



HELPING YOUR BUSINESS GROW INTERNATIONALLY

# Game on

Progress in Brazil's preparations for the 2014 FIFA World Cup

# HOST CITIES



## OF THE 2014 FIFA WORLD CUP IN BRAZIL

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# Preface

**This report was researched and written in the first quarter of 2011 with the objective of providing a status update on Brazil's preparations for the 2014 FIFA World Cup. It is hoped that the report is thorough and provides a clear picture of the state of play of Brazil's preparations.**

Nevertheless, the situation is so dynamic – project progress fluctuates, decision makers move and are replaced, budgets are questioned, reporting structures are adjusted – that it can only ever have pretensions to being a snapshot of the current state of affairs. The report is intended to encourage participation by British companies in the many opportunities offered by a project which is defined by its huge commitment of resources and the ambition of the country's leadership to deliver a very special event. But the constantly changing environment make it extremely advisable, when planning an entry strategy or preparing to extend an existing presence, to seek the latest advice from the UK Trade & Investment team in Brazil. For further advice and information, therefore, please contact:

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All monetary values in this report are expressed in Brazilian Reals (R\$). As at March 31st, 2011, the GBP/BRL exchange rate stood at approximately 2.60 reals per pound (or approximately 38 pence per real).



# Executive summary

**When Brazil was awarded the right to host the 2014 FIFA World Cup back in October 2007, the country was presented with the perfect opportunity to show the world the tremendous advances that had been made both economically and socially in the previous 15 to 20 years. The task, at the time, was known to be a giant one but there were nearly seven years in which to put on a show that the country could be proud of. The commitment of resources at both a national and local level was vast and backed by strong political support throughout government.**

3½ years on and the reality of the undertaking is becoming apparent: to put on the greatest sports event in the world hosted in 12 cities scattered over a continent-sized country, whose transport infrastructure is struggling to keep pace with its rapid economic growth. On top of this, fears that multiple layers of government, local sporting and political rivalries, and suggestions of mismanagement could foster slow decision making and project delays have proved well-founded. Brazil's ambitious portfolio of projects, for which an original investment of close to R\$24 billion was set aside and which covers stadium building, urban transport and airport and port infrastructure, is falling behind schedule.

The country always felt the reputational pressure of putting on a good show; to this is now added the pressure of the ticking clock. The latter can still (just) be mitigated by the vast amount of resources made available to the Brazil FIFA World Cup project but rueful looks are being cast at those lost years when Brazil's was the only candidacy to host the event yet no early planning took place.

But the ambition to deliver world-class stadia and infrastructure projects for the tournament is still there. No host city wants to be seen to be offering facilities that are less than world class or which don't compare favourably to the rest of the country. The government is desperate to avoid even the smallest threat of late or non-delivery. Consequently, with just a few years to go to the tournament, the demand by stakeholders for world class, innovative solutions in the construction and management of stadia and transport infrastructure is still strong. A lot of work has already been contracted but the specialist, high value-add, innovative services that the UK is rightly proud of delivering will still be in demand right up to, during and beyond the tournament.

This report is intended as a status update on the Brazil World Cup project. It provides progress reports on the various work actually underway or descriptions of the work that is yet to start. The report is structured along host city lines, focusing on stadia projects in each city and providing additional information about planned transport infrastructure works. Extra time is spent on five of the host cities, chosen to represent the different types of projects being undertaken and the peculiar challenges that they face. Where possible, discussions have taken place with local decision makers and stakeholders to get a more detailed view of proceedings and to enrich the basic facts and figures with a little more nuance. The objective is to make clear to any British business interested in getting involved with the Brazil World Cup project, what is going on, how well it is proceeding and who is running it. There is an additional objective of identifying areas of work where solutions are still in demand and where local stakeholders have indicated an interest in talking to providers of such solutions.



## Executive summary (continued)

Although the major construction work has largely been bid for and won, there are still many areas in which solutions are needed. Project managers are facing widespread challenges in the areas of legacy and the long-term operational viability of stadia, security planning and systems, environmental impact, smart stadium management and transport planning. More specific requirements have been noticed in the areas of stewarding, CRM, revenue optimisation and staff training.

Taking advantage of such opportunities should, nevertheless, be approached in the right way. British organisations with experience of doing business in Brazil regularly point to the importance of identifying key decision makers and forging long-term relationships with local partners. It is worth remembering that Brazil is hosting the Olympic and Paralympic Games in 2016 and may well host the Copa América in 2015. Additionally, there is an enormous range of projects underway in the country not linked to either the World Cup or the Olympics. Taking the long view is essential. In the context of the FIFA World Cup, the influence of Brazil's construction companies should not be underestimated. Investing time in identifying and developing partnership or integration opportunities with these organisations is key to success.

Although things have changed considerably since the writing of 'It's All to Play For', an important message from that report remains as valid now as it was then: the scale of Brazil's undertaking for delivering a successful tournament is so large, and its political commitment so strong, that it should continue to be an attractive prospect for British companies for the foreseeable future.



# INTRODUCTION



# 1 Introduction /background to report

## 1.1 Background to the report

### 1.1.1 Objective

In 2009, UK Trade & Investment (“UKTI”) published a report entitled “It’s all to play for. Infrastructure opportunities in Brazil: FIFA World Cup 2014”. The report was an assessment of the business opportunities in the sporting and general infrastructure sectors arising from Brazil’s hosting of the 2014 FIFA World Cup. The report provided a thorough review of the entire Brazilian FIFA World Cup project along with specific appraisals of the work taking place in the individual host cities. The objective was to provide appropriate information to those British companies, who might be considering offering their services and products to the project, in order to help them qualify the opportunities that were arising.

In the period of time since “It’s all to play for” was written, projects have been added and withdrawn, timelines have changed, personnel have moved on and been replaced and, most significantly, there has been an election and the country has a new president in Dilma Rousseff.

With this new government in power since the beginning of 2011 and with just over three years to go before the tournament is due to commence, it was considered a suitable time to re-assess the FIFA World Cup project in Brazil on behalf of UK plc. The primary aims were to refresh our information about the nature and scope of the Brazilian project, identify the people now in key decision-making positions and identify areas of involvement still remaining for British companies. There were also some parallel aims of the research:

- to identify companies already involved in the work to assist in the identification of potential partners or opportunities for integration and supply
- to identify potential candidates for inward missions to the UK
- to assess the appetite and opportunities for UK trade missions and road shows to Brazil

The overall objective, nevertheless, was the same: to provide appropriate and sufficient information to help interested parties to qualify the opportunities still available.



### 1.1.2 Scope

The original 'It's All to Play For' report presented comprehensive information on the entire Brazilian project for hosting the FIFA World Cup 2014. Since then, a lot has changed, not the least of which has been a round of elections in Brazil at the end of 2010. This report was undertaken with the principal aim of updating existing knowledge and making it available as quickly as possible once the results of the Brazilian election were known and their impact understood.

It was decided that, whilst providing comprehensive, contextual information about the FIFA World Cup preparations on a national level, the report would provide extra focus on preparations in five of the 12 host cities. To that end, the following cities were selected. (Summary sections are provided on the remaining seven):

- **Rio de Janeiro:** chosen for the iconic value of the Maracanã stadium, the size of the project and because, as well as being earmarked as the venue for the 2014 FIFA World Cup final, it will also host the opening and closing ceremonies of the 2016 Olympic Games. The post-World Cup operating model is yet to be fully defined although the Rio de Janeiro state government has just announced its intent to concede management of the refurbished stadium and its environs to the private sector.
- **São Paulo:** chosen because it is expected to host the opening game of the FIFA World Cup; because it is a 'green field' project but one which is hardly yet underway; because it is an example of a privately run project; and because of the size of the planned investment.

- **Recife:** chosen because the 'Cidade da Copa', or World Cup City, project involves the building of a completely new residential and commercial district with a World Cup stadium at its heart.
- **Porto Alegre:** chosen because the project is another private one where the construction and maintenance model has only just been approved and where the stadium owner's management is anxious to make the most of new technology in its operating model. The project also goes beyond just the stadium with future phases planned in developing the rest of the site.
- **Brasília:** chosen because it is the capital city and still has pretensions to host the opening game as well as the International Broadcasting Centre; it is also confronted with considerable legacy issues.

It was also decided to put the main focus of the report on the stadium projects although infrastructure projects relating to urban mobility, ports and airports in the host cities will also be described.

### 1.1.3 Methodology

The report is the result of consultations and interviews with a range of organisations, both public and private, involved in preparations for the tournament. Additionally, desk research was used to build on the wealth of knowledge already held by UKTI Brazil and the original report, 'It's All to Play For', published in 2009.



# 1 Introduction /background to report (continued)

## 1.2 Brazil

### 1.2.1 Geography

Brazil is the fifth largest country in the world, the largest country in the southern hemisphere, covering an area of some 8,500,000 km<sup>2</sup> and spans three time zones. The size of the country makes the organisation of the FIFA 2014 World Cup more of a continental, than a national, undertaking and brings with it the substantial challenge of moving international visitors, local fans, teams and officials quickly and safely over huge distances.

As an example of the change in scale from South Africa 2010, the distance between the two most remote host cities in Brazil – Manaus and Porto Alegre – is 3,130km. In South Africa – itself a large country – the distance between Polokwane and Cape Town is 1,730km. The distance between Brazil’s most eastern point and Africa itself is only 2,200 km.

Not only will such distances impose considerable strain on the country’s ability to move around increased numbers of visitors (for a short space of time), it will also expose the more remote cities – or those with less of a footballing tradition – to sudden influxes of football supporters requiring accommodation, entertainment and local transport.

### 1.2.2 Economy

Brazil’s economy is currently ranked 7th largest in the world by GDP<sup>1</sup> and, at current growth rates is destined to be in the top 5 soon.

Having suffered years of volatility in its economic cycles, usually characterised by soaring inflation and unrestrained central government intervention, Brazil turned a corner in the mid-1990s by introducing policies that brought stability to inflation and growth rates. In spite of requiring help from the IMF in 2002, the resulting loan was repaid early and, on the back of strong commodity prices, Brazil has never looked back, even emerging relatively unscathed from the financial crisis of 2008. The granting of investment grade status for the country’s debt by Standard and Poor’s in April 2008 was an indication of how far the country had come in a relatively short space of time. In 2009, in a gesture of great political significance, Brazil proudly became a net donor to, rather than borrower from, the IMF – marking a reversal of the situation of just 7 years previously.

<sup>1</sup> Source: IMF (data for 2010)

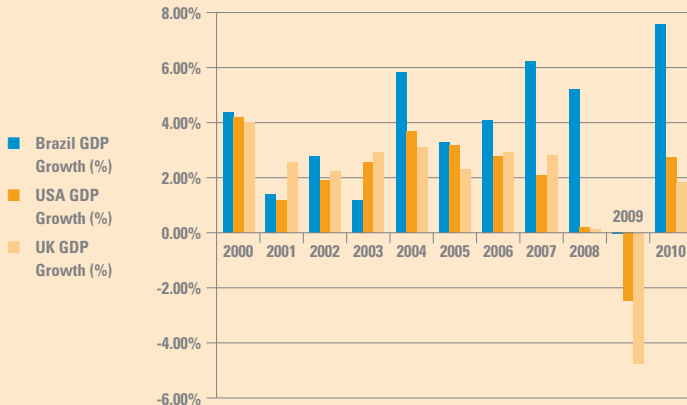


Figure 1: Brazil’s GDP relative to the UK and USA (Source: IMF)

As the developed world struggles to overcome the after-effects of the financial crisis, Brazil's strong growth and high real interest rates have encouraged an impressive level of foreign direct investment, albeit at the cost of a worryingly over-bought currency. Organisations like Vale, Petrobras, Embraer, Ambev and the giant construction companies involved in preparations for the FIFA World Cup are very profitable and increasingly visible through expanding global operations. Overall, it is no overstatement to say that Brazil is booming.

### 1.2.3 Politics

#### 1.2.3.1 Structure of the Union

Brazil is officially called the República Federativa do Brasil or Federative Republic of Brazil. The Federation is considered a union ('União') of the States (of which there are 26), the Federal District of Brasília and the Municipalities. Each has its own government and elected representatives and, as a result, each has its influence over the FIFA World Cup project.

This has significance for the organisation and reporting structure of the FIFA World Cup project. The host cities were selected by FIFA, who signed individual 'host city agreements' with each one. But all three components of the union – along with the federal government – are involved in the preparatory projects. Consequently, organising structures in each host city comprise members of both the city government (or the government of the Federal District in the case of Brasília) and the state government (each host city is also the capital city of its state) with the interests of the Federal government being pursued by the Ministry of Sport.

#### 1.2.3.2 Political environment

On 31st October 2010, Dilma Rousseff was elected to succeed the very popular Luiz Inácio Lula da Silva ('Lula') as President of Brazil, winning 56% of the popular vote, and was inaugurated on 1st January 2011. President Rousseff was widely seen as Lula's protégé and, boosted by his popularity, the election result was widely expected. The result also guaranteed the kind of stability that would not have been possible with a change of political party at the helm. Strong representation in both houses of Congress also holds out the welcome prospect (in terms of FIFA World Cup preparations) of swift decision-making at the top in the months ahead.

Even so, anticipation of an election and its implicit change of personnel meant that progress in some areas of FIFA World Cup preparations in the period leading up to the elections did slow. New administrations in state and municipal governments up and down the country found, as they settled into their new roles, that decision making in host cities had suffered and many World Cup projects were falling behind schedule.

### 1.2.4 National infrastructure investment

Decades of under-investment in infrastructure was recognised by the Lula government as a massive impediment to the growth and prosperity of the nation. The result was the 'Programa de Aceleração do Crescimento' (the Growth Acceleration Programme, known as 'PAC'), which was launched in January 2007 and had as its objective the stimulation of infrastructure development and the encouragement of economic growth. An investment of R\$504 billion was promised over the 4-year period between 2007 and 2010.

The money was allocated in 3 distinct areas:

- A sum of R\$58.3 billion for logistical infrastructure, covering the building and improvement of roads, railways, ports, airports and waterways
- A sum of R\$274.8 billion for energy infrastructure, covering the management and transmission of electricity as well as the production, exploration and transport of petrochemicals and renewables
- A sum of R\$170.8 billion for social and urban infrastructure, covering sanitation, housing, metro systems, urban railways and electricity and water supply

The PAC is coordinated by the PAC Management Committee made up of the Ministry of Finance, the Cabinet Office and the Ministry of Planning. In March 2010, PAC2 was launched with resources of R\$1.59 trillion aimed in the same areas as the original PAC.

# 1 Introduction /background to report (continued)

## 1.2.5 Sport

Brazil's national passion for football has become something of a cliché along with its dominance of global competitions and regular supply of talented players to the richer leagues in Europe. But the importance of the sport in the national psyche still cannot be underestimated. If there is an irrational level of expectation in the country whenever the World Cup comes around, it can be expected that this will grow exponentially when the competition is due to be hosted on home soil.

The pressure to perform at the tournament is being preceded by a similar pressure to deliver a competition of which the country can be proud. It is also expected to be based on infrastructure which reflects the country's new influence and standing in the world.

While football dominates, other sports have significant followings as well. Volleyball, basketball, tennis and motorsport all generate huge amounts of interest. The hosting of the Pan-American Games in 2007 revived interest in the traditional Olympian sports; the award of the 2016 Olympic Games to Rio de Janeiro was then the icing on the cake for a country which wants to demonstrate its growing economic and political influence with showpiece, global, sporting events. The cost of the venues and infrastructure required to put on the Olympics alone is currently estimated at R\$14 billion.

Consequently, a deep-seated love of sport, long sporting traditions and a sense of pride in the country's new-found status mean that it is politically unacceptable for this competition to be anything other than a great triumph. With elections due immediately after the 2014 event, a judgment on its success or otherwise will be delivered swiftly.

## 1.3 FIFA World Cup 2014<sup>2</sup>

### 1.3.1 Award of tournament

The 2014 FIFA World Cup was formally awarded to Brazil on 30th October 2007 even though, with no other country contesting it, the announcement was a foregone conclusion. Subsequently, FIFA identified 18 stadia with a capacity greater than 40,000 that had the potential to host tournament games. On 31st May, 2009, the final list of 12 host cities for the FIFA World Cup was announced by FIFA's Executive Committee.

At the beginning of 2010, the government – along with the affected states and municipalities – launched a package of infrastructure financing to support preparations for the World Cup – referred to as the 'PAC da Copa' to echo the ambitions of the original PAC. The PAC da Copa was accompanied by the 'Matriz de Responsibilidades' – a detailed description of the responsibilities of each stakeholder in the preparation of the event. The planned investments were focused on stadia and urban mobility projects with an additional R\$1 billion set aside for airport infrastructure in the host cities. There was also provision for a R\$1 billion line of credit to the hotel industry from the national development bank, BNDES. The president stated at the launch that no federal funds would be given to stadia projects although each stadium could apply for BNDES financing for 75% of the project cost up to a maximum of R\$400 million.

The original forecast cost for the reform or building of stadia amounted to approximately R\$5.4 billion (with an additional budget of R\$100.8 million for preliminary design and planning work).

<sup>2</sup> In Brazil, the tournament is often referred to as the 'Copa 2014', 'Copa do Mundo 2014' or simply the 'Copa'

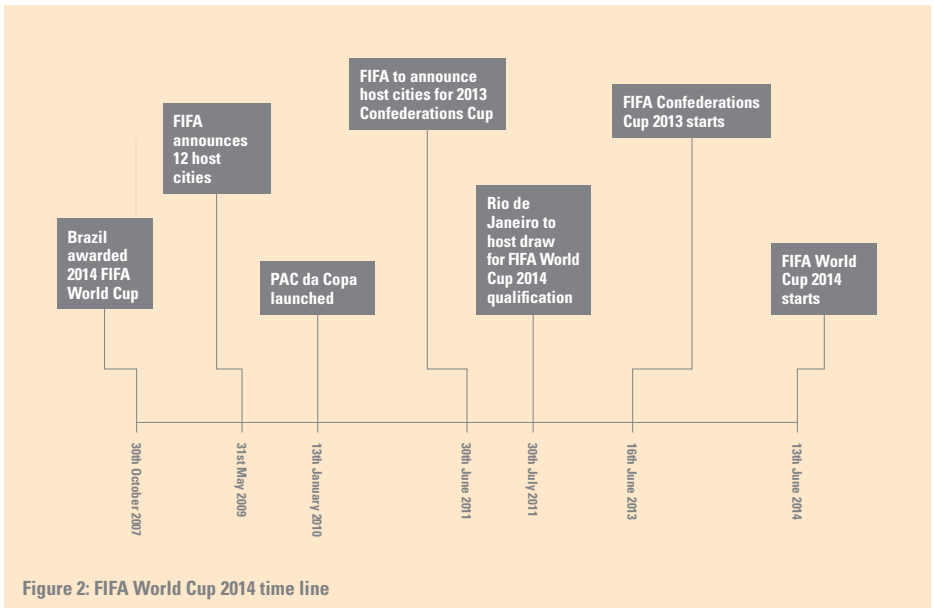


A successful competition may go some way to delivering closure on one, outstanding, football-related regret in Brazil. In 2014, it will have been 84 years since Brazil last hosted the World Cup – an occasion remembered with some bitterness given that Brazil lost in the last deciding match against Uruguay in the Maracã stadium in front of 170,000 expectant fans. An occasion that was intended to be a crowning achievement ended in humiliation and the wait for an opportunity to put things right has been a long one.

