

**EPRP IN PRACTICE: A BRAZILIAN SUCCESS STORY -  
THE EPRP/BERIMBAU PROJECT**

**A paper contributed by the  
ITC Export-led Poverty Reduction Programme (EPRP) Team**

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### **1. Introduction**

The northeastern Brazilian region of Bahia was once an area totally reliant on agriculture for jobs and income.

Capitalizing on its rich heritage and natural landscapes, the region developed a thriving tourism destination. This has resulted in employment generation, and a rise in average household income, among traditionally poor communities in the region.



### **2. Rationale of Intervention**

When Costa do Sauípe built its beautiful resort in 1998-2000, there was some concern from ecologists that it would destroy the beautiful scenery and create irreparable damages to the eco-system. The population living around this site, on the other hand, had high expectations in terms additional jobs and income. These expectations, however, were not met, resulting in a lot of pressure on the promoters of the resort.

The consortium Costa do Sauípe (CdS) then decided to create a sustainable development programme called “Programa Berimbau” in July 2003. With the financial support of the Bank of Brazil Foundation and of CdS, each meeting half of the expenses, Berimbau built essential infrastructure including a recycling plant (organic waste recycling), a warehouse, a training centre and a recreation centre.

Initial meetings with communities and some assessment of the Resort’s five star hotel needs revealed that there was an overall lack of know-how as to how to link the local communities to the operators in the tourism sector, through viable, profitable business linkages.

Responding to an invitation from the Bank of Brazil, that wanted to use ITC’s Export-led Poverty Reduction Programme (EPRP) approach to implement their “job and income management through export” programme, ITC signed an initial agreement with the Bank in June 2003. Through this agreement, the Bank of Brazil undertook to act as the trade support institution for the EPRP project and to seek to replicate this experience nationwide as an active member of the “Zero Hunger Programme”, as promoted by President Lula. The bank also agreed to translate all useful documents and tools for use in Brazil and other Portuguese-speaking countries.

In July 2003, ITC signed another agreement with the Bank and with CdS to run an EPRP Community-Based Tourism (CBT) project. From this the ITC’s EPRP/Berimbau Project was born.

### **3. Scope of the Strategy**

The purpose of the project was to build up the capacities of the poor communities surrounding the existing tourism industry to enable them to offer their products and services – directly or indirectly – to tourists in a professional way so as to improve their livelihoods. However, the lack of infrastructure, of pro-poor value-chains and of leadership (at a regional level), meant that the ability to supply tourists with local products was small.

Opportunities for harnessing the entrepreneurial potential of the poor communities were identified through a demand survey, a community census and agro-industry research. Using its EPRP Toolkits, ITC, in collaboration with the Bank of Brazil, organized a tailor-made training workshop to prepare for the elaboration of various business plans, that involved 40 community leaders, NGO representatives and other social agents.

Starting with the implementation phase of the EPRP/Berimbau Project, ITC's CBT tools identified seven productive chains as holding competitive opportunities for the community:

- Fruit and vegetable agriculture,
- Fishing,
- Organic waste recycling,
- Soaps and shampoos,
- Textiles,
- Artisan products, and
- Cultural activities.



*Traditional Artisanal Products*

The seven sectors were selected on the basis that they would allow for the surrounding region to fully participate in the different supply chains that were being created within the tourism sector and that they would encourage local residents and businesses to develop along them. These seven sectors thus provided the basis of the EPRP project.

#### **4. The Stakeholders**

##### Costa do Sauípe Enterprise

The Costa do Sauípe's all-inclusive resort is managed through a collaborative effort of four multinational hotel chains - Sofitel, Renaissance, Super Club Breezes and Marriott. It generates millions of dollars of revenue and has over 1,600 rooms. The dramatic change the resort brought to the region is highlighted by the change in the name of the local area. Built in a region called *Costa dos Coqueiros*, the area is now called *Costa do Sauípe*, named after the resort. The resort has become a principal source of tourism sector in the region, as it has the largest accommodation and entertainment facility.

The input of Costa do Sauípe to the region is extensive as it allows the local community to contribute in vast and varied ways, ranging from staffing at the resort to agricultural producers who supply fish, fruit, vegetables and other produce to the catering facilities. Auxiliary contributions from the community come directly from tourist activities, such as day trips, use of taxis and buses, as well as local merchants of local art and tourist souvenirs. The resort has become the largest single employer in the area.

##### Bahia Local Communities

The EPRP/Berimbau Project incorporates eight local communities, which have direct involvement in the plan. The region has seen a substantial increase in foreign currency earnings through increased tourism activities. The rise in tourism numbers has meant that local merchants and producers have had a stable, constant market in which to sell their products and are thus benefiting through regular trade. By working together through community initiatives and product cooperatives, the producers of various goods have become better organised and are taking advantage of economies of scale.

Cultural projects have been undertaken to keep the national heritage vibrant and productive. This effort has had the added bonus of being able to offer performances to tourists eager to experience the local culture. As part of the broader Berimbau Programme, a large community centre has been constructed, which serves over 4,500 local people and offers adult literacy classes. In addition, a computer centre has been opened to teach the local communities with computer skills.

## Bank of Brazil

The Bank of Brazil (70% public and 30% private) offered its knowledge of finances, and its microfinance products. The Bank worked at the micro level to extend loans to entrepreneurs that were too poor to qualify for traditional bank loans. This was recognised as a critical step to provide the local impoverished communities with the opportunity to work to reduce their own poverty.

