



Project Document

Republic of Uruguay

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
GLOBAL ENVIRONMENT FACILITY (GEF)
NATIONAL ENVIRONMENT AGENCY (DINAMA)

Catalyzing the implementation of Uruguay's National Protected Area System (PIMS 3173)

Brief Description Uruguay has a complex mosaic of biological diversity for its size and sub-tropical nature making designing effective biodiversity conservation strategies particularly challenging. However the country has extensive rural areas with low population density resulting in large areas of still little-modified habitats and ecosystems of great conservation value. As one of two approaches to biodiversity conservation, Uruguay has recently enacted legislation for the development of a National Protected Area System (NPAS), however progress on establishing this is still incipient. Existing protected areas (PAs) are largely located on public lands, cover less than 2% of the territory and do not include a representative sample of the country's biodiversity. The majority of existing PAs are managed as individual units through a range of different institutions, regulations and operational practices reducing cost efficiencies and making management effectiveness sub-optimal for protection and sustainable use of biodiversity. The new Uruguayan government has increased the budget allocation to improve the control capacity of the State in environmental issues and to start the implementation process of the NPAS. Despite this strong political will resources are still limited. The proposed project will support Uruguay in overcoming the barriers to designing and implementing a National System of Protected Areas that effectively conserves a representative sample of Uruguay's biodiversity and advance national goals and captures global benefits in a range of ecosystems. This will be achieved through four interrelated Outcomes: 1) Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational; 2) Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs; 3) Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices.; 4) Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures. On site interventions will enable ground proofing of the new legal and policy frameworks, testing and developing new tools for enhancing PA management effectiveness, including different PA governance models, and hosting training and educational activities. As the long term sustainability of the NPAS will depend on the country's ability to secure sufficient financial resources to meet the management costs of the PAs, financial issues have been addressed as cross-cutting components.

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List of Acronyms

ACA	Asociación de Cultivadores de Arroz (Rice Growers' Association)
AECI	Agencia Española de Cooperación Internacional (Spanish International Cooperation Agency)
ANEP	Administración Nacional de Educación Pública (National Public Education Administration)
APR	Annual Project Report.
APW	Annual Project Workplan.
ARU	Asociación Rural Del Uruguay (Rural Association of Uruguay)
BD-1	Strategic Priority 1 in GEF Biodiversity
CBD	Convention on Biodiversity
CCC	Convention on Climate Change
CECON	Centro de Estudios Conservacionistas de la Universidad de San Carlos (Conservation Studies Center, University of San Carlos)
CET	European Commission for Territorial Exploitation Contracts
CIDA	Canadian International Development Agency
CIEDUR	Centro Interdisciplinario de Estudios sobre Desarrollo – Uruguay (Inter-disciplinary Development Studies Center, Uruguay)
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLAEH	Centro Latinoamericano de Economía Humana (Latin-American Center for Human Economy)
CMAG	Comisión Mundial para las Áreas Protegidas (World Protected Areas Commission)
CMS	Convention on Migratory Species
CNFR	Comisión Nacional de Fomento Rural (National Commission for Rural Development)
CO.	Country Office.
CONAP	Consejo Nacional de Áreas Protegidas (National Council on Protected Areas)
CONAPROLE	Cooperativa Nacional de Productores de Leche (National Dairy Farmers' Cooperative)
CoP	Conference of the Parties
COTAMA	Comisión Técnica Asesora de Medio Ambiente (Environmental Technical Advisory Commission)
COTAOT	Comisión Técnica Asesora de Ordenamiento Territorial (Territorial Planning Technical Advisory Commission)
CSA	Certificados de Servicios Ambientales (Environmental Services Certificates)
CTMFM	Comisión Técnica del Frente Marítimo (Maritime Front Technical Commission)
DGRNR	Dirección General de Recursos Naturales Renovables (General Renewable Natural Resources Agency)
DGTTF	Democratic Governance Thematic Trust Fund
DIEA	Dirección de Investigaciones y Estadísticas Agropecuarias (Agricultural Studies Agency of the Ministry of Livestock, Agriculture and Fisheries)
DINAMA	Dirección Nacional de Medio Ambiente (National Environment Agency)
DINAMIGE	Dirección Nacional de Minería y Geología (National Mining and Geology Agency)
DINARA	Dirección Nacional de Recursos Acuáticos (National Water Resources Agency)
DINOT	Dirección Nacional de Ordenamiento Territorial (National Territorial Planning Agency)
DIPRODE	Dirección de Proyectos de Desarrollo (Project Development Agency)
EA	Executing Agency
EAI	Iniciativa Empresarial para las Américas (Environmental Investigation Agency)
ECOPLATA	Programa de Manejo Integrado de la Zona Costera del Río de la Plata (Integrated Coastal Zone Management of the Río de la Plata)
EPMU	Extended Project Management Unit
EU	European Union
FDI	Fondo de Desarrollo del Interior (Rural Development Fund)
FEOGA	European Agricultural Guidance and Guarantee Fund
FMAM	Fondo para el Medio Ambiente Mundial (World Environment Fund)
FONAMA	Fondo Nacional del Medio Ambiente (National Environment Fund)
FPE	Fundación de Filipinas para el Medio Ambiente (Philippines Environment Foundation)
FREPLATA	Programa de Protección Ambiental del Río de la Plata y su Frente Marítimo (Environmental Protection of the Río de la Plata and its Maritime Front)
FSP	Full Size Project

GDP	Gross Domestic Product
GEF	Fondo para el Medio Ambiente Mundial (Global Environment Facility)
GIS	Geographic Information Systems
HIPC	Highly Indebted Poor Countries Initiative
HQ	Headquarters.
IADB	Inter-American Development Bank
IA	Implementing Agency
IAS	Invasive Alien Species
ICAS	Sistema Analítico de Capacidad Institucional (Analytical Institutional Capacity System)
IDRC	International Development Research Center, Canada.
IIBCE	Instituto de Investigaciones Biológicas Clemente Estable (Clemente Estable Biological Research Institute)
IMC	Intendencia Municipal de Canelones (Local Government of Canelones)
IMEBA	Impuesto a la Enajenación de Bienes Agropecuarios (Tax on the Sale of Agricultural and Farming Goods)
IMM	Intendencia Municipal de Montevideo (Municipality of Montevideo)
IMSJ	Intendencia Municipal de San José (Local Government of San José)
IMTT	Intendencia Municipal de Treinta y Tres (Local Government of Treinta y Tres)
IMRocha	Intendencia Municipal de Rocha (Local Government of Rocha)
INDE	Infraestructura Nacional de Datos Espaciales (National Spatial Data Infrastructure)
INE	Instituto Nacional de Estadística (National Statistics Institute)
INIA	Instituto Nacional de Investigaciones Agropecuarias (National Agricultural Research Institute)
IR	Inception Report.
IRIC	Impuesto a la Renta Industria y Comercio (Tax on Industry and Trade Income)
IRPF	Impuesto a la Renta de las Personas Físicas (Income Tax on Private Individuals)
IUCN	The World Conservation Union
IW	Inception Workshop.
LATU	Laboratorio Tecnológico del Uruguay (Technological Laboratory of Uruguay)
M&E	Monitoring and Evaluation.
MDN	Ministerio de Defensa (Ministry of National Defense)
MEC	Ministerio de Educación y Cultura (Ministry of Education and Culture)
MEDS	Ministerio de Ecología y Desarrollo Sostenible (Ministry of Ecology and Sustainable Development)
MEF	Ministerio de Economía y Finanzas (Ministry of Economy and Finances)
METT	Management Effectiveness Tracking Tool
MGAP	Ministerio de Ganadería, Agricultura y Pesca (Ministry of Livestock, Agriculture and Fisheries)
MI	Ministerio del Interior (Ministry of the Interior)
MIEM	Ministerio de Industria Energía y Minería (Ministry of Industry, Mining and Energy)
MINTUR	Ministerio de Turismo (Ministry of Tourism)
MIRNA	Manejo Integrado de Recursos Naturales (ahora PPR – Proyecto Producción Responsable) [Integrated Management of Natural Resources (now called PPR: Responsible Production Project)]
MT	Ministerio de Turismo (Ministry of Tourism)
MTOP	Ministerio de Transporte y Obras Públicas (Ministry of Transport and Public Works)
MVOTMA	Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente (Ministry of Housing, Territorial Planning and Environment)
NAC	Comisión Nacional Asesora de APs (National Advisory Commission)
NIP	National Implementation Plan
NPAS	National Protected Area System
NUFU	Norwegian Council for Higher Education's Programme for Development Research and Education
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
ONF	Oficina Nacional de Bosques (National Forest Bureau)
OP	GEF Operational Programme
OPP	Oficina de Planeamiento y Presupuesto (Planning and Budget Office)
OPYPA	Oficina de Programación y Política Agropecuaria (Agricultural and Farming Programme and Policy Bureau)
OSE	Obras Sanitarias del Estado (State Water Utility)
PA	Protected Area