**Figure 3: Original stadium budgets in the PAC da Copa<sup>3</sup>**

State	City	Value (R\$m)	%
MINAS GERAIS	Belo Horizonte	R\$ 408.3	7.61%
DISTRITO FEDERAL	Brasília	R\$ 740.0	13.80%
MATO GROSSO	Cuiabá	R\$ 440.0	8.20%
PARAIBA	Curitiba	R\$ 172.1	3.21%
CEARA	Fortaleza	R\$ 623.0	11.51%
AMAZONAS	Manaus	R\$ 500.0	9.32%
RIO GRANDE DO NORTE	Natal	R\$ 350.0	6.22%
RIO GRANDE DO SUL	Porto Alegre	R\$ 130.0	2.42%
PERNAMBUCO	Recife	R\$ 520.0	9.70%
RIO DE JANEIRO	Rio de Janeiro	R\$ 600.0	11.19%
BAHIA	Salvador	R\$ 589.5	10.99%
SÃO PAULO	São Paulo	R\$ 335.0	5.83%
<b>TOTAL</b>		<b>R\$ 5,407.9</b>	<b>100.00%</b>

3 PAC da Copa do Mundo: Arena e Mobilidade Urbana (SINAENCO, July 2010)



**Figure 2: FIFA World Cup 2014 time line**

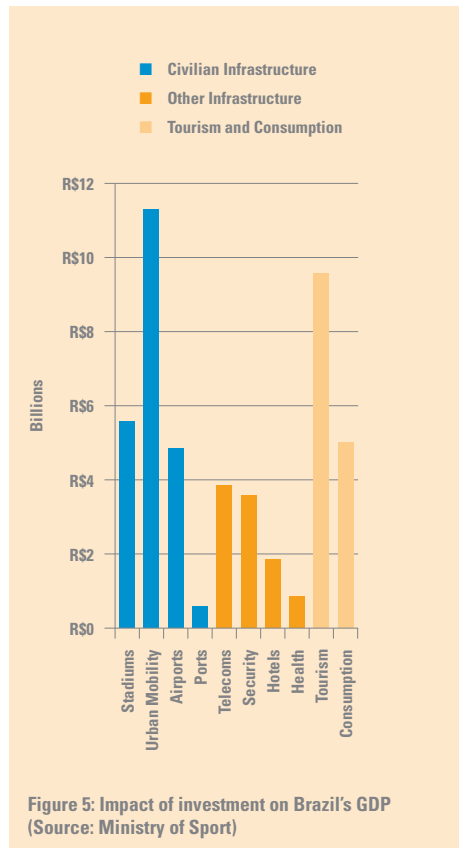
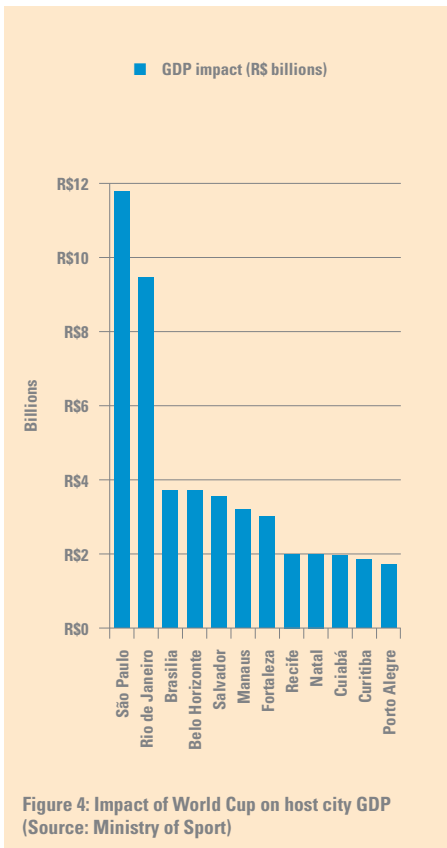
# 1 Introduction /background to report (continued)

## 1.3.2 Impact on the country

All this investment and financing is intended to harness the expected economic stimulus to the Brazilian economy that will be provided by the World Cup. A study sponsored by the Ministry of Sport<sup>4</sup> indicates that the possible direct impact on the GDP of the country between now and the end of the World Cup could be as much as R\$47 billion, the majority of which (54%) will be felt in Rio de Janeiro, São Paulo and Brasília.

Most of the benefit will come from the R\$33 billion of direct infrastructure investment currently planned. Additionally, R\$14 billion of income is expected from increased tourist and domestic consumption. The indirect benefit of the event could run to as much as R\$183 billion under the methodology employed by the Ministry.

4 PAC da Copa do Mundo: Arena e Mobilidade Urbana (SINAENCO, July 2010)



The government is also anticipating intangible benefits in the form of increased international visibility and tourism, quality of life benefits for the population from improved infrastructure and improved administrative efficiencies through integration between the states.

The Ministry is expecting 3,700,000 additional domestic and international tourists (an increase of 14% on the usual) during the tournament which should inject an additional R\$9.4 billion of spending into the economy.

The huge investments in the economy will lead to over 700,000 new jobs being created, half of which will be permanent and half temporary. This, in turn, is expected to add R\$5 billion to personal spending figures.

The ability of Brazil's airport infrastructure to cope with the influx of visitors will be tested by the event and remains one of the primary areas of concern of the organisers. Even between the years 2003 and 2008, the country witnessed passenger travel growth of 59% against worldwide growth of 35%. In the year after the financial crisis, while the rest of the world's travel volume was shrinking by 3.2%, Brazil grew again by 11.6%. For the period 2009-2014, the country is anticipating growth of 51% - equivalent to 64m passengers per year. For the 60 days of the competition, numbers are expected to increase by between 1m and 1.2m international passengers and 1 to 1.5m domestic passengers. In other words, the effect of the World Cup could lift the number of passengers passing through Brazil's airports from 26m to 28.7m, an increase of 10.3% over a period of two months.

#### 1.4 Progress of the project

In spite of all the advance warning, in spite of the huge investment and in spite of the diverse involvement of all levels of government, at time of writing there are serious concerns about the progress of the country's preparations for the tournament. A number of industry and government bodies have issued reports and statements highlighting project delays, issues with budgets and contracts and a lack of planning on the part of the organising authorities. This has initiated a lively debate about progress with just 3 years to go.

The portfolio of stadium projects is a cause for concern given that work is yet to begin in São Paulo and Natal and that several other projects are behind schedule. Although readiness for the event itself is not (yet) doubted, preparedness for the important Confederations Cup tournament to be held in Brazil in 2013 is a distinct worry.

Although a huge investment in airport capacity is underway and although the new administration is moving towards greater private involvement in the running of this infrastructure, some bodies consider the investment to have arrived too late and that the required capacity has been underestimated. The ability of the state body, INFRAERO, to manage such a programme of work is also doubted. The Institute for Applied Economic Research (IPAE) recently suggested that, based on experience with previous projects, airports in 9 of the 12 host cities will not be ready in time for 2014.



# 1 Introduction /background to report (continued)

## 1.5 A busy year ahead

The award of the 2014 World Cup took place in 2007 – some 7 years ahead of the tournament – but progress on delivering the project is mixed. With just 3 years to go, both FIFA itself and the Federal government are finally starting to show concern about progress. The year ahead will focus minds as several key events take place that will direct the attention of the sporting world to Brazil and how preparations are progressing.

**30 June 2011** – FIFA to announce hosts and dates for the 2013 Confederations Cup. With 5 venues required for the Confederations Cup, selection by FIFA is likely to be based on which cities are furthest ahead in their preparations rather than on which venues are the biggest and most iconic. If the cities of Rio and São Paulo are not included – and they are behind on their preparations at time of writing – then questions will be asked about the preparedness of the country as a whole for the FIFA World Cup itself.

**June 2011** – FIFA will announce the host city for the FIFA World Cup International Broadcast Centre ('IBC'). There are 3 candidates to host this prestigious function: Rio de Janeiro, Brasília and São Paulo.

**30 July 2011** – FIFA World Cup Qualifying Draw. The Marina de Gloria in Rio de Janeiro will be the venue for the draw that defines the schedule for the qualifying groups and games and gets the 2014 event underway.

**Figure 7: Recent sources of criticism of progress**

Body	Document/Occasion	Date	Sector	Complaint/Concern
Public Accounts Tribunal (TCU)		April 2011	Urban Transport	<ul style="list-style-type: none"> <li>• 16 of 50 urban transport projects are running the risk of being delayed</li> </ul>
Institute for Applied Economic Research (IPAE)	"Airports in Brazil"	April 2011	Airports	<ul style="list-style-type: none"> <li>• Average time taken on the various stages of important infrastructure work (project preparation; environmental licensing; tendering; delivery) suggests airport projects in 9 of the host cities will not be ready in time for the tournament</li> <li>• INFRAERO doesn't have the experience of managing such a huge investment programme</li> </ul>
National Association of Architectural and Consulting Engineers (SINAENCO)	Hearing of the federal Sport and Tourism Commission	April 2011	All infrastructure	<ul style="list-style-type: none"> <li>• Public institutions lack experience in managing large engineering projects</li> <li>• Lack of planning</li> </ul>



## NATIONAL PREPARATIONS

## 2 The Brazilian government and the 2014 FIFA World Cup

### 2.1 Federal vision for Copa 2014

“Estamos assumindo a responsabilidade como nação de provar ao mundo que temos uma economia crescente e estável.”

“We are assuming the responsibility as a nation of proving to the world that we have a growing and sustainable economy.”

#### Former President Lula da Silva on the announcement that Brazil would host the 2014 FIFA World Cup.

The award to Brazil of the FIFA World Cup 2014 was taken in many quarters as recognition of the enormous economic strides taken by Brazil in the preceding 20 years. It was also taken as recognition of the country's extraordinary association with the sport of football both through success on the field and passion off it. The vision of the government is for a tournament amply funded by the fruits of its economic success, taking place in a democratic country focused on social inclusion, defined by the vibrancy of its culture and distinguished by unrivalled natural resources. The impact of this vision is a budget, which will leave a huge infrastructural benefit to the whole population, both in world class stadia and public transport, ports, airports and hotels; which will promote efforts to showcase the country to the world and attract more visitors; and which will demand that the country's environmental reputation is embedded in the way the project is developed.

### 2.2 Federal planning

When the host cities were selected by FIFA, the Brazilian government set about planning for the required infrastructure and operational demands that would immediately be made on the country. Work was organised into 3 cycles: Phase 1 (long-term infrastructure projects); Phase 2 (short-term complimentary infrastructure and service projects); Phase 3 (operational activities).

#### 2.2.1 Phase 1

Long-term infrastructure projects include all work relating to the building of stadia, urban transport projects, airports and maritime ports. Because of their long-term nature and demand for finance, these projects had to be started immediately in the first planning phase. 94 individual projects have thus far been defined for Phase 1 with a total cost of R\$23.8 billion. Of this sum, approximately 50% will be spent on urban transport projects.

The candidate projects were presented by city and state governments in September 2009 with a view to identifying eligibility for federal funding based on the benefits they would bring and the ability to deliver them in time for the World Cup.

**Stadia:** For stadium projects, the federal government determined not to spend any government money on stadia but, instead, to ensure that financing of projects would be available via BNDES, the national development bank. Through a dedicated credit line, BNDES will finance 75% of a project's budget up to a limit of R\$400 million. Repayment for these loans is over a period of 12 years and dependent on granting of environmental/sustainable construction certification. Stadium plans were expected to cost approximately R\$ 5.5 billion of which approximately R\$2.9 billion will be lent by BNDES.



Official assessments of stadium projects – the criteria being the ability to deliver a stadium by the end of 2013 (2012 if the host city wishes to hold Confederations Cup games) – suggest only 1 is of ‘red’ status (the yet-to-start São Paulo project) and 4, whose delivery dates have been slightly rescheduled, are of ‘amber’ status. However, other opinions – including that recently voiced by Sepp Blatter of FIFA – are that time is rapidly running out for some projects, particularly those in Natal and São Paulo.

**Urban transport:** In May 2010, the Cities Ministry of the federal government introduced a directive setting up a transport infrastructure programme called ‘Pro-Transporte’ to cover BRT (Bus Rapid Transit), VLT (light rail/trams), dedicated bus lanes (corridors) and monorail projects.

The official assessment of urban transport projects is that 56% are delayed and of ‘amber’ status with only one project in Manaus considered red (‘worrying’).

**Airports:** Airport projects fall within the remit of the state airport infrastructure company, INFRAERO, and are considered by many the most critical to a country which has experienced high growth in air traffic in recent years. The existing infrastructure is unfit both to handle this growth and to accommodate the boost in transport numbers that the World Cup will bring. A total of R\$5.6 billion will be invested in 13 projects in the host cities (there are 2 projects in São Paulo) with 6 currently running behind schedule. Although officially this is not considered a problem, there has been considerable recent criticism about progress most notably from the Institute of Applied Economic Research (IPAE).

**Ports:** With 5 host cities also being important ocean ports, Manaus being a large river port on the Amazon and São Paulo benefiting from the proximity of the port of Santos, the opportunity was also taken to plan expansion and modernisation works for maritime terminals. These works compliment dredging projects already in the original PAC and were prioritised according to how the work would help ease pressure on a city’s hotel capacity. In total, R\$741 million is planned under projects being directed by the federal Secretary of Ports, SEP. All projects are considered to be on track.

### 2.2.2 Phase 2

The complimentary infrastructure and service projects for the tournament focus on security and tourism requirements. Work continues on preparing a Public Security Plan for the World Cup, which defines the roles of the country’s various security forces. This work is being guided by the Ministry of Justice.

A number of studies and conferences are also being held in the preparation of a Strategic Plan for Tourism for the FIFA World Cup 2014. Among the preparatory work are plans to train over 300,000 people for the tourist sector, actions to prevent sexual exploitation of minors, marketing of Brazil as a tourist destination and incentivisation of new hotel projects.

### 2.2.3 Phase 3

The 3rd phase of the plan – not yet formally underway – will address operational issues such as management of airspace, airports and ports; emergency health and safety preparations; energy requirements and marketing efforts to promote Brazil.



## 2 The Brazilian government and the 2014 FIFA World Cup (cont'd)

### 2.3 Federal reporting structure and entities involved

#### 2.3.1 CGCOPA and GECOPA

In keeping with the vast budget for the tournament and the enormous logistical challenges involved in delivering the infrastructure and stadia, the involvement of federal ministries in the organisation is extensive. The aim of this involvement is to have a structure that can assign responsibilities, plan activities and monitor progress at a national level while coordinating with FIFA through the COL (the local organising committee for the FIFA World Cup 2014) and interacting with the host cities' municipal and state authorities.

To that end, two committees were formed to develop a strategic plan for the project:

- CGCOPA (the World Cup Managing Committee): formed with representatives from 16 ministries and chaired by the Ministry of Sport, the committee has the responsibility of identifying, qualifying and monitoring all activities necessary in bringing the event to fruition
- GECOPA (the World Cup Executive Group): made up of five permanent members from the five most important ministries and tasked with setting and monitoring targets

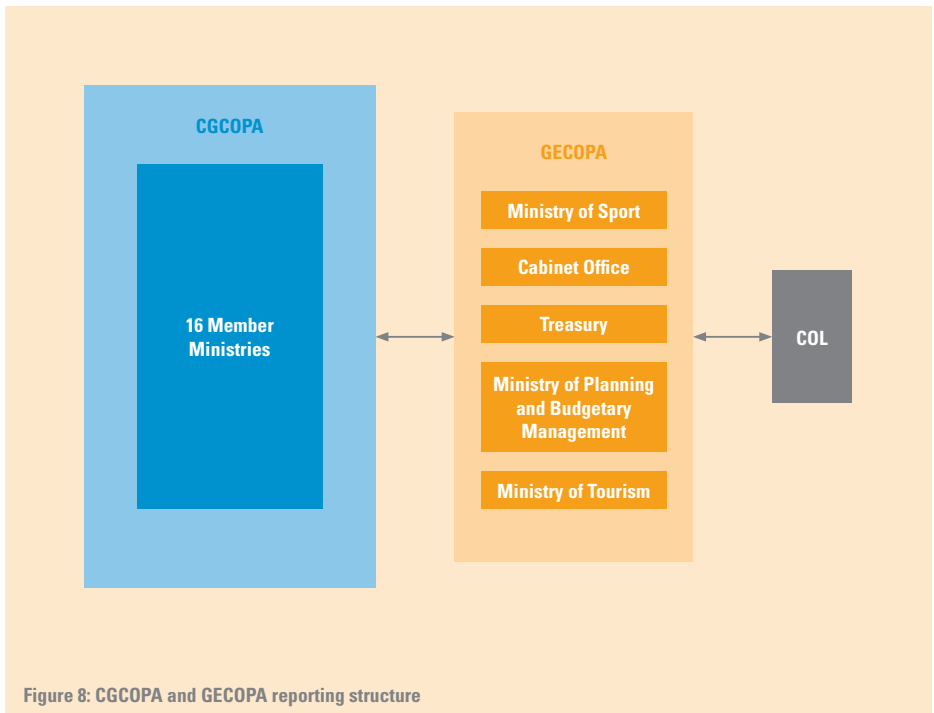


Figure 8: CGCOPA and GECOPA reporting structure

### 2.3.2 COL

COL ('Comitê Organizador Local' or 'Local Organising Committee') is an entity set up by FIFA to organise the event in Brazil and take responsibility for its successful delivery. COL works in partnership with the Brazilian Football Confederation, the CBF, and includes several members of the CBF in its ranks. COL interacts with government through the Ministry of Sport but is funded by FIFA.

### 2.3.3 'Matriz de Responsibilidades'

To ensure a clear division of duties between the various levels of government, the responsibilities of each were defined in a Responsibilities document (the 'Matriz de Responsibilidades'). This document describes sources of funding and delivery obligations for stadia and infrastructure projects. In January 2010, representatives of all levels of government for each host city and the federal government formally signed the 'Matriz de Responsibilidades' with annexes relating to ports and airports added and signed in July.

### 2.3.4 Cámaras Temáticas

In addition to the federal committees managing the World Cup project, a set of special ministerial focus groups ('Cámaras Temáticas'), nine in total, are being implemented to provide additional input to the CGCOPA on specific subjects:

- Infrastructure
- Stadia
- Security
- Health
- Environment and sustainability
- Tourism
- Commercial and technology promotion
- Culture, education and social action
- Transparency

Six of these groups have been formally set up with guidelines for the remainder being discussed with the lead ministries. Many host city organising committees are also replicating this use of domain-specific discussion groups.

