for funding and allocation of funds will not return to normal until after the elections in October.

Will the next government be able to make changes to planning for the Cup?

Hosting the World Cup is a national project, not a specific government's. The very cycle of planning such action and putting it in place is longer than the cycle of government. Planning will thus be kept to in general terms, given that the main projects for the event are already in the process of definition and the commitment for their execution is already defined in the Responsibility Matrix signed by all the different governments involved: federal, state and municipal.

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