PACT	Protected Areas Conservation Treaty
PDF B	Project Development Facility B
PDGMIV	Proyecto de Desarrollo y Gestión Municipal IV (Project of Development and Municipal Management IV)
PDT	Programa de Desarrollo Tecnológico (Technological Development Programme)
PIR	Project Implementation Review.
PMU	Project Management Unit
PNM	Parque Nacional Municipal (National Municipal Park)
PNN	Prefectura Nacional Naval (National Coastal Guard)
POM	Plan de Obras Municipales (Municipal Works Plan)
PPR	Proyecto Producción Responsable (también conocido como MIRNA) [Responsible Production Project (also known as MIRNA)]
PRENADER	Programa Recursos Naturales y Desarrollo del Riego (Natural Resources and Irrigation Development Programme)
PROBIDES	Programa de la Conservación de la Biodiversidad y Desarrollo Sustentable en los Humedales del Este (Programme for Biodiversity Conservation and Sustainable Development in the Eastern Wetlands)
PSA	Pago de Servicios Ambientales (Payment for Environmental Services)
PSAG	Proyecto para la Protección Ambiental y Desarrollo Sostenible del Sistema Acuífero Guaraní (Environmental Protection and Sustainable Development of the Guaraní Aquifer System Project)
PTR	Project Terminal Report.
RAPPAM	Rapid Assessment and Priorization of Protected Area Management
RCU	Regional Coordinating Unit.
REPIDISCA	Red Panamericana de Información en Salud Ambiental (Pan-American Environmental Health Information Network)
SAC	Comision Asesora Específicas (de áreas protegidas) (Specific Advisory Committee for PAs)
SC	Steering Committee.
SEPAE	Servicio de Parques del Ejército (Park Services of the Army)
SIAM	Sistema de información Ambiental (Environmental Information System)
SOHMA	Servicio de Oceanografía, Hidrografía y Meteorología de la Armada (Oceanographic, Hydrographic and Meteorological Services of the Uruguayan Navy)
TNC	The Nature Conservancy
TPA	Tasa de Preservación Ambiental (Environmental Preservation Tax)
TPR	Tripartite Review.
TTR	Terminal Tripartite Review.
UDELAR	Universidad de La República (University of the Republic of Uruguay)
UDM	Unidad de Desarrollo Municipal (Municipal Development Unit)
UNDP	United Nations Development Programme
UNDP-CO	UNDP Office.
UNDP-GEF RCU	UNDP-GEF Regional Coordinating Unit.
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank
WHSRN	Western Hemisphere Shorebird Reserve Network
WWF	World Wildlife Fund

SECTION I: NARRATIVE

PART I: SITUATION ANALYSIS

Part I A: Context

Global Significance of Biodiversity

1. Uruguay is the second smallest country in South America after Surinam, with a land area of 176,251 km². It is located at the convergence of different bio-geographical regions and as a result has a complex mosaic of biological diversity for its size and subtropical nature. These include transition ecosystems and flora and fauna contributions of different origins. Much of this biodiversity is of global significance. Natural grasslands cover more than 70% of the territory and constitute a significant portion of one of the last extensive temperate grassland ecoregions in South America: the *Uruguayan Savannas* (Dinerstein et al, 1995), considered one of the richest areas in grass species worldwide (Groombridge 1992: 281). Uruguay is also a terrestrial and marine ecotone of significant biodiversity value. It marks the southern limit of the natural distribution areas of many tropical and subtropical plant and animals and several Andean and Patagonian species reach Uruguayan territory. This is significant for conservation strategies regarding genetic biodiversity.
2. Uruguay has two Endemic Bird Areas for three restricted-range *Sporophila* seedeaters. The Eastern Wetlands (Bañados del Este), a UNESCO Biosphere Reserve and Wetland of International Importance under the Ramsar Convention, comprise some of the most important freshwater and coastal ecosystems of the Neotropical Region. Bañados del Este have been classified by Conservation International as one of the Earth's Last Wild Places of the wetlands biome and one with high biodiversity (Robles, P. (Ed.). CI and Sierra Madre, 2003). A large part of Uruguay is included in the Guaraní Aquifer, one of the largest subterranean water reservoirs in the world. The *Atlantic Coast Rivers of SE Brazil and Uruguay* in the Small Rivers Biome of the Freshwater Realm are currently under review for elevation to Global 200 status based on their biodiversity features and representation value. The La Plata River Estuary and the shelf-slope front in the Atlantic Ocean are amongst the most productive ecosystems in the world (NASA). They form part of the *Atlantic Subtropical Convergence Ecosystem*, at the confluence of the Brazil Current and Falkland (Malvinas) Current, and the *Patagonian-Southwest Atlantic Ecoregion* which is one of the 200 priority ecoregions at a global scale in WWF's Global 200 Program.
3. In line with habitat diversity, Uruguay shows an interesting diversity of species. The coastal and marine ecosystems are home to numerous species of outstanding global importance, in ecological, economic and social terms. The country also has rich and diverse flora, in terms of the number of species/square meter, the number of genera/family and the number of species/genus. To date 2,750 higher plant species have been registered, in 140 families (89 exclusively herbaceous and 27 exclusively ligneous) and more than 800 genera. Among them, Gramineae stand out, with 553 species of grasses (native and naturalized), which make the country one of the richest sites in the world with respect to this family, particularly given the severe species depletion of the Argentinean Pampas from the end of the 19th century. In terms of fauna, some 1,300 species of vertebrates have been identified, of which 668 are fish, 43 amphibians, 67 reptiles, 431 birds, and 113 mammals. Birds are particularly important and have given the country its name: *Uruguay*, meaning "river of the colorful birds" in the native Guaraní language. Although in absolute terms the total bird diversity in Uruguay does not reach the level of abundance of other countries of the region, in terms of number of species/land surface, the country is one of the richest nations in birds in South America - although it is 16 times smaller than Argentina and 48 than Brazil yet it has 40% and 25% of the total bird species of these countries respectively (Aziproz, 2001). About 35% of the country's bird species are migratory, with at least three migratory routes, each with different places of origin and permanence in Uruguayan territory. Section IV Part IV A provides additional information on biodiversity.

Socio-economic Context

4. Uruguay has a population of 3.241.003. Of this, 91.7% is concentrated in the capital and other urban centres with less than 5,000 inhabitants¹. Only 8.2% of the population lives in rural areas or populated centres resulting in extensive rural areas with very low population density, particularly in the North of the territory. It has been an independent country since 1825 and has had relatively sound cultural and democratic practice compared with the remainder of Latin America. From 1999 through 2002 the economy suffered a major downturn, with serious deterioration of social indicators. Unemployment rose to nearly 20% in 2002. The number of poor in 2003 was 870,000 of which 380,000 were under 18 years of age. Half the children under the age of 5, and 40% of those between 5 and 13, are below the poverty line.² Although the economy grew about 10% in 2004, the country has been unable to reverse the social consequences derived from the crisis, and has poverty rates and indexes of unsatisfied basic needs. The HDI ranking has recently fallen to 43, the lowest ever occupied by the country since the UNDP has been conducting this study (1987)³. The country's economic structure is heavily based on activities related to agriculture and animal husbandry and the growth of those connected with tourism⁴. For example, 10.5% of GDP corresponds to the agricultural and animal husbandry sector and out of total exports for 2004, 12.8% were registered in that sector; and 25% of total exports from the manufacturing industry corresponded to the meat packing industry, 6% to dairy produce, 8.5% to leather products. In 2004 1.6 million foreign tourists visited the country and the resultant entrance of foreign currency was 454.6 million dollars which implied a tourist surplus of 261 million dollars.

Institutional and Regulatory Context

5. Uruguay has passed a large number of regulations related to biodiversity conservation. At the highest level, the National Constitution Reform of 1996 gives environment protection the status of "general interest" (Article 47). Under Uruguayan law this status gives collective interest pre-eminence over private/individual ones, thus imposing obligations on the national and local governments and providing a tool that could enable limitations to private rights, if needed. This is crucial in a country like Uruguay, where 90% of the land is privately-owned. The related General Act for the Protection of Environment (Act N° 17.283, 2001) confers the same status to the protection of water, soil, and landscape quality, and biodiversity conservation. This also extended protection to shared resources, including those outside the national jurisdiction, underlining the country's long-term commitment to regional and international environmental cooperation and to the solution of global environmental issues. Prior to the passing of this General Act, the country already had a series of legal and political instruments which provides a regulatory framework for the conservation of biodiversity. The main regulations are listed in Section IV Part V A.

6. At the international level, Uruguay is signatory of a series of agreements and conventions which are relevant to biodiversity conservation. These are listed in Section IV Part V B and include the CBD, Ramsar and CITES. In compliance with the CBD, Uruguay developed a National Strategy for Conservation and Sustainable Use of Biological Diversity (1999). This considers PAs as an "essential pillar" for the conservation and sustainable use of the nation's biodiversity, flags a NPAS as a top priority for *in situ* conservation in Uruguay and consider this to be fundamental for complying with international commitments. Shortly following this, Law 17.234 (2000) was passed. This gave the creation a National Protected Area System the status of "general interest" and provided an essential tool for planning and management of its constituent PAs. This Law (hereafter referred to in this document as the NPAS Law), defines the NPAS and the management categories for the PAs, assigns MVOTMA, through its National Environment Agency (DINAMA), to head this NPAS, establishes the need for oversight Commissions and creates a Protected

¹ National Institute of Statistics. Census, Phase I, 2004.

² Last available data INE (2004)

³ UNDP (2005) with figures corresponding to 2003

⁴ BCU (2005)

Areas Fund. After a long period of drafting and negotiation the Statute that regulates the NPAS was approved in February 2005. This details the objectives of the management categories and proposes two additional ones. It also establishes a series of operational issues for both the systemic level and its constituent PAs, as well as a system for accreditation of park rangers. This Law and the supporting environmental normative framework, provide an opportunity to advance biodiversity conservation in Uruguay.

7. While the NPAS Law assigns overall responsibility for policies and management of protected areas to DINAMA, other institutions of central government have mandates that are highly relevant for the future NPAS. These are detailed in Section IV Part III Stakeholders Assessment and Part VI Institutional Structure and include DINOT, mandated to design and implement land-use planning policies; the Ministry of Livestock, Agriculture and Fisheries (MGAP) responsible through its General Directorate of Renewable Natural Resources (DGRNR) for administering PAs prior to the NPAS Law, and concurrently responsible for policies related to agriculture and animal husbandry, forestry, fisheries, hunting and the use and conservation of biodiversity and natural resources; the Ministry of the Interior, responsible for internal security; the Ministry of National Defense responsible for several PAs through SEPAE and that houses the National Coast Guard, in turn responsible navigable waters; the Ministry of Transportation and Public Works responsible for highway infrastructure and regulating the use and management of water resources through the National Hydrology Bureau; the Ministry of Industry and Mining regulating mining activities through DINAMIGE; the Ministry of Tourism, responsible for national and regional tourism policies including more recently the promotion of the brand image of “*Natural Uruguay*”; the Ministry of Education and Culture responsible for public education, and the care of historic and cultural heritage through the National Heritage Conservation Commission; ANEP which is in charge of primary and secondary education. Local governments are involved with the planning and management of the territory of each Department as well as with various environmental matters set forth in the Municipal Organic Law and other norms and in some cases in PA management.