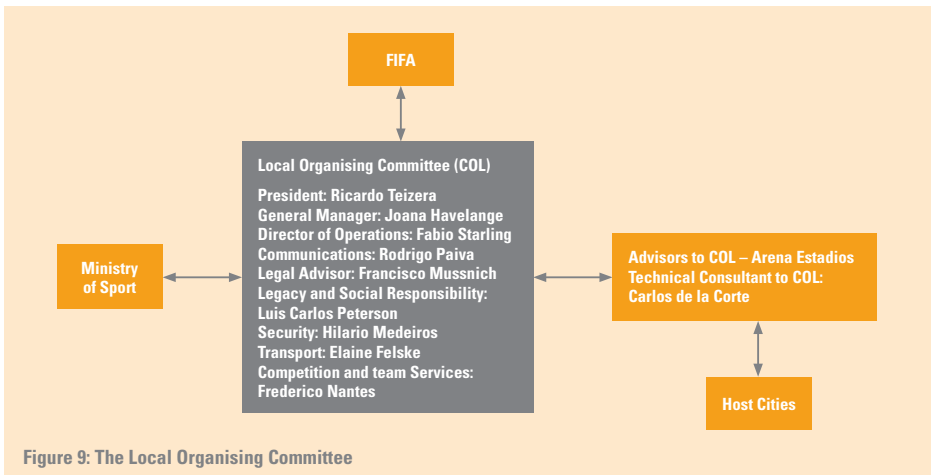


Figure 9: The Local Organising Committee

## 2 The Brazilian government and the 2014 FIFA World Cup (cont'd)

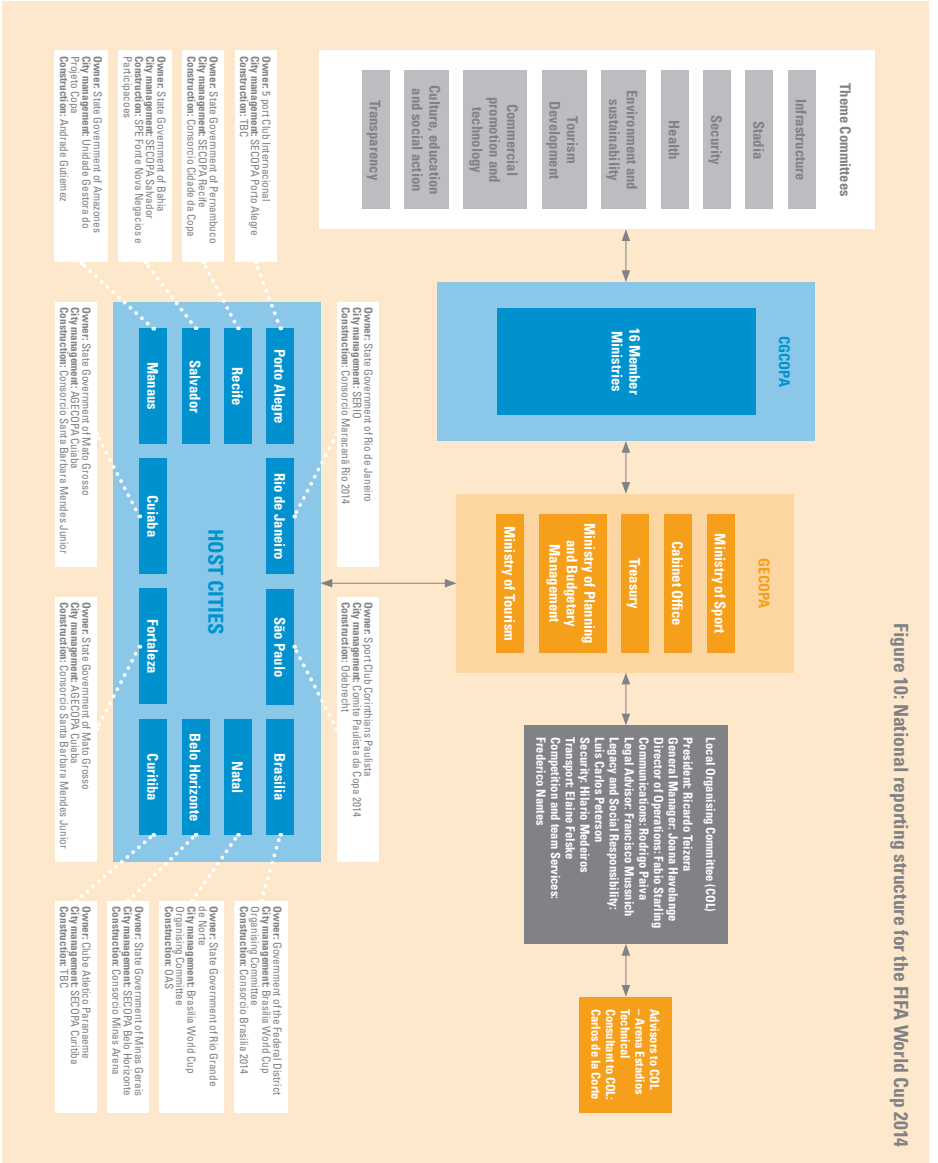
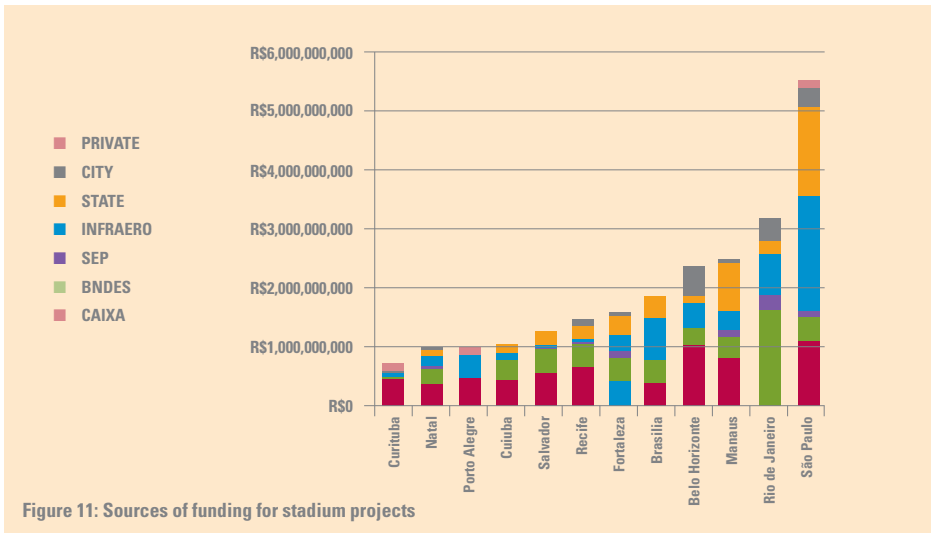


Figure 10: National reporting structure for the FIFA World Cup 2014



## 2.4 Federal budget

### 2.4.1 PAC da Copa

When all stakeholders got together to formally sign up to their commitments to the World Cup project, the planned investments were also announced in an agreement referred to as the 'PAC da Copa'. The original PAC da Copa included 81 projects—the government level document – of which 12 were arenas and 69 urban mobility projects (BRTs, airports etc). The latest federal statement indicates 94 projects falling within the ambit of the PAC da Copa with a total value of approximately R\$24 billion. Recent comments by President Dilma indicate that the sum actually invested in the event in the end could be as much as R\$33 billion.

### 2.4.2 Sources of funds

Of the total planned investment, the anticipated stadium budget was R\$5.4 billion (including the design budget of R\$100.8 million) but it was stated by President Lula at the time that this money would not come from the federal budget (the 'Orçamento Geral da União' or OGU). Instead, a sum of approximately R\$3 billion would be lent by the national development bank, BNDES, with an additional R\$2.5 billion coming from local sources (state and city governments and private investors).

Urban transport projects were to receive approximately R\$12 billion, with 40% of the total destined for BRT work and 36% for light rail/monorail projects. Another R\$5.5 billion was to be spent on airports and R\$750 million on ports.

Financing from BNDES is organised by a number of funds and programs with specific terms and conditions relating to participation of BNDES, responsibilities of borrowers, interest rates and repayment terms. These funds include:

**Pro Copa Arenas:** Support for construction and refurbishment projects for stadia that will host World Cup games in 2014 and their surrounds

**ProCopa Turismo:** To finance the construction, refurbishment, extension and modernisation of hotels with the aim of increasing capacity and quality of accommodation for the World Cup

In addition to BNDES funds, the Ministry for Cities runs the **Pro Transporte** program, which aims to finance both public and private sector public transport projects through the public bank, Caixa Econômica Federal. The federal government has also granted certain tax exemptions for stadium work

## 2 The Brazilian government and the 2014 FIFA World Cup (cont'd)

### 2.5 Legal environment for Copa 2014

In putting forward its candidacy, Brazil was obliged to offer to FIFA and its partners a range of services and exemptions to enable the successful operation of the tournament. When selected, these commitments were ratified in 11 government guarantees as follows:

- 1 Unconditional entry and exit for FIFA delegates, commercial and operational partners, ticket-holding spectators (Estatuto do Estrangeiro – Law: 6.815/1980)
- 2 Unconditional issue of work permits to foreigners and suspension of any legislation that might restrict any FIFA members, commercial and operating partners from carrying out their FIFA-related activities (Lei Geral da Copa)
- 3 Guarantee that import and export of goods necessary for the event will be allowed and be exempt from any taxes (Law: 12.350/2010)
- 4 General exemption from taxes for FIFA and its commercial and operating partners (Law: 12.350/2010)
- 5 All necessary steps will be taken to guarantee the safety of the Copa and all people involved with it (Estatuto do Torcedor – Law: 10.671/2003; Código de Defesa do Consumidor – Law 8.078/1990)
- 6 Guarantee the uninhibited entry and exit of foreign currency along with unrestricted exchange of US Dollars, Euros and Swiss Francs for FIFA, its commercial and operational partners (Resolução do Conselho Monetário Nacional No. 3.568/2008; Decree: 42.820/1957; Law: 9.069/1995).
- 7 Guarantee priority treatment in immigration, customs and check-in for members and management of FIFA, match officials and players (Estatuto do Estrangeiro Law: 6.815/1980)
- 8 Protection and exploitation of commercial rights related to events including registration of brands, ambush marketing, intellectual property etc (Lei Geral da Copa).
- 9 Guarantee that all national anthems of participating countries will be played before each of their games and flags will be raised (Law 9.615/98 – “Lei Pele”)
- 10 Guarantee that all necessary measures will be taken to ensure compensation to FIFA resulting from the organisation and realisation of the event (Lei Geral a Copa).
- 11 Guarantee availability to FIFA and other users of a telecommunications network which meets FIFA's requirements and uses the most advanced technology in the field (Lei Geral de Telecomunicações – Law: 9.472/1997)



## HOST CITY PREPARATIONS



## 3 Host cities and Copa 2014

### 3.1 Introduction

#### 3.1.1 Background

On 31st May, 2009, FIFA confirmed the 12 cities that would host the 2014 World Cup having granted CBF the right to extend the usual limit of between 8 and 10 host venues. The choice of the 12 was largely expected, although, with 18 candidates (17 after the city of Maceió withdrew), there were still some regional disputes for three of the slots with Manaus fighting off the challenge of Belém in the north, Cuiabá beating Campo Grande in the Pantanal region and Natal proving a stronger bid than Florianópolis in spite of the latter's strong footballing tradition.

#### 3.1.2 Types of host city project structures

Of the stadia, 9 are publicly owned and 3 are privately owned. The projects to build or refurbish the stadia can be loosely categorised as follows:

- 1 Where the stadium is owned by the state government and works are being publicly funded with assistance from BNDES loans (Rio de Janeiro; Brasília; Cuiabá; Manaus)
- 2 Where the stadium is privately owned (by a local football club) and improvements are being funded through a private arrangement with a construction company or consortium (Porto Alegre; São Paulo; Curitiba)
- 3 Where the stadium is owned by the state government and is funding improvement or a new build through a PPP arrangement with a construction company or consortium (Recife; Belo Horizonte; Fortaleza; Natal; Salvador)



**Figure 12: Project types by venue**

State	City	Project Structure
MINAS GERAIS	Belo Horizonte	PPP
DISTRITO FEDERAL	Brasilia	Publicly funded
MATO GROSSO	Cuiabá	Publicly funded
PARAIBA	Curitiba	Private
CEARÁ	Fortaleza	PPP
AMAZONAS	Manaus	Publicly funded
RIO GRANDE DO NORTE	Natal	PPP
RIO GRANDE DO SUL	Porto Alegre	Private
PERNAMBUCO	Recife	PPP
RIO DE JANEIRO	Rio de Janeiro	Publicly funded
BAHIA	Salvador	PPP
SÃO PAULO	São Paulo	Private

### 3.1.3 Host city project governance

Irrespective of the ownership of the stadium, the authorities of each host city have tended to set up their own organising committees to oversee progress. These are often in the form of a Special Secretariat ('Secretaria Especial' or 'Secretaria Extraordinária' – often abbreviated to 'SECOPA') set up by either the municipal or state governments and consisting of representatives from other departments and ministries or special advisers in certain disciplines. Their role is to ensure civil society institutions are involved in the planning and delivery of FIFA World Cup projects wherever public money is being spent or integration with public services is required.

### 3.1.4 Relationship with federal organisations and FIFA

FIFA tasks COL with the successful delivery of the event but has agreements ('Host City Agreement' and 'Stadium Agreement') with individual host cities, which define the commitments required by FIFA of the host cities to ensure delivery of the tournament.

When it comes to contracting work and services, COL has no role (although FIFA itself does contract certain services for the delivery of the tournament). Procurement is solely the responsibility of the host city, the stadium owners and their agents. The COL monitors the progress of the host cities towards honouring their commitments to FIFA and has hired a local architectural consultancy, Arena Estádios, to help them with this.



## 3 Host cities and Copa 2014 (continued)

### 3.2 Brasília

#### 3.2.1 Context/background

Brasília was only planned and built in the 1950s, becoming the capital of Brazil in 1960 and thus fulfilling a historic demand of the country's constitution to move the capital closer to its geographic centre. Unlike the other cities in Brazil, in local government terms, it is not a municipality within a state but instead a city within the Federal District which itself is one of the 27 federal entities of Brazil.

With such a short history of its own, it is no surprise that the city lacks a tradition of professional football and one of the biggest challenges for the city 'post-Copa' will be how to make the most of a large stadium with nothing to fill it. The city has a population of approximately 2.5 million which should be a critical mass for a strong football following. However, the two clubs in the city – Brasiliense and Sociedade Esportiva de Gama – are both in the lower reaches of the national league.



Brasiliense play in the Estádio Mané Garrincha, which was built in 1974 and chosen by the city to host FIFA World Cup games in 2014. The existing stadium holds 45,000 but plans for the refurbishment envisage a 70,000-seater stadium – something which would qualify it for the tournament’s higher profile games such as the opening ceremony.

### 3.2.2 Stadium

#### 3.2.2.1 Ownership of the stadium

The Mané Garrincha, named after Brazil’s much loved World Cup winner of 1958 and 1962, is owned by the Secretary of Sport of the Federal District. The plan is to extend capacity to 70,000 and add a roof and commercial area to the complex. The contract for construction of the stadium was granted to a consortium consisting of Via Engenharia and Andrade Gutierrez. The original budget of R\$740 million was to be partly financed by a R\$400 million loan from BNDES. Subsequent intervention by the Federal District audit authorities has seen the contract value fall to R\$671 million.

The last elections brought a new Governor, Agnelo Queiroz, to the Federal District, whose campaigning position had been that the stadium is too large to represent an appropriate legacy for the city – especially with the likelihood that São Paulo will host the competition’s opening ceremony. With pressure from the federal government and its auditing agencies, the Governor was demanding a reduction in capacity to 40,000 with a contingent lowering in costs. However, recent pronouncements (11th April 2011) by Queiroz indicate a desire to retain the larger design based on a perceived need to be able to host large shows and events in the capital. The response of the local and federal authorities is awaited.

#### 3.2.2.2 Progress

Work began in July 2010, demolition works were completed in October 2010 and foundation works began in early 2011. In November 2010, the Ministry recommended the suspension of payments by Terracap, the Federal District’s urban development arm, to the construction consortium, arguing that the reform of the stadium was outside Terracap’s remit. The situation was resolved at the beginning of March 2011 with the passing of a law which formally placed the stadium under the ownership of Terracap. Day-to-day financing is coming entirely from Federal District coffers while BNDES loans are still being negotiated. The arguments have, nevertheless, lead to delays and a planned completion date of December 2012 has been put back to July 2013.

Brasília – Stadium Summary	
Official Name	Estádio Nacional de Brasília
Nickname	Mané Garrincha
Current Capacity	45,000
New Capacity	71,412
Owner	Government of the Federal District (through Ministry of Sports)
Operator	Terracap

Brasília – Project Summary	
Owner project manager	Terracap
Construction	Consórcio Brasília 2014 (Via Engenharia; Andrade Gutierrez)
Architects	Castro Mello Architects; von Gerkan, Marg und Partner
Project consultants	-
Roof design	Schlaich, Bergemann und Partner
Project type	Public
Build type	Reconstruction
Initial forecast budget	R\$740 million
Winning tender	R\$696 million
Current budget	R\$671 million
Financing	BNDES: R\$400 million GDF: R\$271 million
Project Start	1st July 2010
Project End	31st July 2013
Official RAG status	<b>AMBER</b>

## 3 Host cities and Copa 2014 (continued)

### 3.2.3 Other city projects: summary

**Urban Mobility:** Although not specifically linked to World Cup preparations, Brasília has been running a project to introduce a 22km VLT ('Veículo Leve sobre Trilhos' or Light Railway) line in the city since 2008. The project has been regularly held up by budget and environmental issues. Part of the plan involves a link between the airport and the W3 South and North avenues with stops at the Mané Garrincha. It is expected to cost R\$361 million and should facilitate access to matches by tourists in the hotel sector. The current contract is with the Brastram consortium (Via Engenharia; Mendes Júnior; Alstom; Altram\TCBR) but the authorities are currently looking at the possibility of breaking this contract.

**Airport:** The President Juscelino Kubitschek International Airport – currently the country's third busiest – will benefit from reform and expansion of the passenger terminal, expansion of taxiing areas and improved access. The total cost of the project will run to R\$744 million with preliminary work and environmental approval work already underway. The tender for reform and expansion of the South terminal and apron is expected to be issued in June 2011.

### 3.2.4 Specific opportunities/interests of the stakeholders

Although the currently preferred design is for a 70,000 seat arena, there is still a chance that pressure will be exerted on the Distrito Federal government to reduce capacity. If this happens, there may be opportunities to present innovative solutions for flexible and/or temporary seating.