The Bank of Brazil Foundation also financially supported the Berimbau Programme for the building of the recycling factory and agricultural warehouse. This foundation is a long-term investment and initiative in the area and is designed to continue long after the initial programme has been completed.



*Local Community Computer Centre*

## ITC

ITC's Export-led Poverty Reduction Programme (EPRP) started its project in the Bahia region at the end of 2003 and focused on enabling the communities surrounding the tourist site to participate in the tourism value chain and to benefit from the enhanced tourism activity in the region.

### **5. Principal Challenges**

Tourism is among the world largest industries (second only to petroleum), and is therefore highly competitive. As expected, the Berimbau Programme experienced numerous problems and obstacles that needed to be addressed.

When the Costa do Sauípe resort first opened, the majority of the jobs that were available were not accessible to the local populations due to a lack of education and required skills. For example before the Berimbau Programme, only 55% of the local adult population was literate.

In addition, promises had been made to the local communities and none of them had been kept. This had left the community leaders in an indefensible position. Costa do Sauípe (CdS) was acquiring a negative image and this was reflected on its business.

Berimbau was then created by CdS and it immediately took the following steps:

- a) Identified community associations, whether functioning or not;
- b) Identified community leaders: who they are, what are they doing, level of representation, life history;
- c) Invited community associations and leaders to CdS events;
- d) Organized several meetings with small groups of community leaders to explain in very simple terms what Berimbau intends to do without creating false expectations, how Berimbau could help and check what they expected from this programme;
- e) Started expanding the group of leaders, opening to complaints over the past situation and moving to future opportunities trying to find common interests.

The relationship created by Berimbau with the communities followed several principles:

1. Transparency: Not promising more than what is feasible. Expressing points of view with sincerity;
2. Action: Fewer speeches and more actions. Attending swiftly to solicitations when real interest is shown. Discouraging isolated requests to gain credibility and respect;
3. Awareness: Making it clear that Berimbau's raison d'être was in the interest of the whole population, the improvement of living conditions, and local development that is integrated and sustainable;
4. Capacity building of the locals.

The various actions undertaken with a broad involvement of the communities created credibility for CdS and reversed the initial negative impressions.

## 6. Impact

The benefits experienced by the over 7,000 people (of whom 3,500 were women) in eight communities were substantial. These benefits came about not only thanks to the EPRP project, but also to the wider Berimbau Programme, which included local improvements in infrastructure, education, cultural heritage, job creation and living standards. The overall benefits can be listed as follows:



*Local Craftsman*

- Preferential hiring policy for community members at the Costa do Sauípe resort, with 1,300 new jobs created.
- Construction of a cutting-edge waste processing plant providing 40 direct jobs, that will be able to handle 8 tons of organic waste a day to produce bio-fertilizer.
- Established Rural Producer Cooperative with direct sales to the Costa do Sauípe resort.
- Raised average monthly salary of artisans from USD40 to USD400 (majority are women).
- Construction of an artisanal shop in Costa do Sauípe.
- Cooperative of 150 fishermen organised for communal resource management and leveraged market power.
- Development of *Capoeira* and *Samba de Roda* performance groups that offer traditional performances in the Costa do Sauípe and surrounding areas.
- Construction of a community centre in Porto Sauípe that is used by over 4,500 people in adult education.



- Advanced Leadership courses through the state university for 25 local leaders.
- Construction of a community computer resource centre and classes in computer literacy that have been taken by over 80 people.
- Health care task force that brings 50 professionals to the communities for regular scheduled consultations and medical exams.
- An eight-fold increase in primary school attendance.
- Installations of two telephone stations into communities previously off the network.

## 7. Key Lessons

The main lesson drawn from the EPRP/Berimbau Project is that local communities must be the centrepiece for any successful technical assistance programme. It is vital that the momentum for change comes from the people who are to be impacted by the project, especially in the decision making process as the results will remain with them when the programme is finished.

Another lesson is that corporate social responsibility can be profitable; through undertaking partnerships with local communities the Costa do Sauípe resort lowered its costs (e.g. transport), and thereby increased profitability. The programme demonstrated the value of bringing together a wide range of devoted organisations, the combination of Costa do Sauípe, the Bank of Brazil, local communities and the ITC resulted in a diverse range of assistance and development. Each of these organisations brought a different skill-set and specialisation to the EPRP/Berimbau Project and the range of knowledge was critical to be able to offer effective advice to communities. The collaborative effort of these various public and private entities was the key factors of the success of the project. Having an existing tourism sector to start from also made the project in Bahia much easier to set up and develop, than had it been done from scratch.

## 8. Looking Ahead

The communities that formed the core of the project must capitalise on the increased entrepreneurship created in the area in order to continue economic and social development and to ensure future movements up the value chain. Other resort style hotels in the area have noted the positive benefits of EPRP Berimbau Project and have initiated replication. The neighbouring resort of Reserva Imbassaí, is replicating the CBT experience, and has looked to involve over 3,000 more poor people from their region. One interesting difference is that activities of conservation of the eco-system and of building the productive chains are happening prior to the construction of the first resort hotel, expected for June 2007. This suggests that lessons have indeed been learnt.

The core stakeholders in the EPRP/Berimbau Project, showed the possibilities and benefits of cooperation to achieve export-led poverty reduction. It is hoped that the model developed in this project leads to shifts in the behaviours of multinational resort companies towards the surrounding communities, in recognition of the fact that tourism can truly work for the poor communities (that are often found in their vicinity).

There is no doubt that such programmes can lead to spectacular social transformation – investments on the Costa dos Coqueiros are now amounting US\$ 1 billion.



*Costa do Sauípe - Bahia*