Stakeholder Analysis

8. In addition to the institutional mandates outlined above a number of non-governmental organisations and civil society play critical roles in protected areas management and in the future NPAS. The main actors are provided in Section IV Part III along with a description of their main roles both in PA management and in the proposed project. For example, NGOs have been very active in several environmental conflicts, in occasions serving as mediators with the State. There are over 60 environmental NGO’s, many forming the Uruguayan Network of Environmental NGOs⁵. Several of these organizations have been involved with conservation and PA issues, developing activities such as the formulation of management plans and proposals for PAs, research, environmental education and awareness raising, training (including the organization of courses for rangers), and policy advice. For example, NGOs played an active role during the discussions that preceded the approval of the NPAS Law, including presentations at DINAMA and the National Parliament, and gave important input for the elaboration of the corresponding Statute. Over 70 organizations of the civil society constitute a national network of NGOs oriented towards development issues⁶; many of them have contributed to the advancement of PAs and the conservation and use of biodiversity through studies and consultancies regarding diverse issues (social, economic, environmental). Even though the NPAS has not yet been formally established in Uruguay, there is a National Rangers Association. There is a National MAB Committee and a National Ramsar Committee was established in 2004. Information on individual NGOs is provided in Section IV, Part III.

9. Other actors are the University of Uruguay (UDELAR) that has courses and research relevant to PA and the National Institute for Agricultural Research (INIA) that conducts research and has created and manages a small reserve in the lower Santa Lucía River Basin. Over the last few years various projects, supported by the international community, led to the formulation of strategies and/or plans regarding

⁵ See <http://www.uruguayambiental.com>

⁶ See <http://www.anong.org.uy>

biological diversity, such as PROBIDES, FREPLATA, ECOPLATA. PROBIDES played a key role in the support and approval of the NPAS Law and developed a proposal for a regional PA system in the Eastern Wetlands region. The local governments of five departments in the eastern region of the country are part of the Board of Directors of PROBIDES.

Part I B Baseline Course of Action

Main Threats to Biodiversity

10. Conservation assessments in Latin America and the Caribbean classify the terrestrial and marine ecoregions in which the Uruguayan territory lies as “Vulnerable” (Dinerstein et al. 1995), and the status of its freshwater biodiversity as “Endangered” (Olson et al, 1998). Among endangered species there are 38 mammals, 37 birds, 5 reptiles, 7 amphibians, 39 fish, one insect, 2 crustaceans, 2 mollusks, and 5 plants (IUCN, 2005). These trends result mainly from transformation of natural habitats driven by the country’s productive sectors, and over harvesting of some species particularly in aquatic habitats. Livestock production has been the main pillar of rural economy in the country since the 19th century. Initially it was extensive but has gradually increased intensity and impact in transforming habitats through fencing, the use of fertilizers and the introduction of improved exotic grasses and legumes. Extensive forestry with exotic species mainly *Eucalyptus* and *Pinus sp.*, for export and paper industry has also resulted in transformation of the Uruguayan landscape and the loss of natural habitats, especially native grasslands and coastal dunes. To date, forest plantations cover about 714,000 hectares.

11. Transformation is also occurring from some agricultural systems. The predominant agricultural system in the country is based on crop rotation (mainly cereal and oleaginous crops) with grazing. Thus, the area occupied by annual monoculture cropland is quite limited (less than 1 million hectares). Horticultural crops cover only 140,000 hectares. More recently, the expansion of soybean plantations mainly in western and central Uruguay (favoured by current prices and new technological developments that allow cultivation in soils and regions previously considered unsuitable for this crop), is displacing traditional land uses of the native grasslands. Civil works and infrastructure particularly those related to the tourism sector in coastal areas are also increasing habitat changes. Finally there is increasing expansion of invasive alien species both in terrestrial and aquatic ecosystems.

12. In terms of over-harvesting, hunting has increased in the past years, almost certainly as a consequence of the economic crisis which led to an increase in unemployment and poverty rates. Unsustainable fishing systems, overexploitation and poaching are main pressures and threats of estuarine, inshore and offshore coastal ecosystems. Commercial fishing impacts include the capture (by-catch) of non-target species, such as fish, marine mammals, turtles, invertebrates, and seabirds. Many of the abovementioned threats stem from the fact that the landscape structure in the country is driven almost exclusively by market forces and that overall regulatory framework for land use does not fully incorporate biodiversity conservation concerns. See Section IV Part IV B for more details on threat analysis.

13. In spite of the aforementioned threats, the country still has large rural areas with very low population density devoted to extensive ranching and agricultural activities resulting in medium to low levels of pressure on biodiversity in much of the territory. There are still large portions of little-modified habitats and ecosystems of great conservation value, including grasslands, native forests, wetlands, and marine ecosystems. In recognition of this scenario, the National Biodiversity Strategy of 1999 laid out a two-pronged approach: One is to mainstream conservation issues in the productive sectors, principally the agricultural and livestock sector (which is the focus of the Responsible Production Project, a World Bank agriculture-related loan that is under development by the Ministry of Livestock, Agriculture and Fisheries with an attached GEF component). The second approach is to establish a National Protected Area System (NPAS) as a priority action for *in situ* conservation, to strengthen land-use planning and protect representative samples of the country’s biodiversity. This proposal addresses the second of these approaches.

Protected Areas in Uruguay

14. Uruguay began establishing PAs at the start of the 20th century; however, this was largely in an *ad hoc* fashion, rather than as part of a strategy for the conservation of biological diversity. Some areas were created following opportunistic criteria, such as land donations to the State, expropriations for recreational purposes, marginal lands to agriculture, and have scarce or no biodiversity value. Others were designated to protect sites of particular scenic beauty, and still others were created following biological criteria, such as the protection of given species for their own intrinsic value. In general sustainability concerns were not foremost considerations in their selection or creation. As an example, the Butia palm tree, an endemic species at the regional level, is protected by law, but its ecosystem (i.e., the butia palm forest) has no legal protection and is subject to considerable pressures and threats.

15. Twenty six areas have been afforded certain legal protection status through different laws, national decrees or municipal resolutions, and have very heterogeneous characteristics and objectives. As a whole, these areas cover 300,000 hectares, approximately 1.7% of the national territory⁷. These do not include a representative sample of the country's biodiversity, thus many elements of significant value (mainly grasslands and marine ecosystems) lie outside PAs and are subject to different levels of threat⁸. Furthermore, they operate as individual units rather than a coherent PA "system" and the majority are performing below the level of effectiveness required for adequate protection and sustainable use of biodiversity.

16. Assessments conducted as part of PDF-B showed that only 16 out of the 26 areas fit two criteria simultaneously: (a) They have significant biodiversity values (including rare and threatened species on the IUCN red list, migratory species, sites with critical landscape functions, etc.) and (b) have had or currently have some type of management. These 16 were used as the sample of PAs for a number of different analyses to help shape the design of the current project. Amongst these was a preliminary gap analysis. This indicated that several ecosystems, habitat types and typical landscapes of the country are severely under represented in the existent PAs, notably grasslands and marine ecosystems, and consequently under the threats described above. The ecosystems more widely represented in current PAs are freshwater wetlands, rivers and streams, which were found in 50% of the areas evaluated, followed by beaches and sand dunes, which were represented in 38% of areas. Serrano forests, gallery forests, and saline wetlands were registered in 31% of the areas. Coastal lagoons are present in 19% of evaluated areas.

17. A second assessment was the evaluation of management effectiveness using the WB/WWF Management Effectiveness Tracking Tool (METT), slightly adapted by the project team and PA managers so as to render it more adequate to the context and terminology used in the country. This was the first evaluation of this nature ever carried out in the country. It showed that management effectiveness of the majority of the 16 sample PAs (56%) is fair; 37% of areas are perceived as having poor management; only 6% (one PA) are considered as being well managed. Within this, the lowest scores elements of the management cycle are (a) *Planning* (which refers to appropriateness of PA legislation and policy, design, management planning), (b) *Inputs* (resources needed to carry out management), and (c) *Outputs* (assessment of the implementation of management programme). For example, only 56% of evaluated areas have a management plan or is in the process of elaborating one, and none are currently being implemented. Many of existing plans require updating and none of evaluated areas has established a calendar and procedures for revising and updating these plans. Furthermore, 50% of evaluated areas have no annual operations plans. In general the element *Context* shows good performance in almost all areas (87%). Annex 1 (in a separate file) provides the complete METT forms, showing baseline values for the 16 PAs analysed.

⁷ Section IV, Part IV lists the protected areas that have been legally declared and provides a map of their location.

⁸ For example, the lack of protection of certain habitats has clear consequences for the conservation of key species. Among them is the charismatic Pampas Deer (*Ozotoceros bezoarticus*), an endangered species which has been declared a Natural Monument, but to date there is no PA of its natural habitat, i.e., the native grasslands. As a result, this species continues to face critical conservation problems.