The words of the Governor, Agnelo Queiroz, regarding Brasília's need for a world class arena, suggest that existing plans for a 70,000 seat stadium will be retained in spite of fears of the stadium becoming a 'white elephant' for the city. This implies a need for enlightened stadium and event management to ensure that all legacy objectives are met. Advice and services for optimising the use of the arena and the associated revenue will be in demand.

It is also likely that, given the delays to the project, the familiar issues of security and stewarding, smart access management and revenue optimisation still need to be addressed by the stadium's owners.

Specialist airport services will also be in demand for the expansion of Kubitschek Airport to help with its ambitious plan to increase capacity to over 32 million passengers per year in time for the tournament.

Opportunity Summary	
Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>Stadium fit-out services</li> <li>Specialist construction services</li> <li>Security planning and systems</li> <li>Staff training</li> <li>Event management (planning, training and systems)</li> <li>Temporary structures</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>Specialist urban transport services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>Passenger terminal design</li> <li>Specialist airport services</li> </ul>
Port infrastructure	N/A

### 3.2.5 Stakeholders and Decision Makers

Brasília – Key Contacts		
<b>Agnelo Queiroz</b>	Governor	Government of the Federal District
<b>Célio René Trindade</b>	Secretary of Sports	Government of the Federal District
<b>Jose Walter Vazquez Filho</b>	Secretary of Transport	Government of the Federal District
<b>Sérgio Graça</b>	Manager	Brasília World Cup Project
<b>Fábio Simão</b>	President	Brasília Football Federation
<b>Marcelo Piancastelli de Siqueira</b>	President	Terracap

### 3.3 Porto Alegre

#### 3.3.1 Context/background

The city of Porto Alegre is capital of Brazil's southern-most province of Rio Grande do Sul. The city is home to two of the country's strongest football teams, S.C. Internacional and Grêmio Football Porto Alegrense, and, consequently, already had two large football stadia capable (with refurbishment) of hosting FIFA World Cup games when Brazil was chosen as host. The choice of S.C. Internacional's 'Gigante da Beira Rio' stadium (officially called the 'Estádio Jose Pinheiro Borda') has not stopped Grêmio from also pressing ahead with plans to build a new stadium to replace their own Estádio Olímpico Monumental.

Delays by Internacional in deciding the appropriate construction and management model for the refurbished Beira Rio has tried FIFA's patience. The prevarication has even raised hopes at Grêmio that their candidacy might be re-examined as their Arena Grêmio project is expected to be completed by December 2012. However, the Beira Rio remains the official host venue and the fact that the work required is refurbishment rather than a complete new build mean that the club are still confident of being ready in time for the Confederations Cup.



Architect's impression

## 3 Host cities and Copa 2014 (continued)

### 3.3.2 Stadium

#### 3.3.2.1 Ownership of the stadium

The delays at Internacional have come from disagreements between two opposing factions in the club's governing council: one arguing for a refurbishment of the stadium from the club's own resources; the other arguing for a partnership with a construction consortium. The club recently opted for the partnership approach at a meeting in the middle of March 2011. Although piecemeal work had already started, this decision opens up the path for a major construction company to address the work in a holistic way.

The front-runners to win the contract – 12 parties had registered their interest at the end of March – are a consortium lead by the powerful Brazilian firm, Andrade Gutierrez. Once awarded, there will be a period of 30 to 40 days when the details of the contract are finalised and the club will be actively looking for help in drawing up this contract. The decision to award the contract will be taken on 4th May 2011 with the official announcement slated for 16th May 2011. The decision to alter the project model was largely driven by FIFA's demands for financial guarantees for the project, something they felt was better provided by a large construction company than the club itself. This has also had the effect of increasing the budget from R\$130 million to something nearer R\$270 million.

Internacional own a large area of land around the Beira Rio and the project to refurbish the stadium also includes ambitious plans to develop the whole site. Initial work will focus on the stadium – including a new metal roof; VIP suites and sky boxes; and multi-storey parking with easy access to the ground. However, later phases will include hotels, shopping centres, a marina taking advantage of the riverside location and refurbishment of the 15,000-seater Gigantinho arena.

The management of the club aim to make the most of smart technology to improve the experience of spectators and visitors. The club has the largest number of members of any Brazilian sporting club (currently 106,000 but with plans to increase this to 200,000) and they are looking at ways to maximise both the information they can derive about their members and the revenue that such a large membership can bring.

#### 3.3.2.2 Progress

Although piecemeal works, such as demolition of some terracing, are underway, the main construction work – which will include a new metallic roof – will not commence until the tender has been awarded. Delays in choosing a financing and management model have led to the completion date being put back 4 months to December 2012, although this should leave enough time for the club to realise its ambition of hosting Confederations Cup games.

#### Porto Alegre – Stadium Summary

<b>Official Name</b>	Estádio Jose Pinheiro Borda
<b>Nickname</b>	(Gigante da) Beira Rio
<b>Current Capacity</b>	56,000
<b>New Capacity</b>	60,000
<b>Owner</b>	Sport Club Internacional
<b>Operator</b>	TBC

#### Porto Alegre – Project Summary

<b>Owner project manager</b>	TBC
<b>Construction</b>	TBC
<b>Architects</b>	Santini e Rocha Arquitetos; Hype Studio
<b>Project consultants</b>	Hélio Gregory Giarretta Jr
<b>Roof design</b>	-
<b>Project type</b>	Private
<b>Build type</b>	Refurbishment
<b>Initial forecast budget</b>	R\$130 million
<b>Winning tender</b>	TBA
<b>Current budget</b>	R\$270 million (est.)
<b>Financing</b>	Private: TBC City: R\$11 million
<b>Project Start</b>	1st July 2010
<b>Project End</b>	31st December 2012
<b>Official RAG status</b>	<b>AMBER</b>

### 3.3.3 Other city projects: summary

**Urban Mobility:** Porto Alegre has a long list of transport projects planned to improve integration between the airport, the city and the Beira Rio stadium in time for the tournament. In total there are 10 projects with a value of R\$480 million:

- **Avenida Tronco Corridor:** Road widening, cycle and bus lanes in this route which links the Beira Rio stadium with the city centre and other transport lines (4.6km)
  - Project design complete; expropriations underway; main works to begin in June 2011
- **3rd Perimeter Corridor:** Improved bus route linking the airport and other lines to the Beira Rio with the aim of easing congestion in the centre of the city
  - Design and expropriations underway; main works due to begin in August 2011
- **Padre Cacique/Avenida Beira Rio Corridor:** Linking the city centre with the Beira Rio following the banks of the Rio Guaíba.
  - Designs and expropriations underway; main works begin in June 2011

**Monitoring of 3 corridors:** Flow and safety management for 3 key transport corridors in the city

- Design underway; main works begin June 2011
- **BRT (Protásio Alves):** Linking the centre of the city to the northern suburbs (9.4km; 11 stops)
  - Design underway; main works begin May 2011

- **BRT (Assis Brasil):** Linking the central to the north areas of the city (4.4km; 7 stops)
  - Design underway; main works begin August 2011
- **Voluntários da Patria corridor and São Pedro Bus Terminal:** Allowing connections from the centre of the city to Grêmio's new stadium (3.5km; 8 stops)
  - Design underway; expropriations begin in February 2011; main works begin in December 2011
- **Avenida Severo Dullius extension:** Linking the airport to the city's northern sector (2.8km)
  - Design and expropriations underway; works begin February 2012
- **Central bus station complex:** Installation of a road bridge
  - Design and expropriations underway; main works begin November 2011
- **BRT Bento Gonçalves/Azenha and Antonio Carvalho gateways:** Linking the central suburbs to the PUC and UFRGS universities and the eastern part of the metropolitan area
  - Design underway; main works begin May 2011

**Airport:** The passenger terminal of Porto Alegre's Salgado Filho International Airport is being expanded and upgraded at a cost of R\$346 million in partnership between the federal government and INFRAERO. Environmental licenses are being pursued with the main works due to begin in June 2012.



## 3 Host cities and Copa 2014 (continued)

### 3.3.4 Specific opportunities/interests of the stakeholders

Representatives of Internacional have made it clear that many aspects of the stadium's build and management have not yet been defined given that, at time of writing, the project management model had only just been agreed and a partner for the work had not yet been instructed. But the club management has strong ideas on the direction and themes of the project and is particularly keen to maximise the revenue from their huge membership and to use technology to optimise access, security and circulation in the new Beira Rio complex. For this reason, they are interested in hearing ideas on the subject of access management, smart entry systems, security and CRM systems and have indicated their willingness to meet British companies with expertise in these (and other) areas.

Delays to the project may also mean that a new window has opened up for companies wishing to offer their services to the successful construction consortium especially in relation to the plans for the roof.

The city of Porto Alegre is also planning an ambitious programme of infrastructure projects for the city only some of which have been specifically tied to FIFA World Cup preparations. The city has recognised urban transport requirements, including a metro system being discussed with the federal government, that do not fall within the original 'Matriz de Responsibilidades' but which still need to be addressed. Furthermore, many of the FIFA World Cup projects are already running behind schedule which means that the city authorities may still be open to approaches by British organisations in spite of the official tendering deadlines having passed.

Additionally, there is a substantial amount of work required in the refurbishment of the airport passenger terminal. The tender for initial work (which also included a requirement for a parking management system) on the airport refurbishment was published by INFRAERO on 29th March 2011.

### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Specialist construction services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Event management (planning, training and systems)</li> <li>• 'Smart' access/traffic design and management</li> <li>• Urban development consultancy and services for site optimisation</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Specialist urban transport services</li> <li>• Traffic monitoring systems and equipment supply</li> <li>• BRT design and component supply</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal design</li> <li>• Specialist airport services</li> </ul>
Port infrastructure	N/A

### 3.3.5 Stakeholders and Decision Makers

#### Porto Alegre – Key Contacts

<b>Tarso Genro</b>	Governor	State of Rio Grande do Sul
<b>Jose Fortunati</b>	Mayor	City of Porto Alegre
<b>João Bosco Vaz</b>	Special Secretary	SECOPA Porto Alegre
<b>Kalil Sehbe</b>	Secretary of Sport and Leisure	Government of the State of Rio Grande do Sul
<b>Giovanni Luigi</b>	President	S.C. Internacional
<b>Luciano Davi</b>	Vice President, Special Projects	S.C. Internacional
<b>Hélio Giaretta Jr.</b>	Project Manager	S.C. Internacional
<b>Milton Stella</b>	Special Adviser	S.C. Internacional
<b>Leonardo Salvaterra Treiguer</b>	Regional Director	Andrade Gutierrez

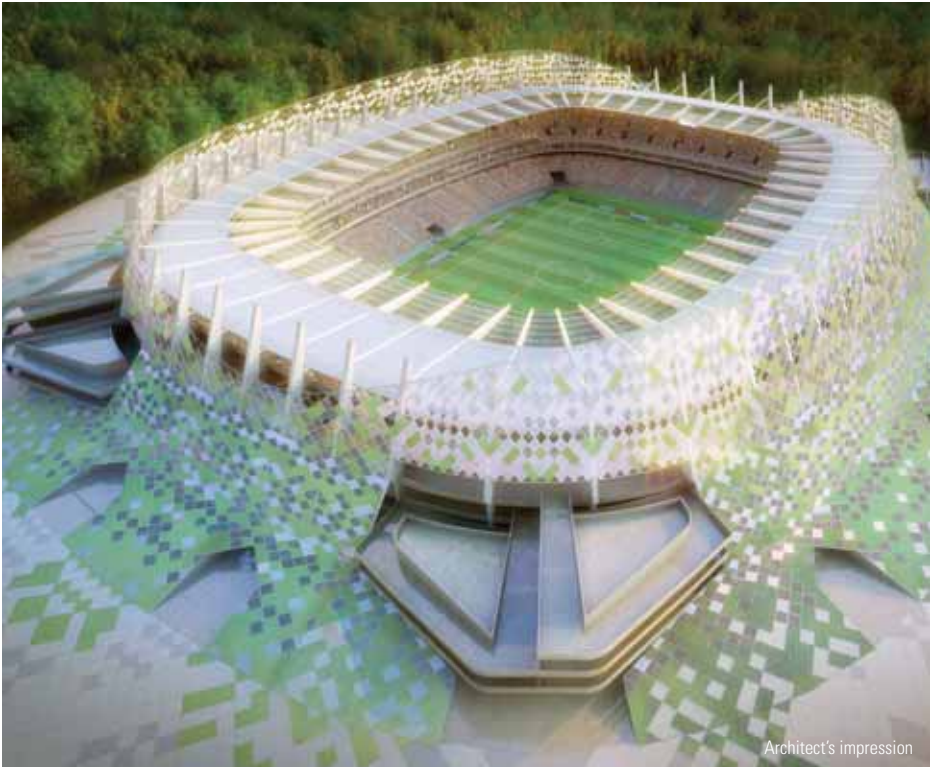
### 3.4 Recife

#### 3.4.1 Context/background

Recife is the fourth largest city of Brazil and capital of the state of Pernambuco. It is a coastal city surrounded and interspersed with rivers with an important tourist industry due to its proximity to many beaches. The port of Recife is also a regular stop for cruise liners.

The city is home to 3 football clubs: Sport, Náutico and Santa Cruz. Sport and Náutico play in Série B of the Brazilian championship while Santa Cruz languish in Série D. Each club owns its own ground: Santa Cruz has the 60,000-seat Estádio de Arruda; Sport owns the Ilha de Retiro; and Náutico owns the Estádio dos Aflitos.

The attachment of each club to its own stadium in its own neighbourhood is something which is proving a complicating factor for the city's project to build a brand new stadium to host FIFA World Cup games. The new stadium is being built within a new commercial/residential area known as the 'Cidade da Copa' but would like the city's clubs to undertake to play their games there – an undertaking that has not yet been provided. However, should it be possible to leverage this strong, footballing tradition in Recife, it should underpin the investment and ensure that the development has a viable future.



Architect's impression

## 3 Host cities and Copa 2014 (continued)

### 3.4.2 Stadium

#### 3.4.2.1 Ownership of the stadium

The new Arena Pernambuco will be owned by the state government of Pernambuco but will be operated on a 30-year concession by the winning consortium currently referred to as 'Sociedade de Propósito Específico (SPE) Arena Pernambuco'. Pernambuco already had a history of successful PPP projects when considering its approach to the new stadium. This, along with considerations about financial risk, having the requisite skills and capacity to run the stadium and FIFA's fondness for the PPP approach, led the state authorities to adopt this model. The contract was awarded on 12th May 2010.

#### 3.4.2.2 The Cidade da Copa

The Cidade da Copa project is an ambitious plan to develop a new residential and commercial neighbourhood based around a new 46,000-seat sports arena on a 250-hectare site in the municipality of São Lourenço da Mata, a suburb 19km from Recife's city centre. The project is being run as a PPP between the state government of Pernambuco and the Arena Pernambuco consortium which itself is made up of Brazilian construction firm, Odebrecht, the British stadium commercialisation company, ISG, and the American stadium managers, Anschutz Entertainment Group (AEG). The contract is for 33 years involving 3 years for the construction work and a 30 year concession when the project goes 'live'. The cost of the stadium build is R\$491 million of which R\$400 million is coming from BNDES, R\$71 million from private investment and the balance from state funds.

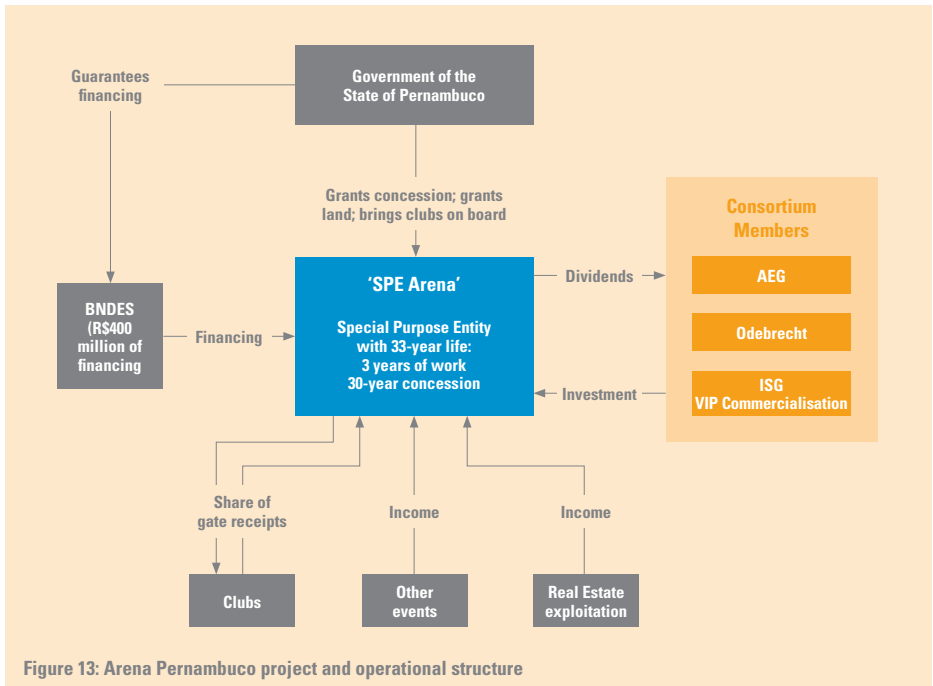


Figure 13: Arena Pernambuco project and operational structure

The whole development is intended to create a new centre of gravity for the city of Recife and, in addition to the residential and office development, will also include a university campus and other civic facilities. SPE Arena would also like to use the presence of the stadium to create an 'Entertainment City' and create a focal point for all kinds of leisure activities. Plans for 'post-Copa' use of the arena are expected to be released in July 2011. The extensive plans of both the city and the state to upgrade and extend the urban transport infrastructure include projects to link the Cidade da Copa both to the city centre and the airport.

Work is proceeding smoothly with the main works having begun in August 2010 and foundation work on the main arena just starting in March 2011. R\$280 million of BNDES financing was released early in April 2011 and the Arena continues to be one of the most advanced of the Brazilian FIFA World Cup projects. Completion is expected by December 2012, which would allow for Recife's participation in the Confederations Cup.

The SPE Arena Pernambuco consortium and Recife's SECOPA committee are still in negotiations with Recife's 3 main clubs to persuade them to play at least some of their games at the new stadium. This is an important element in ensuring the viability of the stadium after the World Cup although both the consortium and SECOPA are downplaying this. The incentives for the clubs in terms of gate receipts are believed to be substantial but there are strong motives for the clubs to stay where they are – not least of which are the convenience of their current locations to their fans and the value of the stadia they already own. Indeed, Sport has created and approved plans for its own 45,000, multi-use arena on the site it owns at Ilha de Retiro. SECOPA (Recife) and SPE Arena Pernambuco are due to make further overtures to the clubs within the next few months and it remains to be seen whether the clubs are wed to their traditions and locations or merely using them as a negotiating tool.

