The need to eliminate uncertainty in order to attract investment and accelerate infrastructure projects has heated the debate about Brazil’s cumbersome environmental licensing process. How does IBAMA intend to address the issue?

Our focus has been to rationalize licensing. Today the process covers a number of related licenses, such as public utility decrees and permits for removal of vegetation, which have their own time-consuming proce-
dures and do not bring any environmental gain. … An IBAMA working group is reviewing the regulations in order to propose changes. … We are also seeking rationalization of IBAMA’s internal technical procedures. In most cases, 80% of what has to be done to process licenses is repeated, especially when they are of the same type, whether it is construction of a dam, a railway, or a road. We do not need to treat each licensing as if it starts from scratch. We have a consultant working to identify best international and national practices, such as those of the Environmental Company of the State of São Paulo, to produce manuals to guide the work of both IBAMA staff and entrepreneurs and consultants, so they know what to expect from the licensing process. Uniform guidelines will reduce discretion in granting licenses. This will also cover mitigation measures to reduce the environmental impact of infrastructure projects. … We expect to have manuals for two types of projects in the first half of 2016 that could be used by state and municipal environmental agencies to rationalize their own licensing procedures.

**Although there have been efforts to simplify the environmental licensing process since 2011, some businesses, particularly in the electricity sector, have great expectations about your management of IBAMA. Why the optimism?**

The Ministry of Environment has really made a great effort to streamline processes. One example is ministerial ordinance No. 060 of 2015 establishing the participation of agencies involved in environmental licensing—FUNAI, Iphan, and the Palmares Foundation—and centering the licensing process in the IBAMA. These agencies now have deadlines to give their opinion; if they are not met, IBAMA can move forward with the process.

As for the optimism, I think it is based on what was done in Rio de Janeiro state with the creation of the State Environmental Institute and the new state licensing system. Also, we listen to various parties through the management council. Although IBAMA does not have the same characteristics as a regulator, since in the end the license is signed by the president, we are a collegiate body. So when there are differences of views between experts and entrepreneurs, issues are taken to the management council, giving each party the possibility of submitting its arguments and seek a better understanding. It is a more transparent process.

**Economist Ronaldo Seroa da Motta points out that the lack of coordination between**

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agencies that look after communities and traditional peoples and archaeological and cultural heritage impairs IBAMA’s licensing activities. What is your view?

Although the license is not restricted to environmental issues and also covers social, indigenous, and other aspects, the licensing process should continue to be centralized in IBAMA. [Environmental] impacts matter and setting limits is difficult. IBAMA has the legal mandate to demand compensation and mitigation measures for these impacts or prevent them from happening. Environmental licensing is a very strong, powerful instrument, which has a sound legal basis. I think the other aspects are best served by incorporating them into the license. What we must avoid is that other agencies involved do not meet deadlines or make demands that are extraneous to the actual impact of an infrastructure project. Ordinance No. 060/2015 gives the IBAMA responsibility for analyzing the requirements. … I believe that IBAMA should strengthen its technical staff and diversify it so that we can carry out this type of analysis. We need to hire experts such as anthropologists and urban planners, among others.

It’s been said that among the causes of delays in infrastructure projects in Brazil is lack of a thorough evaluation of each project. Do you agree?

Licensing such projects as Belo Monte and Madeira River hydroelectric plants has been complex. We need higher-level guidance to clearly define for the environmental area which projects are of strategic importance for the country’s development. This decision should have been made by a representative forum of society on the basis of strategic analysis that goes beyond environmental issues. Project analysis needs to take into account also social, economic, and political factors. The lack of prior planning ends up creating a conflicted licensing process, because much remains to be discussed during that process. There would be much more clarity if decisions on a number of projects would come out of a set of analyzed alternatives, which society deems meets the demand for development. I believe in a middle of the road approach, which is not what some entrepreneurs want or some organizations desire.
From 2004 to 2014 the number of applications for environmental licenses increased 335% while the technical staff expanded by only 273%. Until the licensing process is rationalized, how does IBAMA intend to meet the demand?

IBAMA now has excellent technical staff. This is something that really has impressed me ... but the number of technicians has not increased in proportion to the demand. We also need to diversify the staff expertise. On the other hand, IBAMA still lacks other tools. … Our IT infrastructure is precarious and our administrative processes too bureaucratic. Previous management had been trying to develop modern systems to respond to the growth in demand. But we know that any IT project in the public sector is slow because contracts must comply with procurement Law 8666. On the other hand, we have very good partnerships, for example, with the Institute for Space Research for remote sensing to monitor deforestation, which is one of the best tools available in the world. We have a new satellite that identifies daily deforestation, with a resolution four times more accurate than the previous satellite. These are important advances toward the goal of zero illegal deforestation by 2030 announced by President Rousseff. We are also developing a new IT system that will computerize the whole environmental licensing process. It will gather data that will facilitate staff research and allow several technicians to work on the same process at the same time.

To what extent might federal fiscal adjustment jeopardize IBAMA’s projects for 2016?

IBAMA’s budget has undergone cuts, although it has been preserved mainly because of the challenge of combating deforestation, which cannot be done without resources. We are working to increase our budget from R$250 million in 2015 to at least R$400 million in 2016. To do this we have just had an increase in the federal environmental inspection fee that will allow us to more than double the revenues collected next year. We are also working on finding external financing for specific projects. IT modernization, the fight against deforestation, and modernization of the environmental licensing system are being financed with development partners such as the World Bank. It was necessary to set up a framework for this because raising funds and applying them is something that takes a lot of dedication and specialized staff. … Regarding management of human resources, my intention is next year to introduce the management contract model, so we can remunerate for results and differentiate remuneration for those working in difficult areas, such as in the Amazon region. Teams working in inspections

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ANA is mandated to look after other uses of water. They need to act in a more coordinated way, not just in times of crisis.

Is IBAMA’s current planning aligned with Brazil’s projected energy matrix and the goal of reducing greenhouse gas emissions by 37% by 2025 that Brazil must present at the 21th Climate Conference in Paris?

What is missing is what I said initially: Brazilians need to define what development model they want, recognizing their limitations in terms of natural resources and income. …

Take the water crisis. Although that is a natural phenomenon that may be associated to climate change, we aggravate the situation because of a lack of sanitation and rivers polluted by untreated sewage and damaged by deforestation. We also waste water. Losses in our water distribution and treatment systems are very high. Some companies have water losses above 50%, while less than 20% is desirable. In the semiarid region in the Northeast, which suffers chronic water shortages, losses in the water distribution system exceed 50%. This is unacceptable. Every day Brazil’s debt to the environment becomes more difficult to mitigate because we not only have to pay for it, we also have to deal with more recent challenges of climate change, such as increased desertification, and to reduce deforestation. All this makes our work extremely complex.