Table 1. METT scores for the Protected Areas analyzed during PDF-B

PA ⁹ and year of proclamation	Size (ha)	Main ecosystem and vegetation types	METT % ¹⁰
Río Santa Lucía Fiscal Islands (1921)	550	Islands, wetlands, exotic forest	18
San Miguel NP and Historic Monument (1937)	1,553	Wetlands, Serrano forest	47
Arequita Park* (1954)	1,000	Serrano and exotic forests	56
Cabo Polonio Dunes & Atlantic Coast Nat. Monument* (1966)	1,650	Atlantic coast, coastal dunes	45
Laguna de Castillos Wildlife Refuge (1966)	8,185	Wetlands, prairies, riparian forest	51
Cabo Polonio & Aguas Dulces Forest Reserve (1969)	6,000	Exotic forest	52
Río Negro National Forest (1969)	1,850	Riparian and exotic forests, river coast,	34
Laguna José Ignacio* (1972)		Coastal lagoon and wetlands	25
Quebrada de los Cuervos Natural Protected Landscape (1986)	365	Serrano & ravine forests; grasslands	51
Potrerrillo de Santa Teresa Fauna & Flora Reserve (1991)	715	Wetlands and riparian forest	75
Laguna de Rocha Protected Area * (1992)	16,450	Wetlands, coastal lagoon, coast	43
Laguna Garzón Protected Area * (1992)	4,440	Wetlands, coastal lagoon, coast	31
Islas Costeras National Park (1996)	70	Islands, river coast, coast	37
Santa Lucía Natural Municipal Park * (1999)	2,500	Wetlands, riparian and exotic forests	43
Valle del Lunarejo Regional Natural Park * (2001)	20,000	Riparian forest, Serrano forest	29
Esteros de Farrapos e Islas del Río Uruguay (Pending)	17,496	Freshwater marshes & rivers. Forests	35

Table 2. Percentage of areas with METT scores for different elements of the management cycle

METT category	Context	Planning	Inputs	Processes	Outputs	Total
Poor	0	62%	50%	44%	50%	37
Fair	12%	31%	37%	50%	19%	56
Good	87%	0	6%	6%	19%	6
Excellent	0	6	0	0	6%	0

18. A third analysis was a threats assessment at site level for the 16 PAs. This was extended across the whole set of PAs by averaging the degree of pressures “system-wide”. The results of the analysis showed that there are significant differences between threats on biodiversity in existing PA and those on biodiversity at the landscape level. The predominant threats to biodiversity in the whole set of PAs analyzed were *invasive alien species*, *hunting* and *tourism* mentioned in almost all PA. However these and other threats, on average, do not reach 50% of the possible maximum score. In conclusion as compared to threats in the landscape, biodiversity in existing PAs have threats and threats of medium to low significance. This suggests that as a whole the operational costs to achieve management effectiveness could be relatively low for existing PA. On the other hand a few activities in a few PA do have significant level of impacts. For these, rapid and strategic interventions at the site level PAs is required if management costs for delivering effective conservation are to remain reasonable (See Section IV, Part IV B).

⁹ The PA in this study are all public lands with the exclusion of those marked * that include some privately owned land

¹⁰ Shown as the % of the maximum possible score for each management effectiveness category (100% = 105 pts.) and with corresponding ranges as follows: are: Poor: < 36% (0 - 38 points); Fair: 37–57% (39 - 60 pts.); Good: 58–78% (61-82 pts.); Excellent: 79–100% (83-105 pts.).

Table 3. Analysis of Threats on existing PAs

Activities	# of PAs that this pressure	% of maximum degree value	Trend over the past 5 yrs
Invasive alien species	16	45%	Slightly increased
Hunting	13	20%	Remained constant
Tourism	12	7%	Remained constant
Pollution	9	9%	Slightly decreased
Urbanization	8	14%	Remained constant
Grazing	8	6%	Slightly decreased
Construction of civil works	7	8%	Slightly decreased
Fishing	6	9%	Slightly decreased

Degree = extent x impact x permanence* (**maximum possible value = 64**). See Section IV, Part IV B for more detail

19. To harmonize planning and management criteria for PAs and categories, to provide a coordinated approach for their management and to develop mechanisms that support their sustainability, the GoU has recently taken important action enacting legislation that mandates the creation of a National Protected Area System (Law 17.234 and its corresponding Statute). This law establishes that the NPAS will be constituted by a network of PAs representative of the full range of the natural ecosystems of the country that merit preservation as part of the nation’s heritage, even if they have been partially transformed by human activity¹¹. While the NPAS Law provides a sound basis on which to advance, a number of barriers prevent the implementation of such system and underpin the poor management effectiveness of existing PA. These are summarised in the following paragraphs.

Barriers to the establishment of an effective and sustainable NPAS

Policy, legal, and planning deficiencies

20. In addition to deficiencies in representativeness described above, existing PAs do not collectively provide ecological integrity and viability of environmental processes, species, populations, and communities. As these areas were created according to paradigms and scientific knowledge of the 20th century, no overall systematic conservation planning process was followed. In addition, this group of PAs is not adequate to respond to changing socioeconomic and institutional conditions. For example, many of existing PAs are included in live-in territories but currently there is no experience in decentralized or collaborative management types. A key element to assist and promote the development of a representative and adequate NPAS would be a Strategic Plan for the planning and orientation of a system that reflects the new political, management and environmental trends in the country as well as the advances in the state of the art for PA systems worldwide.

21. At the individual level, many of the existing PAs have design issues that reduce their effectiveness as conservation tool. For example some areas are too small¹², have elongated shapes, or are isolated and without adequate ecological connectivity through the productive landscape. The majority of current PAs have not yet defined specific conservation and management objectives, do not have adequate zoning, and/or have been poorly classified. For example, some PAs have management categories for strict conservation but in reality

¹¹ The NPAS is the natural areas within the national territory, be they continental, insular or marine, which are representative of the ecosystems within the country and deserve being preserved as patrimony of the nation due to their singular environmental, historic, cultural or landscape values, even though they might have been partially transformed by man. The management categories indicated in the NPAS Law are National Park (IUCN category II), Natural Monument (Category III), Protected Landscape (Category V), and Protection Sites. The Statue of 2005 adds two new management categories- Habitat and/or Species Management Area (Category IV) and Managed Resource Protected Area (Category VI).

¹² Mean ± SD size of protected areas in Uruguay: 264 ± 479 hectares (Soutullo & Gudynas, 2005)

contain little biodiversity values (e.g. areas in which natural ecosystems have been severely modified and native vegetation substituted by forest plantations with exotic species, have been designated as “national parks”). In many cases, boundaries have not been marked, or boundary demarcation is not adequate to meet conservation objectives.

22. Law 17.234 and its regulatory decree supply a general framework for development and operation of the NPAS, including the allocation of competences to the National Environment Agency (DINAMA), the definition of PA management categories and their corresponding objectives, the promotion of diverse PA governance and management models, the participation of stakeholders. However, little progress has been made regarding re-categorization of existing PAs and in defining specific regulations and policies to give effect to existing legislation and support long term sustainability of the NPAS (e.g., framework provisions and mechanisms to facilitate cost efficient PA governance and management types, regulations and procedures regarding innovative mechanisms to strengthen the financial sustainability of the NPAS , a clear definition of penalties for violations and regulations, the standards of proof to be employed in prosecuting violations, among others).

23. In view of the high proportion of privately owned lands in Uruguay (over 90% of the territory) the NPAS will need to work closely with landowners to establish PAs in key locations. Considering the economic situation of the country, which determines that social emergency issues be the main priority in the political agenda, it is unlikely that new financial resources would become available for expropriations in the short-medium term. Even though many private landowners are interested in participating in conservation activities, if these areas are to form part of a national system to conserve the country’s heritage, guarantees would be required to ensure that biodiversity-friendly land uses continue in the long term. This would clearly require specific legal instruments and policies (including incentives) to facilitate participation of the private sector in the establishment and management of PAs, which are unlikely to be developed in the baseline scenario.

24. Creating appropriate legal, policy and planning frameworks will require expertise and financial resources which would not be available in the baseline.

Institutional structure and coordination deficiencies

25. Prior to the passing of Law N° 17.234 the institution responsible for the administration of PAs was the General Agency for Natural Renewable Resources (DGRNR) from the Ministry of Livestock, Agriculture and Fisheries (MGAP), through its Department of Parks and Protected Areas. The NPAS Law of 2000 ruled that PA responsibility be reassigned to the National Environment Agency (DINAMA) of the Ministry of Housing, Territorial Planning and Environment (MVOTMA). Although this change represents an improvement in the level of hierarchy of the lead PA agency within the government structure, with present staffing, financial and material constraints, and an excessive centralization, DINAMA cannot effectively fulfil the functions and new commitments imposed by the NPAS law. For example, according to METT results, the number of human resources assigned to PA management in key institutions is insufficient for developing critical management activities¹³ (see Table 4). An assessment conducted during the PDF-B indicates that staff numbers to meet minimum required effective management of PAs and the NPAS would imply an increment ranging from about 10% to 250%, depending on staff level considered¹⁴.

¹³ Critical management activity: any management activity that prevents irreplaceable or unacceptable losses to the natural or cultural resources of the protected area. Examples include threat prevention and mitigation, law enforcement, restoration of degraded areas, and wildlife management interventions (Ervin, 2003).

¹⁴ Managerial/Higher Technical: 20%; Technical/Supervisory: 150%; Park Rangers/Skilled Field Workers: 250%; Other Field Workers: 10% (excluding military field personnel from de baseline number).

Table 4. Personnel devoted to planning and management of protected areas (2005).

Institution	Managerial and Higher Technical	Technical and Supervisory	Rangers & other skilled field workers	Labourers, unskilled workers	Total
DINAMA, MVOTMA	5	6	1	--	12
DGRNR, MGAP	5	4	1	32	42
DINARA, MGAP	--	--	--	4	4
SEPAE, MDN	1	5	--	102	108
National Coast Guard, MDN	--	--	--	4	4
CAHSL, Municipality of Montevideo	2	2	5	--	9
Municipality of Rocha	--	--	1	2	3
Municipality of Treinta y Tres	1	1	3	--	5
PROBIDES	1	1	3	--	5
TOTAL	15	19	14	144	192

Note: Labourers from SEPAE consist of military personnel assigned to maintenance, forest management, nurseries, including activities related to existing protected areas with little biodiversity value.

26. In addition, responsibilities for specific issues regarding biodiversity conservation, as well as for administration of individual PAs, fall under a wide range of institutions whose jurisdictions often overlap (See: Section IV, Part VI). At present each entity performs their functions in an isolated manner, creating inefficiencies and lost opportunities for developing synergies across PAs and stakeholder groups. For example, lessons learned in one PA or institution are not readily shared with others, with the result that efforts are often duplicated or similar management mistakes repeated across PAs. Neighbouring PAs rarely programme joint actions in buffer zones to provide enhanced protection to both areas, and clusters of PAs or communities do not plan collectively to deliver action at reduced costs.