Recife – Stadium Summary	
Official Name	Arena Pernambuco
Nickname	Arena Pernambuco
Current Capacity	N/A
New Capacity	45,154
Owner	State Government of Pernambuco
Operator	SPE Arena Pernambuco Negócios e Investimentos S/A

Recife – Project Summary	
Owner project manager	SECOPA (Recife)
Construction	Odebrecht
Architects	Fernandes Arquitetos
Project consultants	-
Roof design	-
Project type	PPP
Build type	New build
Initial forecast budget	R\$520 million
Winning tender	R\$464.6 million
Current budget	R\$491 million
Financing	BNDES: R\$400 million Private: R\$71 million State: R\$20 million
Project Start	1st August 2010
Project End	31st December 2012
Official RAG status	<b>GREEN</b>

## 3 Host cities and Copa 2014 (continued)

### 3.4.3 Other city projects: summary

The city of Recife and state of Pernambuco have an ambitious programme of public works, much of which is in support of their preparations for the World Cup. The transport infrastructure plans are listed below. Recently, the acting head of the host city planning secretariat (SECOPA), Silvío Bompastor, also announced a security plan which will require funding of approximately R\$5 billion. Similarly, there are extensive plans for upgrades and extensions to other important civic amenities such as water supply and sewage.

**Urban Mobility:** There are 5 urban transport projects explicitly linked with preparations for the World Cup although these form just a part of the city's broader infrastructure plans. The total cost of these 5 projects is R\$885 million of which R\$678 million will come from federal government via the Banco Caixa and the rest from local funds.

- The Caxanga Corridor will link Caxanga Avenue with the Camaragibe transport hub in a 12km stretch involving 24 stops.
  - The tendering document is due to be published by the end of March 2011 with the main works due to start in July 2011 and finish in January 2013.
- A North/South BRT route will link the Igarassú transport hub with the Joana Bezerra terminal in a 15km stretch with a capacity of nearly 200,000 passengers per day.
  - The finance contract is expected to be signed by the end of March and the tender published at the same time. Works are due to begin in June 2011.
- An East/West BRT line will link the Cidade da Copa with the Caxanga Corridor and the Cosme and Damíão terminal (3km; 2 installations)
  - The finance contract is expected to be signed by the end of March and the tender published at the same time. Expropriations are due to begin in June 2011 with the main works starting in January 2012
- The Via Mangue Corridor will link the central district to the suburbs of Boa Viagem and Pina over a 4.5km stretch
  - Expropriations are underway with main works due to begin in March 2011
- The Cosme and Damíão terminal will become an integrated bus and metro station taking 40,000 passengers per day
  - The finance contract is expected to be signed by the end of March and the tender published at the same time. Works are due to begin in June 2011.

**Airport:** Guararapes International Airport is receiving a new R\$20 million control tower. The tender is due to be released in March 2011 with work due to start in August 2011

**Port:** An existing warehouse is being re-modelled as a passenger terminal at the Recife Maritime Terminal which will also receive new parking and improved road access. Total cost of the works which are underway will be R\$22 million..

### 3.4.4 Specific opportunities/interests of the stakeholders

As with other projects, the main engineering and construction tasks at the Arena Pernambuco are planned and underway. Nevertheless, Marcos Lessa, speaking recently as head of the SPE Arena Pernambuco consortium, described their plans to make the stadium a 'Smart Stadium' and, by extension, the Cidade da Copa development a 'Smart City'. New technology services and products related to 'smart' stadium management and systems are, therefore, likely to be in demand and driven by the input of stadium management group, AEG, which is part of the consortium.

Further down the line, there will be a wide range of services required when the SPE Arena starts developing and marketing the real estate on the Cidade da Copa site.

Definition of many projects from the vast range of urban transport infrastructure work being carried out in Recife is expected to be complete by the end of March with the tendering process due to begin soon after. At this stage, more details should be made available on requirements for consultancy services, construction services and component supply.

The city authorities are discussing with the federal government funding for their planned security project. As with many other cities, security – particularly the division of responsibilities between the various police forces and the stadium management – is recognised as both an important topic and one for which external expertise would be welcome. The release of further details of the security plan should represent an opportunity for interested parties to begin matching their solutions to the requirements.

### 3.4.5 Stakeholders and Decision Makers

#### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Event management (planning, training and systems)</li> <li>• 'Smart' access/traffic design and management</li> <li>• Real estate development</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Transport consultancy</li> <li>• Specialist urban transport services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Control tower design and systems</li> </ul>
Port infrastructure	<ul style="list-style-type: none"> <li>• Specialist port services and equipment</li> <li>• Passenger/traffic access design and implementation</li> </ul>

#### Recife – Key Contacts

<b>Eduardo Accioly Campos</b>	Governor	State Government of Pernambuco
<b>João da Costa Bezerra Filho</b>	Mayor	City of Recife
<b>Ana Cavalcanti</b>	Secretary of Sports	State Government of Pernambuco
<b>Sílvio Bompastor</b>	(Acting) Special Secretary	SECOPA (Recife)
<b>Ricardo Leitão</b>	Special Secretary	SECOPA (Recife)
<b>Claudio Duarte</b>	Secretary, Education, Sport and Leisure	City of Recife
<b>Manoel Marinho</b>	Director-President	Greater Recife Transport Consortium
<b>Marcos Lessa Mendes</b>	Director-President	SPE Arena/Cidade da Copa
<b>Tobias Hanbury</b>	President	ISG Brazil and South America



## 3 Host cities and Copa 2014 (continued)

### 3.5 Rio de Janeiro

#### 3.5.1 Context/background

The 'Cidade Maravilhosa' ('Wonderful City') is Brazil's premier tourist destination as well being the country's second largest state economy and having once served as the nation's capital. It is home to the head offices of some of Brazil's largest companies as well as that of the Brazilian Football Confederation, the CBF.

In sporting terms, it is difficult to find a sports stadium anywhere in the world with the same iconic status as the city's Maracanã stadium. Built for the 1950 World Cup, it has since become the nation's sporting heart to the extent that it is not just associated with football but will also host the opening and closing ceremonies of the 2016 Olympic Games. For Rio, there really was no alternative to the Maracanã as a FIFA World Cup venue and its status nationally means that it has been chosen to host the 2014 FIFA World Cup final.

The stadium is owned by the government of the State of Rio de Janeiro. When its candidacy to host World Cup games was accepted, a plan was made to upgrade and run the stadium on a PPP basis. However, the merest suggestion that the stadium was headed for any kind of private ownership was considered politically unacceptable at the time and this idea was subsequently shelved. The state government subsequently reverted to running the works as a public project, contracting a group of the country's biggest construction companies to handle the work.



### 3.5.2 Stadium

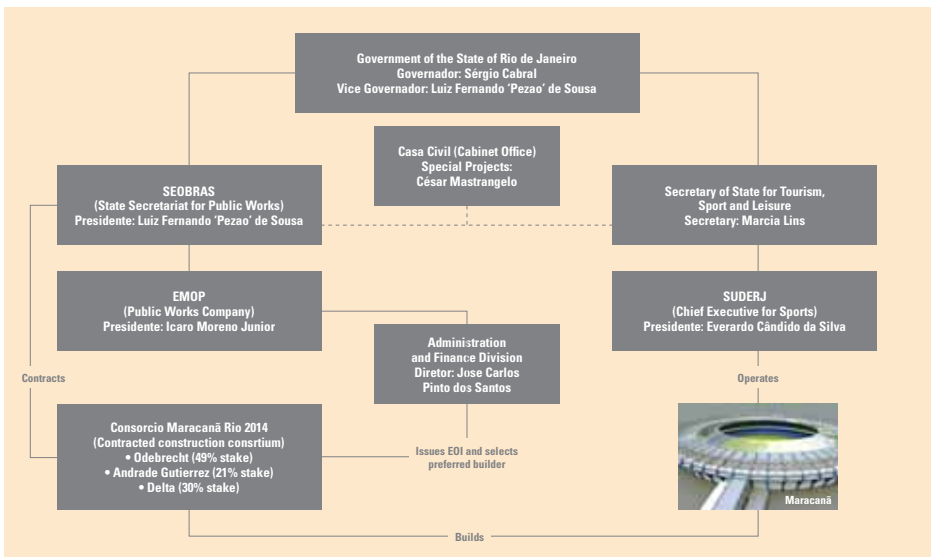
#### 3.5.2.1 Ownership of the stadium

The Maracanã stadium and its associated facilities (the 15,000-seater Maracanãzinho arena; the swimming pool; the athletics track) are all owned by the government of the state of Rio de Janeiro through its Ministry of Sports. Management of the facility is, however, in the hands of another government department, SUDERJ (the state sports executive responsible for the management of all of the state's public sports facilities). The state's public works secretariat has contracted, and is overseeing, the refurbishment work through EMOP, a public company whose role is to provide project oversight for major works with a public interest. When the work is complete, the Maracanã will be handed over to SUDERJ to be operated within its portfolio of public sports facilities<sup>5</sup>.

The Casa Civil – or cabinet office – of the government of Rio de Janeiro state, also takes a keen, high-level interest in the project on behalf of the governor, Sérgio Cabral. As well as the stadium itself, their role also includes a responsibility for transport to and from the stadium as well as security.

The city authorities, or Prefeitura, are responsible for transport across the city and the area around the stadium. As part of preparations for the World Cup and to satisfy FIFA's demands for hospitality space, a large area adjacent to the stadium is also being developed.

<sup>5</sup> The Governor of Rio state has recently indicated that the operation of the stadium and the rest of the Maracanã complex could be placed in the hands of the private sector once the refurbishment work is done. More detail on this proposal is expected with the release of tender documents in the second half of 2011.



## 3 Host cities and Copa 2014 (continued)

### 3.5.2.2 Progress

The refurbishment contract was awarded to the Consórcio Maracanã 2014 on 10th August 2010. The consortium is made up of the Brazilian construction companies Odebrecht, Andrade Gutierrez and Delta. In spite of an original budget in the PAC da Copa of R\$600 million, the winning bid was for R\$705 million, after changes to the scope of the project, some of which were demanded by FIFA.

Subsequently, a study carried out on behalf of COL at the beginning of January 2011 indicated that the existing structures, which were to form the support for a new metallic roof, were inadequate. This implied an extension to the scope of the project in a way that hadn't originally been envisaged when the tender took place. The cost of the whole project, including the additional roof work, has now reached approximately R\$1 billion.

Budgeting and tendering of this kind drew the attention of the Tribunal de Contas da União ('TCU'), which monitors the spending of public money, leading the institution to brand the tendering documentation for the Maracanã work as 'a mere piece of fiction'. As a result, financing from BNDES has been restricted to just 20% of the promised total while more detail is being prepared to justify the budget for the work. In May, a team from the Rio de Janeiro state government will go to Brasília to present the TCU with a new design document for the project.

With the roof work delayed and yet firmly sat on the critical path of the project, the ability of the construction team to deliver a working stadium in time for the 2013 Confederations Cup is in doubt. Latest projections announced by COL in March 2011 suggest that the stadium will not be available for use until March 2013.

#### Rio De Janeiro – Stadium Summary

<b>Official Name</b>	Estádio Jornalista Mário Filho
<b>Nickname</b>	Maracanã
<b>Current Capacity</b>	82,000
<b>New Capacity</b>	76,525
<b>Owner</b>	Government of the State of Rio de Janeiro (through Ministry of Sports)
<b>Operator</b>	Government of the State of Rio de Janeiro (through SUDERJ)

After the existing roof supports were declared unfit the Secretary of Public Works (SEOBRAS) of the state of Rio de Janeiro initiated studies to assess the most suitable of two possible re-designs of the roof the first involves a complete refurbishment of the existing structure which will have a life expectancy of between 10 and 20 years; the alternative is the construction of a completely new structure, whose life expectancy will be 30 to 50 years. The findings of the study will be presented to the COL and other stakeholders in Brasília by the State Secretary for Public Works, Hudson Braga, on 19th April 2011. This is a key step in assuaging the complaints of the public audit office, the TCU, and ensuring the release of the remainder of the financing promised by the national development bank, BNDES.

## Rio De Janeiro – Project Summary

Owner project manager	State Secretariat for Public Works (SEOBRAS)
Construction	Consórcio Maracanã Rio 2014
Architects	Empresa de Obras Públicas (EMOP)
Project consultants	Fernandes Arquitetos Associados
Roof design	Schlaich, Bergmann und Partner
Project type	Public contract
Build type	Refurbishment
Initial forecast budget	R\$600 million
Winning tender	R\$705.5 million
Current budget	R\$1.05 billion (est.)
Financing	BNDES: R\$400 million State: R\$305 million City: R\$123 million Balance: TBC
Project Start	1st August 2010
Project End	31st December 2012 (est.)
Official RAG status	<b>GREEN</b>

### 3.5.3 Other city projects: summary

In support of Rio's preparations to host games in the World Cup, the city and state have undertaken other infrastructure projects to improve urban transport, the international airport and the port. The projects listed below are those that are specifically linked to preparations for the World Cup. Nevertheless, the city is planning a much broader program of investment in preparation for the Olympic Games of 2016.

**Urban Transport:** The 'Trans-Carioca Corridor' BRT (Bus Rapid Transit) will link the Antonio Carlos Jobim international airport (a.k.a. Galeão) with Barra da Tijuca, a city on the western fringes of Rio de Janeiro. The route is 41km in length, will include 44 stations and 4 terminals and will be capable of transporting 400,000 passengers per day. Total investment in the project will be R\$1.6 billion (from an original estimate of R\$1.3 billion), R\$1.2 billion of which will be provided by BNDES and the balance by the city government.

The work has been divided into 2 pieces with the first tranche – a 28km stretch – having started in March 2011 after a delay of one year. The works are now expected to complete in December 2013.

**Airport:** Antonio Carlos Jobim International Airport is undergoing refurbishments at both passenger terminals. Total investment in the project runs to R\$687 million. Design and preliminary work is underway for the reform of terminal 1. The tendering process for the main project was due to begin by the end of February 2011 with works due to start in June 2011 and end by September 2012. Refurbishment of terminal 2 is underway.

**Port:** Three new piers are being built at the Rio de Janeiro Maritime Terminal to accommodate cruise ships along with works to improve land access and parking. In total, R\$314 million are being invested by government through the Special Secretariat for Ports ('SEP'). Environmental licenses are being sought and the tendering process is underway. Works are expected to start in May 2011 and finish in December 2013.

### 3.5.4 Specific opportunities/interests of the stakeholders

**Stadium:** the delays experienced in the rebuild of the Maracanã mean that a large part of the procurement process for the construction project has been delayed. The consortium handling the Maracanã work have indicated their willingness to talk to any British companies who feel they have a service or product to offer the project. The consortium has the government of the state of Rio de Janeiro as its client and the state sports executive body, SUDERJ, has considerable influence over the final detailing of the stadium.

SUDERJ are very aware of British expertise in all aspects of stadium building and operations, having visited sites in the UK personally. An important aspect of the Maracanã project is the matter of how the stadium will be operated when it is handed back to SUDERJ after the World Cup. Although SUDERJ has to balance the commercial exploitation of all its facilities with its social objectives, with such a huge investment in the project, there has been growing pressure to run the stadium more along the lines of a private, commercial operation. This culminated in the announcement of the state Governor, Sérgio Cabral, that it would not be appropriate for a stadium like the Maracanã to be run by a public body and that a concession to operate it would be offered to the private sector. The current management of SUDERJ is very attuned to this argument and is likely to play a key role in the preparation of the operating model. This is a deeply political and, therefore, sensitive issue because of the emblematic status of the stadium.

### 3 Host cities and Copa 2014 (continued)

Any suggestions that the stadium might somehow end up in private hands has caused considerable political discomfort in the past. However, this new stance is likely to offer business opportunities to companies experienced in event management and stadium operation.

As with many other stadium owners, SUDERJ is particularly interested in aspects of internal stadium security, specifically, stewarding and the division of responsibilities between stadium and police. This is an area for which there is as yet very little experience in Brazil.

The consortium only has responsibility for the Maracanã stadium itself but the site of the stadium also includes the Maracanãzinho arena, swimming pools and an athletics facility. It is expected that all of this surrounding area will be the subject of another development contract in the near future. The plan to privatise management of the Maracanã is expected to cover all facilities on the whole site not just the stadium.

#### 3.5.5 Stakeholders and Decision Makers

Rio de Janeiro – Key Contacts		
<b>Sergio Cabral</b>	Governor	State Government of Rio de Janeiro
<b>Eduardo Paes</b>	Mayor	City of Rio de Janeiro
<b>Luis Fernando ('Peção') de Souza</b>	Secretary of Works and Vice Governor	State Government of Rio de Janeiro
<b>Marcia Lins</b>	Secretary for Sport and Leisure	State Government of Rio de Janeiro
<b>César Mastrangelo</b>	Special Projects Adviser, State Cabinet Office	State Government of Rio de Janeiro
<b>Everardo Cândido da Silva</b>	President, SUDERJ	State Government of Rio de Janeiro
<b>Roberto Cumplido</b>	Project Director	Consórcio Maracanã Rio 2014

#### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Specialist construction services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Event management (planning, training and systems)</li> <li>• Access/traffic design and management</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Transport consultancy</li> <li>• Specialist urban transport services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal services and equipment</li> <li>• Specialist airport services and systems</li> </ul>
Port infrastructure	<ul style="list-style-type: none"> <li>• Specialist port services and equipment</li> </ul>

### 3.6 São Paulo

#### 3.6.1 Context/background

São Paulo is the biggest city in the southern hemisphere – the economy of São Paulo state is bigger than that of Argentina and Chile combined – yet, for all this economic clout, the city is a long way behind in its efforts to host games in the 2014 FIFA World Cup. Having selected São Paulo F.C.'s Morumbi stadium as the host venue for the event and then discarded it in June 2010 under pressure from FIFA and COL, the city is now backing a new build by one of the country's biggest clubs, Sport Club Corinthians Paulista ('Corinthians'), in the city's eastern suburb of Itaquera.

Although the city of São Paulo is home to 3 teams playing in Série A of the Brazilian league (Palmeiras, São Paulo and Corinthians), each with its own stadium and long footballing history, the size of the city and the fact that Corinthians is one of the best supported clubs in the country mean that there should be no legacy issues here. However, arguments persist about the size of the stadium. Corinthians' original design, based on extensive market research, envisaged a stadium of 48,000 seats – something which they considered a viable size post-Copa. The city and the federal government, on the other hand, are keen for São Paulo to host the opening ceremony for which FIFA demand a minimum capacity of 65,000, along with extended media and VIP facilities – a size which may prove to be too large for regular use by the club.



Architect's impression

## 3 Host cities and Copa 2014 (continued)

### 3.6.2 Stadium

#### 3.6.2.1 Ownership of the stadium

The Itaquera project will be one of only 3 private projects in the Brazilian FIFA World Cup portfolio. The original design for the new stadium was done by CDC Arquitetos and Odebrecht have now been contracted to handle the construction in a deal that was originally worth R\$335 million and involves revenue from naming rights. However, plans to expand the stadium to accommodate the opening ceremony could increase the budget to R\$600 million, of which R\$400 million will be provided by BNDES (although it has not yet been officially requested). The source of the balance is yet to be agreed although the city authorities are offering substantial incentives based on the potential for regeneration of this part of the city.

