

Lula Relaxes Environmental Laws to Get Brazil Out of Low Gear

Contributed by Newsroom
Wednesday, 22 November 2006

Brazilian President Luiz Inácio Lula da Silva plans to hire more people and modify environmental laws to force through 120 stalled infrastructure projects in his second term, a senior Environment Ministry official said.

"I would say the president has decided to adopt a hands-on approach in his second term," ministry executive-secretary Claudio Langone said in an interview.

Langone said he attended a planning meeting with Lula and the transport and energy ministers. "He instructed us on a series of matters that will be coordinated directly by the Casa Civil," Langone said, referring to the head of the president's Cabinet.

Langone said about 20 transportation projects were on the president's list while the rest were pipelines, dams and other energy projects. Among the projects are the Belo Monte hydroelectric project in the Amazon, dams on the Madeira River and the Coari-Manaus gas pipeline.

Lula won a second four-year term in a landslide election victory on October 29 after he paid down debts, tamed inflation and expanded aid to the poor.

But economic growth slowed to barely three percent per year at the end of his first term - one of the slowest rates in Latin America - partly because a lack of basic infrastructure such as roads cramped activity.

Brazil, as big as the continental United States with an economy the size of South Korea's, needs better roads, bigger ports, new gas pipelines and more dams if it wants to grow at the five percent per year Lula promised in his campaign.

Confusing environmental laws are blamed for stalling dozens of projects, many of them in the sensitive Amazon rainforest region.

One example is Belo Monte, a hydroelectric project in the southern Amazon that has been mired in legal battles for years.

Plans for two other large dams along the Madeira River were stalled less than two weeks ago, when a judge postponed environmental hearings to give local residents more time to review the matter.

Transportation is another sore point. Building roads often means crossing native lands in Brazil, where some 750,000 Indians are among the poorest of 185 million citizens. But farmers, who are key to the economy, complain that bad roads, and sometimes no roads, make it expensive and difficult to move products to market.

The BR-163 highway linking soy producers to southern ports was stalled for years before it was finally completed in Lula's first term. Since then, Indians have stacked up logs and tires to barricade the road in protests several times.

Langone said it is social demands more than environmental laws that are stalling big projects. A lack of clear jurisdiction for issuing permits has allowed local judges to challenge many environmental reviews, he said.

Lula said he would submit a bill to congress before the end of the year to give national, state or city governments the right to issue environmental licenses, depending on the impact of the project instead of whether it crosses state boundaries, Langone said.

The president also agreed to let national licensing body Ibama add 300 people to its review staff of 600 to speed the process.