27. There are also coordination problems among government institutions with other sectors, including the academia, organizations of the civil society, and the business and industrial sectors. For example, the knowledge base for PA planning and management is highly fragmented, uncoordinated, and generally unavailable to PA managers.

28. Considering current institutional weaknesses, the advent of a NPAS will require clarification of missions, review of existing responsibilities and accountabilities of key institutions, changes in procedures, and changes in deployment and management of human resources of institutions that are currently charged with PA management. In particular, DINAMA will require specific institutional strengthening to set up appropriate arrangements for overseeing the NPAS and for the management of its individual PAs. This includes aligning its staffing table with new functions and competences and putting in place appropriate institutional procedures and operational levels. To improve current institutional capacity to a level that generates global as well national benefits, technical expertise and financial support from the GEF and the international community is needed, to ensure this process occurs using state of the art experience. An important contribution of the PDF-B to this process was the definition of a preliminary set of competencies -- which resulted from the grouping of skills and additional knowledge requirements for up to 4 staff levels: Managerial/Higher Technical; Technical/Supervisory; Park Rangers (skilled workers), and Field workers-- in 12 categories¹⁵. However, consensus building activities are needed for the development of an agreed set of occupational standards to be adopted by key institutions involved in PA management.

¹⁵ The 12 competencies (adapted from Appleton et al, 2003) are: 1) General personal and work skills; 2) Financial management; 3) Human resource management, staff development and training; 4) Project development and management; 5) Communications, education, and PR; 6) Information Technology; 7) Site management and field work; 8) Natural resource conservation, monitoring and assessment; 9) Recreation and tourism; 10) Socioeconomic and cultural assessment/community development; 11) PA policy, planning and management; and 12) Enforcement and control.

29. To enhance coordination between different stakeholders, and as such increase efficiencies, the NPAS Law proposes the creation of a National Protected Areas Advisory Commission (NAC) and the establishment of Specific Advisory Commissions (SACs) for individual PAs. However, regulations and operative procedures of the NAC and SACs are still missing. For example mechanisms that facilitate coordination between DINAMA and other government and non-government institutions at local levels have yet to be developed. Some advances have been made in isolated cases (e.g. Probides, Santa Lucía Wetlands permanent advisory commission, Laguna de Rocha provisional commission) but these are not sufficient to provide tested guidelines for the establishment and functioning of SACs. To support the effective and efficient performance of these bodies it would be necessary to clearly define roles, responsibilities and accountabilities, criteria to guarantee fair representation of stakeholders, procedures for functioning and mechanisms for deliberation and decision making, and criteria for evaluation and renewal of official recognition – or eventual abrogation – of SACs. Under the baseline scenario, the functioning of these Commissions would be sub-optimal, reducing the effectiveness of the institutions engaged in PA work and perpetuating the current coordination deficiencies between PAs.

Financial deficiencies

30. Protected areas cannot be effectively managed without sufficient and sustainable financing. However, as with other countries worldwide, political will to designate PAs in Uruguay has preceded governments' ability to allocate the necessary resources to protect them. Consequently, funding for current PAs and the central regulatory bodies is quite scarce. Estimates of the PDF B team showed that annual costs for PA management are US\$700,000, which represents less than 0.01% of the country's GDP. Out of this total, US\$500,000 is covered by contributions from the National Government and, to a lesser extent, from some Municipal Governments. The remaining US\$200,000 comes from income generated by a range of sources in PAs (e.g. entrance fees, product sales, NGO contributions, international funding). The contribution by private parties and other institutions is very limited.

31. The allocation of resources to PAs is determined independently of actual PA management requirements, as standard operational costs for different management categories and threats and land tenure scenarios are not known by managers. To estimate these costs, a sample of 10 PAs were analysed during project preparation. These covered a range of situations (land tenure structures, sizes, and management categories) and included areas that had high probability of being incorporated to de NPAS in the short-medium term. The exercise included estimating costs for implementing key interventions to develop critical management functions and improve current levels of management effectiveness (e.g., investments in public use infrastructure and equipment to enhance ecotourism opportunities as revenue generating source, implementing fees and licenses for different uses within PAs, realigning staffing tables, etc.). According to this exercise, operational costs at the "system" level (i.e., for the whole set of areas analysed) were estimated in US\$ 1.5 million per year, with an investment of around US\$ 2 millions during the initial five years (i.e. about US\$ 400.000 per year)¹⁶. The exercise also estimated that these areas could generate about US\$ 600.000 annually, but only based on mechanisms that were considered easy to implement in the short term, among them: recreation and tourism entrance and user fees, merchandising of products, extraction fees (See Section IV, Part VII).

32. Thus, in this alternative scenario, the difference between total estimated costs and potential revenues would be of US\$ 1,300,000. Considering budgetary appropriations and revenues of 2005, the financing gap

¹⁶ These findings were compared with those of other studies at the international level regarding PA operational costs per land unit. It was found that mean recurrent costs for PA management in Uruguay run at about US\$ 144/sq km, which is intermediate considering that minimum operations costs for different countries range from US\$ 100 to US\$ 300/sq km. On the other hand, for a significant improvement in management effectiveness, these values should increase substantially. Recurrent costs needed for effective PA management were estimated in about US\$ 400/sq km, which is also intermediate considering international values range from US\$ 200 to US\$ 900/sq km.

would be of US\$ 600,000 per year. The GoU has committed to gradually increase national budgetary appropriations for PAs. Indeed, the initial commitment has already been made, with a budget increase for the next five years that could cover about one third of estimated financial gap. However, over reliance on the National Budget within the context of a small, developing country whose investment priorities are linked to social emergency issues constitutes a serious limitation for PA financing and prevents the establishment of new areas. Therefore, diversification of revenue sources is needed to help bridge the financing gap and increase the long term income potential of the future NPAS.

33. An initial evaluation of potential financing instruments was undertaken in the PDF B and is provided in Section IV, Part VII. Some of these instruments require a longer period for full evaluation and development whilst others have a much higher level of viability in the short term. However, a complete feasibility study is not yet available and greater precision in the definition of a series of operational aspects is required, including mechanisms for earmarking of funds for the NPAS, criteria and mechanisms to allow local fees to be levied, retained, managed and used locally, mechanisms for cross subsidization of funds (i.e. the transfer of funds between PAs within the system)¹⁷, etc. In addition, information, knowledge and expertise on innovative mechanisms for generating financial returns are not available among protected areas personnel.

34. An accurate assessment of costs across the PA system, the introduction of sound financial and business planning as a means of encouraging protected area agencies and their staff to think broadly about their long-term expenditure needs, and building a diversified funding portfolio, are some of the opportunities for project intervention that would enable informed decisions on funding needs, priorities and opportunities for savings.

Knowledge and individual capacities deficiencies

35. A rapid capacity assessment undertaken during project preparation (see “Institutional structure and coordination deficiencies” barrier) revealed that current staff has a low skills base in key competency areas for effective PA management. For example, over 60% of managerial/higher technical staff shows deficiencies in financial management and almost 50% of this staff lacks adequate skills in natural resource conservation, monitoring and assessment. There is still little or no experience in the application of modern approaches for planning, e.g., ecosystem management, systematic conservation planning, bio-regional planning¹⁸. At the technical/supervisory level, main deficiencies include financial management and recreation and tourism management (with over 90% of current staff showing deficiencies), socioeconomic and cultural assessment/community development (almost 90% of staff), PA policy, planning and management (85% of staff) and project development and management (80% of staff). Among park rangers, deficiencies in key areas for the function include socioeconomic and cultural assessment/community development (90% of staff), financial management (80%), and recreation and tourism (70%). Finally among unskilled field workers, 100% of current staff has deficiencies in natural resource conservation, monitoring, and assessment and 80% has deficiencies in enforcement and control capacities. Table 5 summarises main deficiencies in key PA competencies by staff level.

¹⁷ Law N° 17.234 creates a Protected Areas Fund, to be administered by MVOTMA, a an instrument for administering and distributing resources among and between PAs, bearing in mind that some areas of the system will have a resource generation deficit and others a surplus. Nevertheless, its establishment, operation and capitalization have not been regulated, although there is some experience in the management of this type of fund at the national level (e.g. with the FONAMA: National Environment Fund).

¹⁸ It should be noted that in the country currently there is no supply of specific post secondary programs in PA planning and management or conservation biology.

Table 5. Percentage of total PA staffing with competences and skills considered insufficient¹⁹ for effective PA management (2006)

Key competences	Staff levels			
	1	2	3	4
General personal and work skills	29	57	30	70
Financial management	62	92	80	
Human resource management, staff development and training	8	64	70	
Project development and management	23	80		
Communications, education and public relations	23	71	70	
Information Technology	38	43	80	
Site management and field work		69	40	60
Natural resource conservation, monitoring and assessment	46	71	60	100
Recreation and tourism	46	92	70	
Socioeconomic and cultural assessment/community development	31	86	90	
PA policy, planning and management	23	85	57	
Enforcement and control	31	79	30	80

Staff levels: 1) Managerial/Higher Technical; 2) Technical/Supervisory; 3) Park Rangers and other skilled field workers; 4) Other field workers.

Capacity assessment included staff of: DINAMA-MVOTMA; DGRNR-MGAP; Probides; IMM; IMR; IMTT.

36. In particular, in view of current financial constraints, there is a significant gap in terms of the skills needed to plan and manage the finances of the NPAS and in the innovation and vision needed to transform PA values into revenues. Without the ability to identify and forecast their financing needs over time and match these with secure sources of funding, agency spending decisions will remain ad-hoc, reactive, and thus vulnerable to fluctuations in both funding and expenditure requirements.

37. With respect to field workers, skills deficiencies are aggravated by current age structure: Mean age of field workers is 55 years (with several people over 60 years), which imposes limitations to the development of certain tasks and may hamper improvements through training.