#### 3.6.2.2 Progress

The São Paulo city authorities have approved the project and it is hoped the work can get underway by the end of the second quarter of 2011. FIFA's official approval arrived on 1st March 2011 with the formal stadium agreement. However, obstacles to the project still remain:

- The site of the stadium is crossed by pipes owned by the company, Transpetro, which could inhibit the work – negotiations are underway with Odebrecht likely to undertake the removal work.
- Corinthians have not fulfilled certain terms of a contract signed with the city in 1988 in relation to a promise to build a stadium there within 5 years
- No financing has been formally requested from BNDES either by the club or by Odebrecht

The late start of the project means that the stadium will almost certainly be unable to host games in the Confederations Cup. Meanwhile, Brazilian wishes to see São Paulo hold the opening ceremony of the World Cup have not yet been ratified by FIFA. Having São Paulo hold the opening ceremony and the Maracanã host the final is a very strong desire of the Brazilian government but FIFA, currently demonstrating irritation with slow progress in the country's preparations, is refusing to sanction this (in spite of ex-President Lula being a Corinthians fan).

#### São Paulo – Stadium Summary

<b>Official Name</b>	Estádio Corinthians
<b>Nickname</b>	Itaquera
<b>Current Capacity</b>	N/A
<b>New Capacity</b>	48,000/65,000
<b>Owner</b>	Sport Club Corinthians Paulista
<b>Operator</b>	TBC

#### São Paulo – Project Summary

<b>Owner project manager</b>	Sport Club Corinthians Paulista
<b>Construction</b>	Odebrecht
<b>Architects</b>	CDC Arquitetos
<b>Project consultants</b>	-
<b>Roof design</b>	Werner Sobek
<b>Project type</b>	Private
<b>Build type</b>	New build
<b>Initial forecast budget</b>	R\$335 million
<b>Winning tender</b>	R\$335 million
<b>Current budget</b>	R\$600 million (for 65,000-seat design)
<b>Financing</b>	BNDES: R\$400 million Balance: TBC
<b>Project Start</b>	TBC
<b>Project End</b>	TBC
<b>Official RAG status</b>	<b>RED</b>

### 3.6.3 Other city projects: summary

**Urban Mobility:** São Paulo is undertaking work to link Congonhas airport with 4 of the city's metro lines in a R\$2.9 billion light rail project, which involves 18km of track, 18 stops and 24 new trains. Financing will come from the government's Pró Transporte fund administered through Banco Caixa (R\$1.1 billion) and the rest from state funds. Preliminary work and expropriations are underway with the main work planned to start in July 2011. Bombardier and Scomi Engenharia are the two companies shortlisted to provide proposals.

**Airport:** 8 projects are planned to improve São Paulo's airport infrastructure:

- Construction of a 3rd passenger terminal at Guarulhos International Airport will cost R\$717 million
  - Earth-moving work began in January 2011 and the project is expected to finish in November 2013
- Two operational module structures will be built at a combined cost of R\$56 million
  - Environmental licenses have been granted with work due to begin on the first module in March 2011
- The network of runways and aprons at Guarulhos will be expanded and modernised at a cost of R\$427 million.
  - Works began in April 2010 and are due to complete in January 2012
- Taxi-ways and a quick exit track are being built at Guarulhos at a cost of R\$20 million
  - Preliminary and design work are complete; main works were due to begin in December 2010 but are yet to start
- An operational module is also being built at Viracopos airport in Campinas at a cost of R\$5 million
  - Works are due to complete in April 2011
- Also at Viracopos, the existing passenger terminal is being modernised at a cost of R\$47 million
  - The tendering process has begun with preliminary work is due to begin in June 2011
- A new passenger terminal and apron are being built at Viracopos at a cost of R\$690 million
  - Expropriations and preliminary environmental work is underway. The tendering process for the main work has begun with the main works scheduled to start in September 2012

**Port:** The Port of Santos in São Paulo state is the subject of a R\$120 million project focused on the quays and creating an internal access road in the port area. Tender documents are being prepared for the quay work with works due to start in December 2011. Environmental licenses are being sought with the main works due to begin in December 2011.

### 3.6.4 Specific opportunities/interests of the stakeholders

Although Odebrecht have been awarded the contract to build the Itaquera stadium, it is still not clear how big the stadium will be and when the project will start. The start of the works has already been delayed several times while outstanding issues between Corinthians and the city are resolved and clearing of on-site obstacles is carried out. These delays mean opportunities for involvement with the construction of the stadium are likely to still be available but key to this will be a strong relationship with Odebrecht and/or Corinthians.

The owner of the Itaquera project, Corinthians football club, has already used the services of British companies for training stewards and plans to extend this training in the future. The club has wider ambitions to improve the skills of their staff across all aspects of stadium operation and event management. They are forging links with local educational institutions to ensure access to qualified staff and have ambitions to become a centre of excellence for training. The club have refocused their philosophy on customer care and are keen to hear new ideas and work with partners on all aspects of customer relationship management.

Corinthians are also working on an appropriate security strategy for their new stadium which will involve careful planning and allocation of responsibilities between the club's staff and the various police authorities.

The extensive work planned for two of São Paulo's airports – Guarulhos and Viracopos – is not only fertile ground for companies with relevant expertise (design and build of passenger terminals; runway and apron design). The desire of the government for greater private sector involvement in the development and management of the country's airport assets is expected to focus firstly on two airports in São Paulo state – a process in which British companies are already involved. This is the first step in a much more ambitious overhaul of the country's entire stock of air transport infrastructure with opportunities to form partnerships for the long haul with both private and public organisations.

### 3 Host cities and Copa 2014 (continued)

#### 3.6.5 Stakeholders and Decision Makers

Opportunity Summary	
Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Specialist construction services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Event management (planning, training and systems)</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Rail equipment supply</li> <li>• Safety and security services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal services and equipment</li> <li>• Specialist airport services and systems</li> <li>• Runway and apron improvement services</li> <li>• Project/programme management services</li> </ul>
Port infrastructure	<ul style="list-style-type: none"> <li>• Quay design and refurbishment</li> <li>• Passenger and cargo access planning</li> </ul>

São Paulo – Key Contacts		
<b>Geraldo Alckmin</b>	Governor	State Government of São Paulo
<b>Gilberto Kassab</b>	Mayor	City of São Paulo
<b>Walter Feldman</b>	Secretary of Sport, Leisure and Recreation	City of São Paulo
<b>Emanuel Fernandes</b>	President	São Paulo World Cup Organising Committee
<b>Andrés Sanchez</b>	President	Sport Club Corinthians Paulista
<b>Raquel Verdenacci</b>	Executive Secretary	São Paulo World Cup Organising Committee
<b>Benedito Junior</b>	President and CEO	Odebrecht Infrastructure



### 3.7 Other Host Cities: Summary

#### 3.7.1 Belo Horizonte

**Introduction:** Belo Horizonte, the capital of Minas Gerais state, is Brazil's 3rd largest city with 2.4 million inhabitants in the municipality. Befitting its status as one of the biggest and richest populations in the country, the city boasts three high-level, professional football teams – Cruzeiro, América and Atlético Mineiro. Atlético Mineiro is the oldest of the three but has only won the Brazilian national championships once to Cruzeiro's two victories; all three teams will play in Série A of the 2011 edition of the national league.

América play their games in the Independência stadium while Cruzeiro and Atlético both play the Estádio Governador Magalhães Pinto, better known as the Mineirão. The Mineirão, currently a 76,000 capacity stadium but due to become 69,000 after refurbishments – has been chosen to host Belo Horizonte's games in the World Cup. The stadium has a history of attracting big crowds to matches and there is, therefore, little fear that it will not be put to good use in the future.



### 3 Host cities and Copa 2014 (continued)

**Stadium:** The Mineirão is owned by the state government of Minas Gerais. Issues with visibility for the spectator have meant that some important remodelling is needed for the stadium to comply with FIFA guidelines. To this end, the pitch is being lowered by nearly 4 metres and a light steel roof is being implemented. Other improvements are being made to the roof, seating, dressing rooms and parking areas. The total cost of the works will be R\$743.4 million of which R\$400 million is being funded via BNDES, R\$255 million by private investment and the balance from state funds. The work is being done on a PPP basis between the Minas Gerais state government and the Consórcio Minas Arena S.A., composed of the engineering companies Construcap, Egesa and HAP Engenharia. The concession is for 25 years.

The roof is another project of Schlaich Bergermann und Partners and the architectural design has been done by Von Gerkan, Marg und Partners. Works have been underway since January 2010 (reinforcement of pillars and demolition work have been completed) and are expected to complete in December 2012 making Belo Horizonte one of the most advanced of all the projects in Brazil and a front-runner to host Confederations Cup games in 2013.

#### Belo Horizonte – Stadium Summary

<b>Official Name</b>	Estádio Magalhães Pinto
<b>Nickname</b>	Mineirão
<b>Current Capacity</b>	76,000
<b>New Capacity</b>	69,000
<b>Owner</b>	State Government of Minas Gerais
<b>Operator</b>	Minas Arena Consortium S.A. (25 years)

#### Belo Horizonte – Project Summary

<b>Owner project manager</b>	-
<b>Construction</b>	Consórcio Minas Arena S.A.
<b>Architects</b>	Von Gerkan, Marg und Partners
<b>Project consultants</b>	-
<b>Roof design</b>	Schlaich Bergermann und Partners
<b>Project type</b>	PPP
<b>Build type</b>	Refurbishment
<b>Initial forecast budget</b>	R\$408.3 million
<b>Winning tender</b>	R\$743.4 million
<b>Current budget</b>	R\$743.4 million
<b>Financing</b>	BNDES: R\$400 million Private: R\$255 million State: TBC
<b>Project Start</b>	1st January 2010
<b>Project End</b>	31st December 2012
<b>Official RAG status</b>	<b>GREEN</b>

**Urban mobility:** Belo Horizonte has a portfolio of 8 projects with a total budget of R\$1.5 billion linked to improving infrastructure for the World Cup. Four of these are BRT projects; three are road improvements and one is for improved traffic monitoring.

- The Antonio Carlins/Pedro 1 BRT line will link the airport to the main hotel area and run close to the Mineirão complex (16km; 25 stops)
  - Expropriations are underway as are works on the first (of 5) tranche of the work. Delays have arisen in the financing process meaning that final delivery for the project is expected in August 2013
- The Pedro 2/Carlos Luz BRT line will link the centre of the city to the Mineirão complex (12km; 17 stops)
  - Expropriations yet to begin; tender for the project due to be issued in April 2011

- The BRT lines in the centre of the city will be restructured to become dedicated bus lines and allow integration of all BRT systems
  - Tender was published in December 2010 with works due to start in April 2011
- The Cristiano Machado stretch of the BRT will link the city centre with the north-east of the city and allow integration with the metro. The line will provide an alternative link from the city centre to the Mineirão.
  - The tender was published in January 2011 with works due to start in April 2011.
- The traffic control management centre will be expanded and modernised
  - Works began in November 2010 and are due to complete in April 2012
- Road improvements to Via 210 to allow a bus corridor are being undertaken; the route will link the Barreiro district to the city centre and the metro
  - The tender for the work is due to be published by the end of May 2011 with works due to begin in August 2011 (1.6km)
- Road improvements on Via 710 to allow a bus corridor are being undertaken; the route will link the northeastern suburbs with the Cristiano Machado BRT line (4km)
  - Expropriations are yet to begin; main works are due to start in April 2012
- Extensive works are being carried out on the Arrudas Boulevard including a number of important structures and the implementation of a dedicated bus lane (3.5km)
  - Works began in June 2010 on the first tranche with the tender for the second published in January 2011.

**Airport:** The Tancredo Neves International Airport will receive investment to refurbish and modernise the passenger terminal and road access, expand the runway and improve the taxiing areas. The total cost of the work will be R\$409 million. Work is due to start on the first part of the work (passenger terminal) in June 2011 and on the runway and taxiing areas in April 2012.

## Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Security planning and systems</li> <li>• Staff training</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Transport consultancy</li> <li>• Specialist urban transport services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal services and equipment</li> <li>• Passenger access design</li> <li>• Runway and apron improvement services</li> </ul>
Port infrastructure	N/A

## Stakeholders and Decision Makers

### Belo Horizonte – Key Contacts

<b>Antonio Anastasia</b>	Governor	State Government of Minas Gerais
<b>Marcio Lacerda</b>	Mayor	City of Belo Horizonte
<b>Barulio Jose Tanus Braz</b>	Secretary of Sport and Youth	State Government of Minas Gerais
<b>Sérgio Alair Barroso</b>	Extraordinary Secretary for the World Cup	State Government of Minas Gerais
<b>Vinicius Lott</b>	Coordinator, World Cup Planning Group	State Government of Minas Gerais
<b>Ricardo Barra</b>	Presidente	Consórcio Minas Arena S.A.
<b>Tiago Lacerda</b>	President, Executive Committee for the World Cup	City of Belo Horizonte
<b>Weber Coutinho</b>	Manager, Planning and Environmental Monitoring	City of Belo Horizonte

## 3 Host cities and Copa 2014 (continued)

### 3.7.2 Cuiabá

**Introduction:** Cuiabá is the capital of Mato Grosso state, a city of roughly half a million people situated on the banks of the Cuiabá River. From a tourist's perspective, the city is the northern gateway to the Pantanal wetlands national park but its economic strength lies in the rapidly expanding agricultural industry in the west of the country.

**Stadium:** For the World Cup, the city is building a new stadium on the site of the present Estádio Governador Jose Fragelli – popularly known as the 'Verdão'. The build is being run by AGE COPA, the Pantanal Executive Agency for World Cup Works and carried out by a consortium of Santa Bárbara and Mendes Júnior construction companies, who were awarded the contract in April 2010 on a bid of R\$342 million to build the stadium structure.



Architect's impression

The big risk for Cuiabá is that, with its lack of a strong footballing tradition, the 43,000-seater stadium could become something of a luxury for the city since it does not have a professional team playing in either of the top two Brazilian divisions; this is certainly the fear of the federal audit office. However, the design of the stadium includes some structures which can be dis-assembled allowing capacity to be reduced by 30%.

Work on the stadium had been moving ahead smoothly with foundation work begun when, in November 2010, the Mato Grosso state auditors suspended government funding. They were concerned with perceived irregularities in the projects timetable and the accuracy of an assessment of foundation requirements. Foundation work has begun although works have since been affected by heavy rain.

#### Cuiabá – Stadium Summary

<b>Official Name</b>	Arena Multiuso Cuiabá
<b>Nickname</b>	Arena Pantanal
<b>Current Capacity</b>	40,000
<b>New Capacity</b>	43,136
<b>Owner</b>	Government of the State of Mato Grosso
<b>Operator</b>	Government of the State of Mato Grosso

#### Arena Pantanal – Project Summary

<b>Owner project manager</b>	Executive Works Agency for the World Cup in the Pantanal (AGECOPA)
<b>Construction</b>	Consórcio Santa Bárbara/Mendes Júnior
<b>Architects</b>	GCP Arquitetos; Grupo Stadia
<b>Project consultants</b>	-
<b>Project type</b>	Public
<b>Build type</b>	Refurbishment
<b>Initial forecast budget</b>	R\$440 million
<b>Winning tender</b>	R\$342 million
<b>Current budget</b>	R\$342 million
<b>Financing</b>	BNDES: R\$330 millio State Government: R\$12 million
<b>Project Start</b>	1st April 2010
<b>Project End</b>	31st December 2012 (est.)
<b>Official RAG status</b>	<b>GREEN</b>



### 3 Host cities and Copa 2014 (continued)

**Urban mobility:** Mato Grosso state is building 3 BRT routes with a total budget of R\$488.8 million. All of this money is coming from the federal government with the state government having provided the R\$34.1 million necessary for the original design work.

- BRT CPA/Airport – linking the airport to the city’s main hotel sector and the city centre (16km; 20 stops; 2 terminals)
- BRT Coxipo/Centro – linking the Coxipo neighbourhood to the centre and creating an interchange with the airport BRT.
- Corredor Mário Andreazza – widening of a major traffic artery with the addition of dedicated bus lanes

**Airport:** The Marshall Rondon International Airport is undergoing refurbishment with a view to expanding the passenger terminal and parking. The works will cost R\$88 million and are due to complete in December 2013. The tender is expected in August 2011 with works due to start in January 2012.

#### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Temporary structures</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Customer relationship design and systems</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Transport consultancy</li> <li>• Specialist urban transport services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal services and equipment</li> <li>• Passenger access design</li> </ul>
Port infrastructure	N/A

#### Stakeholders and Decision Makers

##### Cuiabá – Key Contacts

<b>Sival Cunha da Barbosa</b>	Governor	State Government of Mato Grosso
<b>Francisco Bello Galindo Filho</b>	Mayor	City of Cuiabá
<b>Yênes Magalhães</b>	Presidente	AGECOPA
<b>Moisés Dias de Silva</b>	Special Secretary for Copa 2014 Affairs	State Government of Mato Grosso
<b>Crispin Shekaspere</b>	Project Manager	Consórcio Santa Bárbara/Mendes Junior
<b>Carlos Brito de Lima</b>	Director of Infrastructure	AGECOPA
<b>Rafael Detoni</b>	Director for Urban Mobility	AGECOPA
<b>Joao Paulo Curvo Borges</b>	Special Adviser for Stadia	AGECOPA

### 3.7.3 Curitiba

**Introduction:** Curitiba is variously described as the Brazilian city with the highest quality of life or the best planned city in the country. The town-planning background of certain elected officials has led to an extensive urban transport system and the city is said to have approximately 50 m<sup>2</sup> of green space for every inhabitant – three times that recommended by the United Nations.

**Stadium:** For the World Cup, the Arena da Baixada (originally the Estádio Joaquim Américo Guimarães) – home to and owned by Brazilian first division side C.A. Paranaense – is being refurbished based on a design by Carlos Arcos Arquitetura.

The new stadium will hold 41,913 spectators from a previous capacity of 28,000. The Arena da Baixada project is one of only 3 private projects in the World Cup portfolio and is being financed privately by the club with some participation of the municipal authorities to ensure appropriate upgrading of the city property surrounding the stadium. Preliminary works are proceeding smoothly such that the club has pretensions to host games in the 2013 Confederations Cup. However, the primary contractor for the site is yet to be decided with the tender due to be issued in March 2011.