38. Weak individual capacities determine, to a large extent, current low levels of management effectiveness and impose limitations to the implementation of the NPAS. Targeted training, along with realignment of current staffing table with new functions and competences (including the definition of posts and minimum requirements of staff) is key to offset many of the other deficiencies and barriers to effective PA management described. In particular for staff level 2 (technical/supervisory), a significant increase in staff numbers will also be necessary to supplement and enhance team composition (see “Institutional structure and coordination deficiencies” barrier).

Low levels of awareness biodiversity and PA conservation

39. Many of the barriers to the effective PA management in Uruguay, as well as various human activities that pose threats to biodiversity, are related to the low levels of understanding regarding the importance of PAs in conservation and sustainable development²⁰. For example, the funding gap for PAs stems in part from low awareness on the values of biodiversity conservation or the potential that the implementation of a NPAS could have in the provision of environmental goods and services and in the generation of employment and

¹⁹ Percentage of personnel by staff level that had a score of 3 or less (in a scale of 1 to 5) in key competences.

²⁰ A PDF B survey indicates that 52% of the Uruguayan population declares not to know what PAs are, and less than 20% have an appropriate understanding of the concept of a PA (based on face to face personal interviews, randomized sampling of 700 cases; sampling error below $\pm 3.7\%$, and a confidence level of 95%).

income opportunities. The low levels of awareness of judges and police officers regarding environmental and PA legislation further aggravates this problem as it hampers effective law enforcement.

40. Total economic values of PAs have not been assessed, thus valuation of PA environmental services that support development would provide useful information for decision-making and resource mobilization as it identifies the myriad of monetary and non-monetary benefits flowing from the protected area to different sectoral and individual stakeholders. There is a need for harmonized methodological approaches to PA valuation and the incorporation of this information into awareness building campaigns and funding strategies for different stages of the NPAS.

41. Communicating the benefits of PAs and their relationship to development will contribute to overcome the frequent bias against conservation priorities in the light of increasing pressures from the productive sectors, urbanization, infrastructure development, and other activities. In the baseline scenario, several agencies will continue delivering environmental education and awareness raising activities. However, available budget for these activities are insufficient to implement strategic interventions aimed at reaching key audiences with persuasive messages, including the media, political decision makers, opinion leaders, the private sector, local communities, etc. (See: Section III, Part I, Incremental Cost Analysis)

PART II: STRATEGY

Project Rationale and Policy Conformity

42. For a long time, Uruguay has been taking fundamental steps to protect its biodiversity, much of which is of global value. Nevertheless due to competing land uses and barriers to effective conservation, this biodiversity remains under considerable threat from transformation of natural habitats and resource over-harvesting (the latter, mainly in aquatic ecosystems). To help overcome this problem, recently the MGAP started implementing the "Responsible Production" Project (PPR), with funding from GEF/WB, which promotes mainstreaming biodiversity conservation measures in productive landscapes and systems. However, landscape conservation approaches alone are not enough to guarantee the long term feasibility and effectiveness of *in situ* conservation efforts. It is essential to complement these measures with the implementation and consolidation of a National Protected Area System to provide the framework and mechanisms for advancing the effectiveness of existing PAs and contributing to the long term conservation of Uruguay's biodiversity

43. The current Government of Uruguay, which took office in March 2005, has given high priority to the implementation of the NPAS in accordance with that set forth in Law N° 17.234. However, the country faces considerable weaknesses and barriers (including resource constraints, weak institutional structures, deficiencies in key protected area management capacities) which contribute to current low levels of management effectiveness and prevent improvement. Under the baseline scenario the creation and implementation of a comprehensive and sustainable National Protected Areas System as defined in the NPAS Law is unlikely.

44. The above rationale explains the support requested from GEF and the international community to assist the GoU in this task, which is essential to achieve national targets and international commitments regarding the conservation of national and globally significant biodiversity. Consistently with GEF's Biodiversity Strategic Priority BD-1, the Project Catalyzing the Implementation of Uruguay's National Protected Area System will support the legal and policy reforms started by the Government of Uruguay through a two

pronged approach that combines capacity building²¹ and testing of various management approaches in a number of field demonstration sites.

45. The project will strengthen key capacities to design and set up a NPAS and effectively manage PAs, at the systemic, institutional and individual level through: (i) developing an enabling environment through supportive legal and policy frameworks; (ii) strengthening institutional capacities through the definition of appropriate institutional arrangements, structures, responsibilities, and occupational standards, (iii) enhancing knowledge, skills and competencies, and (iv) increasing societal appreciation of the benefits of PAs and the value of services they provide.

46. Capacity building at the systemic level will include: the formulation of a national-level protected area Strategic Plan laying out the design of a representative NPAS and orientation of a system that reflects the new political, management and environmental trends in the country as well as the advances in the state of the art for PA systems worldwide; a system-wide funding strategy, business plan and a diversified funding portfolio; the strengthening of the existing regulatory and legal framework to enable the implementation of the Plan and to allow the PA financing system to develop; and the establishment of adequate inter-institutional coordination mechanisms.

47. At the institutional level the Project will support the institutional redesign of the Protected Areas Division of DINAMA, including the definition of posts and functions necessary to fulfil the newly acquired role as the lead NPAS institution, the definition of minimum requirements of staff, recommendations for hiring of new/additional personnel to modify or enhance team composition, and the adoption of adequate planning and management processes, among other activities.

48. At individual level, it shall promote targeted training to maximise skills for sustainability and to adapt roles and functions to modern conceptual models for conservation; the development and adoption of agency training strategies; and the development of a tertiary education strategy and curricula that would be aligned with NPAS staff and competence targets

49. As a complementary approach, on site interventions shall enable ground proofing of the new legal and policy frameworks and testing and developing new tools for enhancing PA management effectiveness, including different PA governance types and financial mechanisms. Field demonstrations will also contribute to improve the levels of management effectiveness on these sites and, in some of them, to reduce threats thus providing immediate biodiversity benefits.

50. According to the progressive approach which will be necessary to follow in order to implement a representative and sustainable NPAS, the Strategic Plan will establish a series of successive phases so as to make it possible for the NPAS to gradually consolidate and expand —improving its ecologic, social and institutional sustainability— on the basis of the experiences generated, the knowledge gained and the new funding mechanisms, incentives and policies that will be developed as a consequence of Project interventions.

51. The proposed project will build capacities to implement the first phase (5 years) of the NPAS. This first phase will be targeted at establishing a “minimal system” of PAs, consisting of a relatively small number of areas in line with the development of new financial mechanisms and strengthened capacities. Phasing of the expansion of the NPAS will be defined during the FSP as it needs to be based on viable and realistic funding strategies and consensus. Given the land tenure and land use patterns in Uruguay, this embryonic system will need to include priority areas representative of the country’s biodiversity and a range of PA categories and governance models (public, public private partnerships, community-based, NGOs). The mix

²¹ “Capacity” taken in a broad sense, as the ability of systems, institutions and individuals to perform functions, solve problems, and to set and achieve objectives in an effective, efficient and sustainable manner (Barber et al. 2004)

of diverse public-private governance and management models will provide an effective mechanism to reduce costs and increase social participation and sustainability.

52. Project Preparation was financed by a grant from UNDP GEF funds from the Government of Uruguay, with the support of the Spanish and French cooperation. It entailed extensive consultation with a broad range of stakeholder groups through interviews, group discussions. A total of 11 workshops were held in various locations throughout the country, with the participation of 664 people representing government agencies, the private sector and the civil society. Details are provided in Section IV Part III (Stakeholder Involvement Plan). The project has been designed based on a careful evaluation of lessons learned from a wide range of sources, ranging from other relevant project progress reports and similar reviews (in particular PROBIDES, which was UNDP/GEF funded project) to the recommendations of the V World Parks Congress (Durban, 2003), as well as from practices and activities of the own preparatory phase. These lessons are summarised in Section IV Part X of this document.

Project goal, objective, outcomes and outputs

53. The **Goal** of the proposed project is that *biodiversity and natural heritage of Uruguay is conserved, and supports national development goals*. This clearly supports the two-pronged biodiversity strategy of the country described above. The project will contribute to this goal through a focused intervention that has as the **Immediate Objective** (purpose): *A National Protected Area System that effectively conserves a representative sample of Uruguay’s biodiversity is designed and under initial implementation*. This Objective will be achieved through the following four **Outcomes**, under which a series of outputs are planned:

Outcome 1	Outcome 2	Outcome 3	Outcome 4
Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational.	Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs.	Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices.	Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures.

Outcome 1: Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational. (Total cost: 2,753,000 USD; GEF: 1,041,000 USD; Co-funding: 1,712,000 USD)

54. The long term success and sustainability of protected area systems largely depend on a supportive legal, policy and institutional framework. Thus, this Outcome will provide key systemic and institutional capacities required to design and set up a National Protected Area System and allow for the gradual implementation and management over the long term. Following the overall framework provided by Law 17.234 and Decree 52/005, activities will address shortcomings of policy statements, strategies and management practices by providing the detailed elements and structures required to give effect to existing legislation.

55. Among key elements this Outcome will develop a national-level protected area Strategic Plan, which will set out the design of a representative NPAS, define actions to achieve the system’s goals, identify prioritised actions and responsibilities, and establish a timetable for delivery of the actions. The plan will also define the relevant regulatory and operational requirements to enable the implementation of the NPAS in the short term and guiding its expansion and sustainability over the mid and long term.

56. Considering that protected areas cannot be effectively managed without sufficient and sustainable financing, this outcome will approach financing in a systemic and innovative way, developing a system-wide

funding strategy, business plan and testing innovative revenue generating mechanisms so that the System can grow at a pace that is financially sustainable. Given the high proportion of private land in Uruguay this strategy will include incentives for private reserves.

57. As part of this Outcome institutional capacities will also be developed to set up appropriate arrangements for overseeing the NPAS and for the management of its individual PAs. This will include the restructuring of the lead NPAS institution as defined in the Law, i.e. DINAMA, aligning its staffing table with new functions and competences and putting in place appropriate institutional procedures and operational levels. In addition constituent agencies of the NPAS will be strengthened to fulfil their respective roles at different levels. Particular attention will be placed on setting up institutional coordination mechanisms to maximize the input of each one and to avoid overlapping and resource inefficiencies. Finally, knowledge management, evaluation and adaptation systems will be developed for the NPAS and the Project, seeking to ensure harmonized approaches to management and maximizing resources by lessons sharing and adaptive management. The Outputs required to achieve this Outcome are described in detail below along with indicative activities required to deliver each respective Output.

Output 1.1: A validated and officially approved Strategic Plan of the NPAS

58. In response to the deficiencies in existing PAs and the barriers that impede their effective management, a NPAS is to be created to provide the framework and mechanisms for advancing the effectiveness of existing PAs and contributing to the long term conservation of Uruguay's biodiversity at all levels. A key element to assist and promote the development of a representative NPAS is a Strategic Plan for the planning and orientation of a system that reflects the new political, management and environmental trends in the country as well as the advances in the state of the art for PA systems worldwide.

59. The strategic plan will help overcome key barriers to effective PA management and provide a number of benefits including:

- Confirmation of and agreement on the goals and principles that apply to the NPAS;
- Prioritisation of different aspects of protected area development;
- Assistance in meeting obligations under international treaties;
- Encouragement of inter-institutional and inter-sectoral cooperation and collaboration;
- Facilitation of integration of PAs with other relevant national strategies; and
- Confirmation of political commitments to financing the NPAS.

60. As a long-term planning instrument, the Strategic Plan will be formulated that a) designs an ecologically comprehensive and representative NPAS that is consistent with the country's socio-economic context and based on efficient and modern management approaches; and b) defines the fundamental guidelines for policies and strategic planning of the System and constituent PAs for the short (5 years), medium (10 years) and long term (15 years).

61. This conceptual framework for the constitution and operations of the NPAS will include amongst others: (i) the definition of the System vision, missions and conservation targets; (ii) the identification of gaps in terms of ecological representativeness (ecosystems/habitats, species, genetic resources) of existing PAs that would need to be covered by the System over time and building on the preliminary GAP analysis conducted during the Preparatory Phase²²; (iii) the definition of guidelines and criteria (ecological, economic, social) for identifying and evaluating candidate areas and selecting those that shall become part of the System in the short (5), medium (10 years) and long term (15 years); (iv) the System design including determining the optimal and balanced relationship between various management categories of PAs to be

²² The DGRNR's GIS that is to be strengthened through the PPR project will be used in the GAP analysis to avoid unnecessarily creating parallel GIS systems. However the NPAS-Uruguay Project proposed herein would provide the inputs to the GIS required for GAP analysis of ecological coverage of PAs. This includes satellite images, IT programs and equipment, the necessary technical consultation for the GAP analysis and the training of staff technicians for this task.

incorporated, their location, size, limits and linkages among them; (v) the relationship between the various System components and between the NPAS and other relevant territorial, social, economic and institutional frameworks and systems; and (vi) the definition of indicators to measure progress towards the achievement of long-term objectives of the NPAS.

62. As the guiding document of PA policies, the Strategic Plan shall also establish the main lines of action needed to achieve the long-term objectives, including: operations standards, evaluation of management effectiveness; funding strategies; land tenure and acquisition policies; strategic alliances for PA management; infrastructure, equipment and maintenance; training requirements; roles and responsibilities of personnel; public participation; basic and applied research; and monitoring and performance assessment. For each action, details of implementation arrangements and an indicative timetable will be defined. A phased approach will be adopted for the initiation of actions and for the inclusion of the results of ongoing tasks in the NPAS.

63. A Task Force will be established for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions, plus temporary national and international consultants. Basic studies for the elaboration of this plan could be developed through special agreements with UDELAR, NGOs, and other institutions. The design of the NPAS and elaboration of the strategic plan will include effective public involvement activities to enable input and consensus building of key stakeholders of the public and private sectors and civil society to address current and future social, economic, institutional and cultural issues.

64. A preliminary version of the NPAS Strategic Plan will cover a period of five years and is to be established in the first two years of full project implementation. Once this short-term Plan has been reviewed and approved by the NAC, the Project will support its publication and dissemination as part of the communication and awareness building programmes of Outcome 3. There will be a strong interconnection between this short term plan and project implementation. On the one hand, as an agreed upon and officially approved NPAS strategy, the short term plan will provide overall guidance for the implementation of project actions. On the other hand, the project has been designed to provide ground testing and demonstration of key aspects that can be gradually incorporated into the strategic plan, as lessons and experience from field demonstrations are obtained and as the institutional and individual capacities are increased. In this respect, Outcome 4 and Outputs 1.2 to 1.5 described below are inputs for adjustment of the Plan and its extension over the long term. At the end of project, Uruguay will have an instrument to guide the expansion of its NPAS over the mid and long term.

65. Alongside the formulation of the short term plan and the adjustment and expansion for the mid and long term, the project will also provide the strengthening of the existing regulatory and legal framework to enable the implementation of the Plan and for the sustainability of the ensuing NPAS. Costs associated with development of new legal frameworks and policies will be covered by the Government of Uruguay. GEF funds shall contribute by funding the technical assistance required for developing proposals for the legal reforms based on detailed studies and mechanisms tested through the different components of the project. Regulatory frameworks and policies shall be incorporated into the final document of the Strategic Plan including: (i) The definition of the mandates, procedures and operational aspects of the NAC and SACs, and procedures for approval, official recognition of SACs and the renewal of this recognition over time; (ii) the regulation of different PA governance and management types (e.g. criteria for selection of management partners, model agreements or contracts, rights and obligations of parties, time schedules, criteria for management evaluation, etc.); (iii) regulation and control of incompatible uses within PAs, including definition of penalties for violations of PA laws and regulations, standards of proof to be employed in prosecuting violations; (iv) allocation of legal authority to rangers, requirements and procedures for their accreditation and definition of their specific functions; (v) regulation of the Protected Areas Fund and other revenue generating mechanisms to strengthen the financial sustainability of the NPAS (see Output 1.2); (vi) regulations to encourage private participation in the establishment and management of PAs.; and (vii) definition of policies and norms regulating the use and conservation of resources in buffer zones and

promoting the integration of the NPAS within a national framework of territorial and environmental planning.

66. As part of the development of the Strategic Plan, and building on the demonstration experiences, the Project shall define harmonized approaches for administration and management, to be followed by all public and private institutions participating in the System. This will include the formulation and adoption of management procedures for each management category, guidelines for developing management plans and annual operational plans, consistent and transparent cost and revenue accounting systems, M&E of management effectiveness²³ of the System and the constituent PAs will be developed including operational standards, criteria and indicators for each Category.

67. The Plan will be implemented following agreement by State, municipal agencies and other relevant stakeholders through the NAC and official approval by MVOTMA. Annual work programs to reflect the stages will be developed by a Task Force on Protected Areas, which will also provide annual reports to MVOTMA and the NAC and will review and report on the progress of the Plan as a whole at the end of each phase.

Output 1.2: System-wide Financial Strategy and Business Plan adopted by the GoU

68. Current financing gaps for PAs and regulatory institutions described in SECTION I place serious limitations on management and operations standards of existing PAs and also hamper the creation of new areas. As stressed at the fifth World Parks Congress in Durban (2003), inadequate financial resources for protected areas – particularly long-term resources – remain a fundamental barrier to achieving biodiversity conservation goals. In consequence the project will place emphasis on developing strategies and instruments for reducing the current funding gaps for PAs to achieve the new operation standards for each management category (to be defined in the Strategic Plan) and improve the long term sustainability of the NPAS. This will take into account both the possibility of income generation from the system's PAs and contributions of related stakeholders (i.e. resource "supply"), the funding needs for adequate operations of PAs and the system (i.e. resource "demand"), and the financial planning that is required to balance both sides of the financial equation.

69. Through this output, a national strategy and action plan for sustainable funding of PAs will be defined, prepared, and adopted by the Government of Uruguay. Considering that many of the financial instruments to be explored (Outputs 1.2 and 1.3) require the agreement and coordination of a range of institutions, a high level national inter-institutional and multidisciplinary PA financing task force integrated by MVOTMA, MGAP, MINTUR, MEF and OPP, will be established²⁴ and count with the assistance of an expert in financial and economic affairs hired by the Project (see Output 1.4). This strategy will address major elements needing government decisions, including: institutional responsibilities to be defined, revenue retention and allocation, revenue generation mechanisms, staffing, incentive structures, business planning requirements. Adequate legal and policy frameworks will be created or amended to enable the rest of the PA financing system to develop. For example, based on the NPAS Law, specific legal and policy tools that enable and regulate revenue generation and sharing, and delegation of PA management (for concessions and

²³ Initially the adapted METT, used for establishing baseline values during the PDF B, will be applied to all PAs and will serve as indicator for monitoring the success of Project. During project implementation management effectiveness and monitoring tools especially suited for Uruguay will be developed based on the evaluation framework of IUCN's WCPA. These will include monitoring of biodiversity in PAs and the setting up of early warning and response procedures for the PAs.

²⁴ This task force will be responsible for: (i) reviewing, fine tuning and expanding the data generated during the PDF B concerning operational costs, investments and income of the various PAs to be incorporated into the NPAS, the institutions involved and the System as a whole; (ii) supervising the valuation and economic evaluation studies in PAs; (iii) developing feasibility studies of the various funding mechanisms identified during the Preparatory Phase, including market studies to support decision-making for charging PA admission and concessions and the development of productive activities and PAs services; (iv) selecting mechanisms evaluated as being the most adequate and feasible for establishing a diversified financial structure, and (v) defining the necessary, regulatory and structural framework towards the successful implementation of the various financial mechanisms.

co-management) will be defined and implemented. Policy frameworks will be linked to criteria to optimise allocation and distribution of funds across the PA system (e.g. based on management plan objectives and performance).