Architect's impression

### 3 Host cities and Copa 2014 (continued)

#### Curitiba – Stadium Summary

<b>Official Name</b>	Estádio Joaquim Américo Guimarães
<b>Nickname</b>	Arena da Baixada
<b>Current Capacity</b>	28,000
<b>New Capacity</b>	41,913
<b>Owner</b>	Clube Atlético Paranaense
<b>Operator</b>	Clube Atlético Paranaense

#### Arena da Baixada – Project Summary

<b>Owner project manager</b>	Flávio Vaz
<b>Construction</b>	TBC
<b>Architects</b>	Carlos Arcos Arquitetura
<b>Project consultants</b>	Carlos Arcos Arquitetura
<b>Roof design</b>	-
<b>Project type</b>	Private
<b>Build type</b>	Refurbishment
<b>Initial forecast budget</b>	R\$172.1 million
<b>Winning tender</b>	-
<b>Current budget</b>	R\$220 million
<b>Financing</b>	TBC
<b>Project Start</b>	1st April 2011
<b>Project End</b>	31st December 2012
<b>Official RAG status</b>	<b>GREEN</b>

**Urban mobility:** In keeping with its proud history of successful urban planning, Curitiba has 9 urban transport projects planned ahead of the World Cup costing, in total, R\$464 million of which R\$441 million will come from federal financing.

- BRT Airport Corridor: Linking the airport to the bus station and hotel area of the city with links to the Arena da Baixada (19.5km)
  - Preliminary work in progress; expropriations start in February 2011; main works start in November 2011
- Integrated Monitoring System: System for monitoring and managing vehicle traffic in the city
  - Main works start in November 2011
- BRT Avenida Cândido de Abreu: 1.1km extension of an existing line which will improve access to the city and state government areas
  - Main works start in August 2011
- Bus station improvement: Access, approach and building improvements for the bus station
  - Main works start in November 2011
- BRT Green Line South Extension: 3km link between Green Line South and 'Contorno' South
  - Main works start in August 2011
- Santa Cândido Terminal: Reclassification of building
  - Main works start in November 2011
- Marshall Floriano Corridor: 8km link between central and metropolitan regions
  - Preliminary work underway; expropriations start April 2011; main works start October 2011
- Metropolitan corridor: 52km integrating the Curitiba metropolitan area and the arterial routes
  - Preliminary work yet to start; main works start February 2012
- Metropolitan arterial route integration: Restructuring of arterial routes
  - Preliminary work yet to start; main works start November 2011

**Airport:** Afonso Pena International Airport is undergoing an expansion of the passenger terminal along with expansion of the runway and taxiing area. The total cost of the work will be R\$72.8 million all of which will come from the federal budget. The tender for the passenger terminal work is expected to be released in December 2011.

### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Customer relationship design and systems</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• BRT equipment supply</li> <li>• Traffic management systems supply</li> <li>• Safety and security services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal services and equipment</li> <li>• Runway and apron design</li> </ul>
Port infrastructure	N/A

### Stakeholders and Decision Makers

#### Curitiba – Key Contacts

<b>Beto Richa</b>	Governor	Government of the State of Paraná
<b>Luciano Ducci</b>	Mayor	Government of the City of Curitiba
<b>Mário Celso da Cunha</b>	Special Secretary for World Cup Affairs	SECOPA Curitiba
<b>Luiz de Carvalho</b>	Special Secretary for the World Cup	Government of the City of Curitiba
<b>Susana Lins Affonso da Costa</b>	Manager, 2014 World Cup Project	Curitiba Urban Planning and Research Institute
<b>Marcos Malucelli</b>	President	Sport Clube Paranaense
<b>Flávio Vaz</b>	Project Manager	Sport Clube Paranaense



## 3 Host cities and Copa 2014 (continued)

### 3.7.4 Fortaleza

**Introduction:** Rapidly becoming the beach tourist destination of choice for many Brazilians, Fortaleza – the capital of Ceará state – is the 5th largest city in Brazil and home to 3 professional football clubs: Ceará S.C.; Fortaleza E.C. and Ferroviário A.C. Ceará was promoted to Série A of the Brazilian league in 2010.

**Stadium:** The city has two main football stadiums: the Estádio Presidente Vargas and the Estádio Plácido Castelo – also known as the Castelão – which is used by Ceará and Fortaleza and is owned by the state of Ceará. The Castelão – being the most modern of the stadia in Fortaleza – was chosen to host the city's games in the FIFA World Cup and is undergoing refurbishment to accommodate the associated requirements. Works will expand the seating area, add parking spaces and include a range of other services and facilities such as tennis courts, swimming pools, restaurants and cinemas. Capacity will be increased from 58,000 to 67,000.



The work will be managed under a PPP contract with the consortium, Arena Multiuso Castelão, made up of the Brazilian construction companies, Galvão Engenharia S/A and Serveng Civilsan S/A along with BWA, a stadium access specialist. The winner of the contract – an 8-year concession – was only announced in September 2010 even though the bidding process had started in December of the previous year. The winning bid was for R\$486.9 million with a monthly payment of R\$407,000 over the lifetime of the project. Financing was approved and the contract signed in September 2010; the main works started in January 2011.

The whole tendering process was delayed by legal objections and questions from the public accounts body, the TGU. The city is also hoping that the Presidente Vargas stadium – itself being refurbished – will be ready by the end of March to take local games, enabling the Castelão to be fully shut down for the refurbishment. However, works on the ‘PV’, which should have ended in December 2010, have been delayed, causing the Ceará government to agree with FIFA a new delivery date of April 2013 – just two months before the Confederations Cup. The fact that the stadium will hold 67,000 people makes the Castelão a candidate for hosting a semi-final or even the opening ceremony but these delays will undermine that ambition.

#### Fortaleza – Stadium Summary

<b>Official Name</b>	Estádio Governador Plácido Castelo
<b>Nickname</b>	Castelão
<b>Current Capacity</b>	58,000
<b>New Capacity</b>	67,037
<b>Owner</b>	Government of the State of Ceará
<b>Operator</b>	Consórcio Arena Multiuso Castelão

#### Castelão – PROJECT SUMMARY

Owner project manager	SECOPA Fortaleza
Construction	Consórcio Arena Multiuso Castelão
Architects	Vigliecca e Associados
Project consultants	EVMÍ
Roof design	Projeto Alpha
Project type	PPP
Build type	Refurbishment
Initial forecast budget	R\$623 million
Winning tender	R\$468.9 million
Current budget	R\$518 million (including works and operation)
Financing	BNDES: R\$351.6 million State: R\$100.4 million
Project Start	1st January 2011
Project End	30th April 2013
Official RAG status	<b>GREEN</b>

**Urban mobility:** Fortaleza is planning a range of urban transport projects ahead of the World Cup at a total cost of R\$562 million of which R\$410 million will be federal funding via Banco Caixa and the rest from state funds.

- VLT line between Parangaba and the Mucuripe Maritime Terminal via the central bus station and the airport (13km; 10 stops)
  - Preliminary work and expropriations are underway; main works were tendered in January 2011 with a view to starting in May 2011
- A North/South Corridor link will be built linking the hotel area of the city with the BRT and the stadium (7km; 7 installations)
  - Preliminary works and expropriations are under way; financing contract should be signed by the end of March with the main works to begin in June 2011. Publication of tender was expected in February 2011.

### 3 Host cities and Copa 2014 (continued)

- BRT Avenida Dede Brasil linking the Parangaba/Mucuripe line with the stadium (7km)
  - Preliminary work and expropriations are underway; main works to begin in June 2011. Publication of tender was expected in February 2011
- BRT Avenida Raul Barbosa linking the North/South Corridor with the Alberto Craveiro BRT (2.5km; 2 installations)
  - Preliminary work and expropriations are underway; main works to begin in June 2011. Publication of tender was expected in February 2011
- BRT Avenida Alberto Craveiro (see BRT Raul Barbosa above)
  - Preliminary work and expropriations are underway; main works to begin in June 2011. Publication of tender was expected in February 2011
- BRT Avenida Paulino Rocha will extend the Dede Brasil BRT line linking Parangaba terminal to the stadium (2.5km)
  - Preliminary work and expropriations are underway; main works to begin in June 2011. Publication of tender was expected in February 2011
- New stations at Padre Cicero and Montese stations on the South line of the metro will be built
  - Preliminary work is complete and expropriations are underway; main works to begin in March 2011.

**Airport:** The passenger terminal of Pinto Martins International Airport is being expanded to increase capacity by 45% and road access is being modernised at a cost of R\$298 million. Initial design and works are underway along with viability studies for achieving environmental licenses. Main works are due to begin in August 2011 with the announcement of the tender having taken place in February 2011.

**Port:** Mucuripe Maritime Terminal is being improved with a new, 5,800m<sup>2</sup> passenger terminal along with upgrades to quays, road surfacing and improvements to access and parking. Initial studies in pursuit of environmental licenses were concluded in June 2010 with the main works due to start in June 2011. The cost of R\$106 million is being met by the Secretária Especial de Portos (SEP).

#### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Customer relationship design and systems</li> <li>• Event management (planning, training and systems)</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Light rail consultancy and services</li> <li>• BRT and bus lane consultancy and services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal services and equipment</li> <li>• Access planning and management</li> </ul>
Port infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal design and build services</li> <li>• Passenger access design</li> <li>• Quay design/construction</li> </ul>

#### Stakeholders and Decision Makers

##### Fortaleza – Key Contacts

<b>Cid Gomes</b>	Governor	Government of the State of Ceará
<b>Luizianne de Oliveira Lins</b>	Mayor	City of Fortaleza
<b>Gony Aruda</b>	Secretary for Sport and Leisure	Government of the State of Ceará
<b>Ferruccio Feitosa</b>	Special Secretary	SECOPA (Fortaleza)
<b>Lisiane Linhares</b>	Press Adviser	SECOPA (Fortaleza)
<b>Jean Alberto Luscher</b>	President	Queiroz Galvão Engenharia Brasil
<b>Jorge Valenca</b>	Commercial Director	Queiroz Galvão Engenharia Brasil

### 3.7.5 Manaus

**Introduction:** Manaus is the capital of Amazonas state and commonly regarded as the gateway to the Amazon rainforest. Picked up and then cast aside by the rubber boom of the 19th and 20th centuries, the city's confidence and wealth is now returning thanks to a burgeoning ecotourism industry and a range of tax and investment incentives from the federal government. In spite of its population of 1.8 million souls, the city has no strong tradition of high-quality professional football, which makes the long-term viability of the new Arena da Amazônia a challenge for its owners. However, authorities are banking on the boost in tourism and the flexibility of a multi-use stadium to ensure a legacy for the city.

**Stadium:** The Arena da Amazônia is being built on the site of the recently demolished Vivaldão. The new stadium, which will have an increased capacity of 44,000 spectators, is being built by the Brazilian construction company, Andrade Gutierrez, based on designs by the German architects Von Gerkan, Marg und Partners and Grupo Stadia. The focus is very much on the 'green' qualities of the build, in keeping with Manaus' eco-tourism reputation, with the design incorporating rainwater storage, geothermic cooling, bio-ethanol and natural ventilation concepts.



Architect's impression

### 3 Host cities and Copa 2014 (continued)

The budget for the project was originally estimated at R\$500 million and was won with a bid just shy of R\$500 million. The budget has since risen to R\$533 million, which will be funded with R\$400 million from BNDES and the balance from state funds. The 3-year contract was signed in March 2010 and the old stadium has already been demolished and earth moving and foundation work are underway.

However, the original delivery date of December 2012 has been put back by 6 months as a result of problems with financing. At the request of the federal Public Ministry, BNDES suspended financing while suggestions of overpricing of the contract were investigated. A new problem recently emerged with the publication by the State of Amazonas Public Ministry of possible environmental damage being caused by the works. However, the sub-contractor responsible has subsequently been removed and works are expected to continue. Foundation works are currently underway.

#### Manaus – Stadium Summary

<b>Official Name</b>	Arena da Amazônia
<b>Nickname</b>	Arena da Amazônia
<b>Current Capacity</b>	43,000 (Vivaldão)
<b>New Capacity</b>	44,310
<b>Owner</b>	State Government of Amazonas
<b>Operator</b>	State Government of Amazonas

#### Arena Da Amazônia – Project Summary

<b>Owner project manager</b>	Managing Agency for the World Cup
<b>Construction</b>	Andrade Gutierrez
<b>Architects</b>	Von Gerkan, Marg und Partners with Grupo Stadia
<b>Project consultants</b>	Von Gerkan, Marg und Partners
<b>Roof design</b>	Schlaich, Bergermann und Partners
<b>Project type</b>	Public
<b>Build type</b>	Rebuild
<b>Initial forecast budget</b>	R\$500 million
<b>Winning tender</b>	R\$500 million
<b>Current budget</b>	R\$533 million
<b>Financing</b>	BNDES: R\$400 million State: R\$133 million
<b>Project Start</b>	1st September 2010
<b>Project End</b>	30th June 2013
<b>Official RAG status</b>	<b>AMBER</b>

**Urban mobility:** Manaus has two urban transport projects within its portfolio of works for the World Cup:

- A monorail will link the north and central districts of the city and run adjacent to the hotels, bus station and stadium. The line will run to 20km and involve 9 stops and 10 train units. The cost of the project is R\$1.43 billion of which R\$833 million will be state money and the rest from federal government through the Banco Caixa.
  - Preliminary work is complete but expropriations are yet to start. Intervention by the federal Public Ministry with questions on the tendering and financing process has slowed the project down meaning the expected completion date is now April 2014.
- The city centre will be linked to the North and East sectors through a new BRT line which will link with the monorail route to form a loop. The BRT line will be 23km long and cost R\$256 million, of which R\$200 million will be federal funds through the Banco Caixa.
  - Although preliminary work has been completed, the Public Ministry has also intervened on this project to prevent release of funds, stating that the project is not economically viable.

**Airport:** Extension of the passenger terminal and improvements to road access at the Eduardo Gomes International Airport are being carried out by INFRAERO at a cost of R\$327 million. Delays to the preliminary work have meant that achievement of the necessary environmental licenses has also been delayed. Main works are due to start in September 2011 and conclude in December 2013.

**Port:** Manaus has an important river terminal and work is planned to extend existing floating quays and adapt existing buildings to improve passenger and baggage handling. Additionally, parking and access facilities will be improved using existing container storage areas. Total cost of the project is R\$89 million which will be funded entirely from federal funds. Preliminary works are underway with environmental licenses expected by September 2012 and the main works due to begin in October 2012. The project should be complete at the end of December 2013.

### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Event management (planning, training and systems)</li> <li>• Customer relationship design and systems</li> <li>• Innovative environmental services and products</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Monorail specialist services and equipment supply</li> <li>• BRT equipment supply</li> <li>• Traffic management systems supply</li> <li>• Safety and security services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Specialist airport services and equipment</li> <li>• Access planning and management</li> </ul>
Port infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal design and build services</li> <li>• Passenger access design</li> <li>• Quay design/construction</li> </ul>

### Stakeholders and Decision Makers

#### Manaus – Key Contacts

<b>Omar Aziz</b>	Governor	State Government of Amazonas
<b>Amazonino Armando Mendes</b>	Mayor	City of Manaus
<b>Miguel Biango</b>	General Coordinator	Managing Agency for the World Cup in Manaus (UGP Copa)
<b>Marcelo Lima Filho</b>	State Secretary for Planning and Economic Development	State Government of Amazonas
<b>Julio Cesar Soares da Silva</b>	State Secretary for Youth, Sport and Leisure	State Government of Amazonas
<b>Lourenço da Silva Braga Neto</b>	Municipal Secretary for Sport and Leisure	City of Manaus

## 3 Host cities and Copa 2014 (continued)

### 3.7.6 Natal

**Introduction:** An important tourist destination based on a vast portfolio of beaches and a reputation for virtually year-round sun, Natal is also the closest Brazilian state capital to Europe. It is home to 3 football clubs, América, ABC and Alecrim. América (relegated) and ABC (promoted as champions) swapped places in Séries B and C in the 2010 season while Alecrim will play next season in Série D. The city has 2 major football stadia, one of which, the Machado – currently shared by América and Alecrim – is being demolished as part of the project to construct the new Estádio das Dunas for the World Cup. ABC's Frasqueirão stadium was recently refurbished.

**Stadium:** The Estádio das Dunas – a PPP project between the State Government of Rio Grande do Norte and the construction firm, OAS – will replace the Machado with a 45,000 seat stadium. The first attempt at finding a supplier was hindered by complaints from the Public Ministry over the award of contracts to two architects without a complete tendering process. The second attempt was completed on 2nd March with the award of the contract to OAS and the hope is that, with the structure of the PPP being quickly negotiated, financing will be approved and work can begin in June 2011. Although the various stakeholders are happy that the project will be completed in time for the World Cup, any participation in the Confederations Cup now looks impossible with the project expected to last until October 2013. OAS will work with the architects, Populous, and Amsterdam Arena for the management of the stadium under the 20-year concession.



Architect's impression

The total budget for the build is R\$413 million of which R\$289 million will come via BNDES, R\$111 million from the consortium and the balance from state funds. The repayment from the state to the consortium is expected to reach close to R\$1.2 billion over the first 12 years of the life of the stadium.

Key to the legacy success of the stadium will be the attraction of events beyond football, given the relatively low status of the local game although the design allows for temporary and, therefore, removable seating structures.

#### Natal – Stadium Summary

<b>Official Name</b>	Estádio das Dunas
<b>Nickname</b>	Estádio das Dunas
<b>Current Capacity</b>	35,000
<b>New Capacity</b>	45,000
<b>Owner</b>	State Government of Rio Grande do Norte
<b>Operator</b>	TBC

#### Estádio das Dunas – Project Summary

<b>Owner project manager</b>	SECOPA (Natal)
<b>Construction</b>	OAS
<b>Architects</b>	Populous
<b>Project consultants</b>	-
<b>Roof design</b>	TBC
<b>Project type</b>	PPP
<b>Build type</b>	Rebuild
<b>Initial forecast budget</b>	R\$350 million
<b>Winning tender</b>	R\$413 million
<b>Current budget</b>	R\$413 million
<b>Financing</b>	BNDES: R\$289 million Private: R\$111 million State: R\$13 million
<b>Project Start</b>	1st June 2011
<b>Project End</b>	31st October 2013
<b>Official RAG status</b>	<b>AMBER</b>

**Urban mobility:** Natal has two main urban transport projects underway:

- Extensive road improvements are planned to link the airport with the stadium and the hotel area of the city. The total cost of this work will be R\$413 million of which R\$350 million will come from government via the Banco Caixa, R\$46 million from the city and the balance from state funds.
  - Expropriations and main works are already underway with an expected completion date of July 2013 although the financing agreement was only expected to be signed in March 2011.
- A 5km extension to Prudente de Morais Avenue will improve access between the south and centre of the city. Total cost for this project will be R\$28 million of which R\$17 million is state money and R\$11 million federal.
  - Expropriations have been completed and the main works are underway with an envisaged completion date of July 2011

**Airport:** A new airport is being built in the neighbourhood of São Gonçalo do Amarante. The project is receiving R\$577 million in investments to complete the runway, build a new passenger and cargo terminal, improve security and upgrade access facilities. The work is divided into two tranches, the first of which (runway and security work) has been underway for some time although the delivery date is yet to be confirmed. The second tranche (passenger terminal and access) has achieved environmental licensing and the tendering process is set to take place by August 2011. Works are then expected to begin in September 2011 and complete in April 2014. Further expansion is expected as traffic increases in the new airport.

**Port:** The Port of Natal is, under the auspices of SEP, converting existing buildings into a passenger terminal and expanding the quays to allow a berth for an additional cruise ship. Improved road access and modernisation of the area are also included in the work. The total cost will be R\$54 million which will come from federal funds. Environmental approval is currently being sought and the design project is being undertaken from April 2011. Main works are expected to start in February 2012.

## 3 Host cities and Copa 2014 (continued)

### Opportunity Summary

Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Event management planning, training and systems</li> <li>• Customer relationship design and systems</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• Traffic management systems supply</li> <li>• Safety and security services</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Specialist airport services and equipment</li> <li>• Access planning and management</li> </ul>
Port infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal design and build services</li> <li>• Passenger access design</li> <li>• Quay design</li> </ul>

### Stakeholders and Decision Makers

#### Natal – Key Contacts

<b>Rosalba Ciarlini</b>	Governor	State Government of Rio Grande do Norte
<b>Micarla Araujo de Sousa Weber</b>	Mayor	City of Natal
<b>Demetrio Torres</b>	Special Secretary for the World Cup	State Government of Rio Grande do Norte
<b>Fernando Fernandes</b>	President	Management Committee for the World Cup in Natal
<b>Joacy Bastos</b>	State Secretary for Sport and Leisure	State Government of Rio Grande do Norte
<b>Manoel Ribeiro</b>	Regional Director for the Northeast	OAS

### 3.7.1 Salvador

**Introduction:** Salvador is another of Brazil's primary tourist destinations because of its impressive coastline and beaches. The city was founded in 1549, was the original capital of Brazil and has long been an important port for the north-east of the country.

Salvador is home to Esporte Clube Bahia and Esporte Club Vitória. Bahia recently won promotion to the Brazilian Série A and is already the holder of two national titles. Vitória, on the other hand, went in the opposite direction and will play in Série B this year.

**Stadium:** Salvador has three high-capacity football stadia, two of which are owned by the state government (the Fonte Nova and the Estádio de Pituvaçu) and the other, the Barradão, owned by E.C. Vitória. The Fonte Nova (officially the 'Estádio Octávio Mangabeira') has hosted games by both Salvador teams since it was opened in 1951. After an accident in November 2007 leading to the deaths of seven spectators, the stadium was shut down with plans to demolish and rebuild it. The new Fonte Nova was then chosen to become Salvador's host stadium for the games of the 2014 FIFA World Cup. It is hoped that the stadium will also host some of the football games of the 2016 Olympics.

The designs for the new stadium were done by Setepla Tecnometal Engenharia working with Schultz Arquitetura. The original Fonte Nova had a capacity of 66,000, which will become 50,000 in its new guise. However, the design allows for an increased capacity of 65,000 using temporary structures should the stadium be selected to host the tournament's opening ceremony. Load testing and foundation work is currently underway with the completion date of the stadium expected in December 2012.

The work is being carried out on a PPP basis with the consortium, Consórcio Arena Salvador 2014, made up of the two Brazilian construction companies, Odebrecht and OAS. The stadium will be operated by SPE Fonte Nova Negócios e Participações (which includes Consórcio Arena Salvador 2014), working with the stadium management company, Amsterdam Arena. The value of the project is R\$591 million for the stadium work. The consortium has been awarded a 35-year concession which will see them receive R\$1.6 billion from the state government over the first 15 years of the contract.

### Salvador – Stadium Summary

<b>Official Name</b>	Estádio Octávio Mangabeira
<b>Nickname</b>	Fonte Nova
<b>Current Capacity</b>	66,000
<b>New Capacity</b>	50,433
<b>Owner</b>	State Government of Bahia
<b>Operator</b>	Consórcio Arena Salvador 2014

### Fonte Nova – Project Summary

<b>Owner project manager</b>	Governo do Estado da Bahia
<b>Construction</b>	SPE Fonte Nova Negócios e Participações
<b>Architects</b>	Setepla Tecnometal Engenharia
<b>Project consultants</b>	Setepla Tecnometal Engenharia
<b>Roof design</b>	-
<b>Project type</b>	PPP
<b>Build type</b>	New build
<b>Initial forecast budget</b>	R\$589.5 million
<b>Winning tender</b>	-
<b>Current budget</b>	R\$591 million
<b>Financing</b>	BNDES: R\$323 million State: R\$268 million
<b>Project Start</b>	1st June 2011
<b>Project End</b>	31st December 2012
<b>Official RAG status</b>	<b>GREEN</b>



Architect's impression

### 3 Host cities and Copa 2014 (continued)

**Urban mobility:** A BRT line – the Estruturante/Northern Access Corridor – will link the airport to the ‘Acesso Norte’ station. The line will be 19km long and include 27 stops and 4 terminals. The total cost of the project will be R\$570.3 million, largely funded by federal government money through the state-owned bank, Caixa – the financing arrangement was signed in August 2010. The preliminary work is underway with expropriations due to start in June 2011 and the main works in September 2011. Announcement of the work will officially take place in April 2011.

**Airport:** Salvador International Airport is undergoing refurbishment and modernisation works to the passenger terminal. The cost of the work will be R\$30 million. Seeking of environmental licenses is underway and works are expected to start in January 2012 with a forecast completion date of March 2013. Additionally, a new control tower is being built at a cost of R\$15 million. Environmental licenses are being sought and official announcement of the work was expected to take place in March 2011 with a view to work commencing in June 2011.

**Port:** Salvador’s Maritime Terminal will benefit from an improved passenger reception area along with improved car parking and access. The project is worth R\$36 million. Preliminary discussions have been held on the environmental impact with the hope that preliminary design and preparation work can begin in March 2011. Environmental licenses should be approved by February 2012 with the main works due to begin in March 2012.

Opportunity Summary	
Sector	Opportunity
Stadium build and management	<ul style="list-style-type: none"> <li>• Stadium fit-out services</li> <li>• Security planning and systems</li> <li>• Staff training</li> <li>• Event management (planning, training and systems)</li> <li>• Customer relationship design and systems</li> </ul>
Urban transport	<ul style="list-style-type: none"> <li>• BRT design and management</li> <li>• Rolling stock supply</li> <li>• Safety/security planning</li> </ul>
Airport infrastructure	<ul style="list-style-type: none"> <li>• Specialist airport services</li> <li>• Control tower design and component supply</li> </ul>
Port infrastructure	<ul style="list-style-type: none"> <li>• Passenger terminal design and build services</li> <li>• Passenger access design</li> </ul>

#### Stakeholders and Decision Makers

Salvador – Key Contacts		
<b>Jaques Wagner</b>	Governor	State of Bahia
<b>João Henrique</b>	Mayor	City of Salvador
<b>Ney Campello</b>	Special Secretary	SECOPA (Bahia)
<b>Denio Sidreira</b>	President	Fonte Nova Negócios e Participações S/A
<b>Alexandre Chiavegatto</b>	Director	Consórcio Arena Salvador 2014
<b>Renan Araujo</b>	Head of Cabinet	SECOPA (Bahia)
<b>Lilium Pitanga</b>	Planning Adviser	SECOPA (Bahia)
<b>Marco Costa</b>	International and Sports Relations Adviser	SECOPA (Bahia)

## 4 Other activities

### 4.1 Federal plan: later phases

#### 4.1.1 Second planning cycle: security and tourism

Given the delays to some projects and the associated pressure from FIFA, the main focus of all levels of the FIFA World Cup planning hierarchy is currently on delivering the stadia and associated urban transport infrastructure. However, works are already underway on the second phase of federal planning, which aims to deliver detailed plans for Brazil's security and tourism services. Because the planning is at an early stage, there are opportunities here for British companies to become involved in, and influence, the process. Security in all its guises is considered a strong British area of expertise, particularly sports security. British companies have already been involved in dialogue with the various Brazilian stakeholders involved in both the FIFA World Cup and the Olympics on subjects such as integrated security planning and the importance of stewarding.

#### 4.1.2 Third planning phase: operational planning

Operational plans and policies for the 3rd planning phase are yet to be addressed while the supporting infrastructure is still being developed. However, there are likely to be opportunities to assist the organisers – particularly at a host city level – in the development and implementation of operational plans to cover areas such as public health, energy supply, emergency planning and transport management.

### 4.2 Other required Copa 2014 infrastructure

Although the focus of this report has been on the stadium and transport infrastructure projects planned for the FIFA World Cup, there are a number of other areas of interest that may/will require other (in some cases, specialist) resources:

#### 4.2.1 National Team Facilities

A key part of FIFA's requirement for host cities is to provide suitable training and practice facilities for competing squads. These facilities are categorised as Official Training Pitches (COTs), National Team Training Centres (CTS) and Team Base Camps (CBEs). Bids are submitted by candidate cities and municipalities via their national federation to the FIFA Accommodation Office (FAO). Locations are subsequently chosen by FIFA itself, COL, FAO and Match (a company which advises FIFA on accommodation).

The main pre-requisites set out by FIFA for the Team Base Camps are:

- Minimum 50 rooms with appropriate A/C or heating for the local climate (interpretation is that accommodation should ideally be 5 stars – minimum 4 stars)
- Restaurant/dining facilities for a minimum of 50
- Space appropriate for a press conference room with minimum capacity of 100 people
- Training area, spa, fitness centre and swimming pool – training area must be a maximum of 15/20 minutes from the team's accommodation (the interpretation is that the best proposal would include an integrated facility)
- Proximity of an airport (the interpretation is that the airport should be suitable for commercial traffic)

Selection of a shortlist of between 80 and 90 locations will take place in 2011 with the selection of the final 32 being made once the tournament participants are known.

Opportunities exist in this area for organisations which have already had some experience in the preparation of training facilities and accommodation for sports teams.

#### 4.2.2 IBC (International Broadcast Centre)

Three cities – Brasília, São Paulo and Rio de Janeiro – are competing for the prestigious right to host the International Broadcast Centre. The IBC is FIFA's press and broadcasting centre for the whole tournament and will thus bring with it a huge contingent of media organisations, their employees and suppliers. The economic and reputational benefit to the host city is valuable and competition is fierce. Selection of the IBC host city will take place in 2011.

It is likely that the winning city will require – or at least be amenable to the presentation of – advice/consultancy services that will help it adequately design, implement and operate such a facility.

## 4 Other activities (continued)

### 4.3 Other stadium projects

In addition to the enormous volume of work arising from the need to quickly build or refurbish 12 world-class football stadia, there are also other stadium projects ongoing across the country, which are making their own demands on local resources – often in host cities where another stadium has already been chosen by FIFA. Although these projects have not been looked at closely for this report, their existence is a reminder of the demands that are being placed on Brazil's capacity to deliver stadium projects and possible opportunities for filling any resource gaps:

- Grêmio, Porto Alegre: the project of S.C. Internacional's fierce rivals in the Rio Grande do Sul capital. Grêmio still have ambitions to host Confederations Cup and/or World Cup games if the Beira Rio project is delayed any further. The 52,000 capacity Grêmio Arena will be built in the north of Porto Alegre.
- Palmeiras: the São Paulo giant is transforming its Palestra Itália home into a 45,000 seat, multi-use arena in a R\$300 million project in partnership with WTorre Arenas
- Sport, Recife: the 'Nova Ilha' project is still only at an early stage of definition but the design was recently formally approved by the board of the club. This is a potential setback to the stated objective of the Arena Pernambuco to get all 3 of Recife's clubs playing at the new stadium. The Nova Ilha project has a budget of R\$450 million and work is expected to begin on 1st December 2011.
- Ponte Preta, Campinas: one of two teams in this city close to São Paulo, which are planning to upgrade their stadia. This Arena Ponte Preta project has been started by the sale of the existing stadium and land to a development company.
- Vila Belmiro, Santos: another big team from São Paulo state which has plans for a new, 45,000-seat stadium outside of the World Cup framework.
- Guarani, Campinas: Guarani plan to sell the site of their Arena Brinco de Ouro to raise funds for a new stadium of 34,000 seats.





OPPORTUNITIES

# 5 Getting involved

## 5 Getting involved

### 5.1 Who makes the decisions?

In spite of having ultimate responsibility for the successful delivery of the 2014 FIFA World Cup, the local organising committee, COL, has no procurement remit for any of the host cities. All purchasing decisions are devolved to the host city organisers, be they state, municipal or joint. Naturally, for private projects, the procurement process is handled by the owner-clubs and their contracted consortia.

Once hired to build the stadium, construction companies then have complete control over the procurement of all required services and products. However, the client – usually the state government but sometimes the football club – will naturally retain some degree of influence over the interpretation of the design and the products and services that are needed to deliver it. Consequently – and this is a message that came across regularly in meetings – it is possible to influence the buying decisions of the contractors by appealing to the stadium owners as well as the contractors themselves as long as the impact on the agreed budget is not too inflationary.

Within private construction companies, the procurement process is more opaque with partners for many key services being lined up well in advance of delivery and with these (local) partners already having a strong relationship with the prime contractor. Consequently, it will usually be appropriate to direct solutions to the stadium owner and the construction company. Although relationships already exist between the main Brazilian construction companies and their suppliers, one key theme that has arisen in researching this report is how open all aspects of the FIFA World Cup project are to innovation and new technology. There is also a very high regard for those countries, like Britain and Germany, which are at the cutting edge of stadium building and management technology – indeed, several interviewees have visited the Emirates and Wembley, were impressed by what they saw and consider them benchmarks for Brazil's projects.

The influence, power and reach of the Brazilian construction companies involved in these projects cannot be underestimated. Companies like Odebrecht and Andrade Gutierrez are enormous organisations with an important global reach, high levels of know-how and experience, and unmatched influence among Brazilian decision makers, both public and private. Because of this, it is an important part of any strategy for getting involved with the FIFA World Cup project in Brazil to identify, firstly, which of the engineering giants has influence over the project of interest and, secondly, how to pitch the integration of services into the larger project. It may, for instance, be possible to leverage previous interactions or acquaintances on other projects and then to identify services, which are complementary to the broader construction and engineering requirements. UKTI have an extensive list of contact details for all the major construction companies along with details of their involvement in each of the FIFA World Cup projects.

### 5.2 Common themes

Discussions with a wide range of stakeholders in the World Cup project have thrown up a number of common 'themes': concepts that are not necessarily well enough defined to be specific opportunities but which are a pointer to potential service and product requirements in the future. Although many construction projects are running behind schedule, there is still a strong feeling that 3 years is plenty of time for new ideas and concepts to emerge and be incorporated in existing plans. The main themes are:

- Building overlay
- Stewarding
- IT, data and systems (including smart technology for stadia)
- Sustainability (including environmental certification)
- Legacy issues
- Temporary structures
- Stadium security
- Transport master planning
- Energy and power generation
- Security planning for major events – coordination of a wide range of security functions
- Accommodation (hotel capacity)

# 6 Who's currently doing the work?

## 6 Who's currently doing the work?

The table overleaf represents a list of companies known to be involved in the various World Cup stadia and transport projects across the country. It is by no means exhaustive but is intended to indicate the main protagonists.

In addition to the stadia projects, both Deloitte and Price Waterhouse have been involved in advisory capacities – the former in Cuiabá and Manaus; the latter in Rio Grande do Norte and Manaus.



**Figure 15: Organisations involved in World Cup-related projects**

	Belo Horizonte/Mineirao	Bastilia/Maria Garchina	Porto Alegre/Beira-Rio	Sao Paulo/Itaquera	Rio de Janeiro/Maracana	Fortaleza/Castelao	Mearns/Arena Amazonia	Salvador/Forte Nova	Curitiba/Arena da Baixada	Curitiba/Arena Pantanal	Recife/Cidade da Copa	Natal/Estadio das Dunas
AEG	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO
Akona/ProFootball	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Andrade Gutierrez	NO	YES	NO	NO	YES	NO	YES	NO	NO	NO	NO	NO
Bombardier	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
BWA	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO
Carioca Christiani Nielsen	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Carlos Arcos Arquitetura	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	NO
Carvalho Hosken S.A.	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Castro Mello Arquitetos	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
CDC Arquitetos	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Conceptlicht Angerer, Taunreut	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Construcap	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Daniel Filippon	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
Deloitte	NO	NO	NO	NO	NO	NO	YES	NO	NO	YES	NO	NO
Delta	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO
EdExcel	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
EGESA	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
EMOP (Empresa de Obras Publicas)	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO
Enerconsult S.A.	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO
EVMI	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO
Fernandes Arquitetos Associados	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO
GMP (von Gerkan, Marg und Partner)	YES	YES	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO
Grupo Stada	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO
Gustavo Penna	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
HAP Engenharia	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Hype Studio	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
Maristela Kuhn	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
Mendes Junior Trading Engenharia	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO
OAS Construtora	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	NO	YES
Odebrecht	NO	NO	NO	YES	YES	NO	NO	YES	NO	NO	YES	NO
Populous	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES
Price Waterhouse	NO	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	YES
Projeto Alpha	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO
Queiroz Galvao	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO
Santini e Rocha Arquitetos	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
Schlaich, Bergemann und Partners	NO	YES	NO	NO	YES	NO	NO	NO	YES	NO	NO	NO
Schulitz und Partner	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO
Scomi Engenharia	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Serveng	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO
Setepia Tecometal	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO
Simon Engineering	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
Steer, Davies and Gleave	NO	NO	NO	YES	YES	NO	NO	NO	YES	NO	NO	NO
Via Engenharia S.A.	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Vigliccia Associados	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	YES	NO
Werner Sobek	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO



## SUPPORTING INFORMATION

# 7 Appendices

## 7 Appendices

### 7.1 Acknowledgements/Bibliography/Acronyms

#### 7.1.1 Acknowledgements

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- **Sport Club Corinthians Paulista**

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- **Special Secretary for Ports (SEP)** – [www.portosdobrasil.gov.br](http://www.portosdobrasil.gov.br)
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#### 7.2.3 Abbreviations and acronyms

- BNDES** – Banco Nacional de Desenvolvimento Econômico e Social
- CGCOPA** – Comitê Gestor da Copa do Mundo
- COL** – Comitê Organizador Local
- CREA** – Conselho Regional de Engenharia, Arquitetura e Agronomia
- EMOP** – Empresa de Obras Públicas (Rio de Janeiro)
- FIFA** – Fédération Internationale de Football Association
- GECOPA** – Grupo Executivo da Copa do Mundo
- INFRAERO** – Empresa Brasileira de Infraestrutura Aeroportuária
- IPAE** – Instituto de Pesquisa Aplicada Econômica
- OGU** – Orçamental Geral da União
- PAC** – Programa de Aceleração do Crescimento
- SECOPA** – Secretária Especial/Extraordinária para a Copa do Mundo
- SEOBRAS** – Secretária De Estado de Obras (Rio de Janeiro)
- SINAENCO** – Sindicato Nacional das Empresas de Arquitetura e Engenharia Consultiva
- SUDERJ** – ‘Superintendência de Desportos do Estado do Rio de Janeiro’ or State of Rio de Janeiro Sports Authority
- TCU** – ‘Tribunal de Contas da União’ or Federal Accounting Office

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