70. Considering difficulties in determining actual cost and revenue data at site and system levels (which is crucial for planning and budgeting), procedures for managing PA finances will be improved. Financial management information and tracking systems will be strengthened and budget reporting procedure revised and implemented to measure performance against indicators. Specific training will be provided through Output 2.2 and a procedures manual on the revised financial management system will be compiled.

71. Building on the national financing strategy, an assessment of PA system costs and financial gaps, and the experience developed in business planning at pilot sites that have the potential for generating financial resources (Output 1.3 and Outcome 4), a system wide business plan will be developed. It will provide an operational framework for PA system planners to develop strategies for revenue generation and identify when greater government lobbying is required for increased budgets. The system level business plan will also act as a guide for site level business plans.

72. To increase long term income potential of the NPAS, the feasibility of and market opportunities for alternative financing mechanisms will be identified and assessed to develop a diversified set of revenue sources for the NPAS financing strategy and plan. An initial evaluation of potential financing instruments was undertaken in the PDF B and is provided in Section IV, Part VII. Considering that some of these instruments require a longer period for full evaluation and development whilst others have a much higher level of viability in the short term, a two pronged approach is proposed: (i) The first will focus on further exploring mechanisms which require additional review and political support for their application. Amongst these are fiscal incentives, e.g. tax exemptions for certain activities such as private conservation, donations, and grants²⁵. Other instruments to be evaluated are licenses for different uses within PAs, e.g. research projects, bio-prospecting rights and fees, sports hunting or fishing permits, films and photographs for commercial purposes. The project will commission more in-depth studies to determine best approaches for each mechanism in the Uruguayan context and to provide support for lobbying, negotiation and eventual approval. It will also identify amendments of the regulatory framework and policies necessary for their application in the long term. (ii) The second approach will test and implement some of the financial instruments identified as being viable in the short term; among them, existing mechanisms focused on tourism will be improved and tested in the pilot sites of Output 1.3.

73. The development of revenue mechanisms will build on those identified within the pilot business plans. Once designed, the Project will work with the site teams to set up and operate practical details of revenue generating schemes and get into practical details such as payment collection, cash management and tracking revenues back to central accounts. These practical operations will serve as models for the rest of the PA network.

74. As there are potentially significant differences in terms of the viability of financial sustainability for each PA, a system-wide approach would be adopted in which the possibility of cross subsidisation policy between PA would be explored. The resource distribution mechanisms will be established through the definition of procedures for the NPAS Fund created by Law N° 17.234. This Fund has the objective of providing the instrument for administering and distributing resources among and between PAs, bearing in mind that some areas will have a resource generation deficit and others a surplus. The Fund is expected to be capitalized through a range of sources including many of the instruments to be explored through this project. The Project will not however focus on the capitalization per se of the fund, except to the extent that it will support the definition of the NPAS funding strategy and the mechanisms for resource generation. Project

²⁵ This is particularly relevant as the new Government is to implement an Income Tax that could include tax exemption for biodiversity related actions.

action as regards this Fund will be limited to providing support for evaluating the Fund as a resource distribution mechanism and defining the operational procedures for its administration.²⁶ The Project shall hire an expert to develop a fundraising strategy to orient capitalisation of the NPAS Fund (including attracting donors), to explore different funding sources for the acquisition of lands of high strategic conservation priority, and to secure significant investment from private and public sources for opportunities identified in the system-level business plan

75. In view of the high proportion of privately owned lands the project will explore and define financial needs and possible funding sources for different scenarios and mechanisms, including conservation leases, easements, and the development of incentives for private PAs²⁷. Mechanisms will include both direct incentives (whether monetary or in kind) and indirect incentives (fiscal instruments and service incentives). Among direct incentives the possibility and feasibility of promoting subsidies, soft credits, etc. will be explored. Lessons learnt from the two demonstration pilots in private lands (Outcome 4) will be used to evaluate different types of incentives. For example in-kind incentives such as fencing fragile areas to prevent cattle grazing, improvement in public use infrastructure, and improvement of physical access to farms and ranches which promote ecotourism activities will be explored. Indirect incentives will also be promoted, e.g. through technical assistance and marketing support for products and services generated in the demonstration areas. In this context the project will support economic valuation and evaluation studies to determine the values of resources provided by PAs and the opportunity costs for different types of landowners that may wish to implement private reserves. These will enable the definition of criteria and procedures to provide incentives for encouraging private parties in the establishment and management of PAs.

Output 1.3. Tourism related revenue generation and distribution instruments tested

76. As tourism is a key source of revenue for Uruguay the project will provide special focus to assisting the country maximise tourism potential from its PAs. A first approach in this output will be through specific intervention to test resource generation instruments based on entrance and tourism service fees. The resource generation pilot will be developed in Quebrada de los Cuervos Protected Landscape (IUCN Category V), which was selected for the following reasons: a) it is a charismatic PA at the national level and a priority site for conservation; b) it is a popular ecotourism destination, currently visited by about 10,000 people per year, but highly seasonal²⁸; c) it has favourable conditions for controlling access and already has some infrastructure and equipment for public use (cabins, campground and picnic area, interpretive trail, a small visitor centre; d) it has some experience with income generating mechanisms (voluntary donations, rental fees for the cabins, concession of some services) but not based on sound business and financial planning; e) it is managed by the Municipal Government of Treinta y Tres, which has expressed its commitment to improve the area's management effectiveness. The project will support the elaboration of a business plan for the area, evaluating potential visitation, visitor profiles, and assessing different options for revenue generation (e.g., a fee system including differential fees for local, national and international visitors, children and seniors citizens, etc.). In addition the project will finance other complementary interventions to support the experience, especially updating of the public use program of the area's management plan, upgrading of public use infrastructure and equipment, and awareness and communications strategies to increase public support for the pilot fee program.

77. Besides the particular experience that the project will finance at Quebrada de los Cuervos, other agencies are willing to test pilot fee programs in other PAs. Among them, Cabo Polonio Sand Dunes Natural Monument shows high potential for testing innovative mechanisms based on recreation and tourism. This

²⁶ It should be noted that this is not a Trust Fund but rather an instrument to facilitate resource distribution by the MVOTMA in a transparent and effective manner Uruguay has considerable experience in the use of such Funds (for example, the FONAMA, National Environment Fund), and the project would draw on this experience and determine best procedures within the context of the NPAS Strategic Plan and its funding strategy.

²⁷ See for example, Evia & Gudynas, 1999.

²⁸ Main visitation occurs during Carnival and Easter week.

area of outstanding beauty and biodiversity on the shores of the Atlantic Ocean, comprised by a mix of public and private lands, is a potential key revenue-producing site. It is currently visited by 92,000 people per year (both national and international), with high season during the summer months. Access to the area is controlled by the Municipal Government of Rocha, in coordination with DINAMA and DGRNR. According to a preliminary assessment of the PDF B, this site could generate significant revenues, mainly through entrance and user/service fees (e.g. for transportation, guided tours, etc.), that could cover operational costs required for good practice management scenarios. In addition, fees could be used to achieve other management objectives, such as maximising resource protection or minimising operations and maintenance expenses and environmental damage caused by visitation²⁹. In the medium term, this site could generate enough revenues to test a cross subsidisation system for the NPAS. These experiences will help define a tourism based fee system for the NPAS. Provisions will be taken to make sure that tourism revenues be invested sufficiently at site level to ensure biodiversity conservation. The project may also include piloting concessions, as these are interesting models that can both generate revenues for PA systems and ease management burdens by managing specific recreational activities and services.

78. In addition to site based efforts, the project will work with close coordination with MINTUR through cross-sectoral and inter-departmental links, to develop and implement a strategy to integrate PA based tourism into national tourism planning. National infrastructure investment that supports site-based mechanisms will be proposed and, where possible, leveraged from government or other financing sources. This will also include proposals for coordination between PAs on entrance and user fees to avoid competition and promote fee harmonization between sites.

Output 1.4 Institutional arrangements, structures, responsibilities, and occupational standards for managing the NPAS defined

79. The advent of a NPAS will entail a review of existing responsibilities, procedures, equipment and staffing arrangements of governmental institutions that are currently charged with PA management. This is particularly true for DINAMA, as it will assume new functions as the coordinator of the NPAS.

80. As part of the preparation of the project, the GoU started the process of revising and adjusting mandates, responsibilities and functions of the various public bodies linked to conservation of biodiversity and that would have key roles in the future NPAS. The FSP will provide technical assistance to develop the institutional redesign of government agencies to fulfil their mandates and roles in the implementation of the NPAS by improving administrative and operational efficiencies. Particular focus will be given to the Protected Areas Division of DINAMA and the Department of Parks and Protected Areas of DGRNR. The institutional strengthening plan will include the definition of posts and functions necessary to fulfil the newly acquired role as the lead NPAS institution, the definition of minimum requirements of staff, and recommendations for redeployment of existing staff and/ or hiring³⁰ of new personnel to enhance team composition and diversify areas of expertise. It will also define institutional procedures and practices and upgrade key equipment for essential tasks.

81. An important contribution of the PDF-B to this process was the definition of a preliminary set of competences³¹ (which resulted from the grouping of skills and additional knowledge requirements) for up to 4 staff levels³² (based on the type of work and level of responsibility), in 12 categories³³. Building on this

²⁹ For example, higher fees on periods of traditionally-high recreation use might reduce the peak loads on resources and facilities. A lower peak demand could result in smaller facilities, reduced operations and maintenance expenses, fewer staff, reduced capital investment needs, and reduced environmental damage caused by visitation. (USDI & USDA, 1998)

³⁰ The GoU has committed to increase staffing complements to achieve the institutional strengthening short-term goals by the end of the project.

³¹ Adapted from Appleton, M., Texon, G. and Uriarte, M. (2003).

³² These are: 1) Managerial/Higher Technical; 2) Technical/Supervisory; 3) Park Rangers (skilled workers); 4) Field workers.

³³ See footnote 15 page 15.

initial work, the FSP will promote participatory workshops and activities for the development of an agreed set of occupational standards that would define the skills and knowledge required for PA jobs in Uruguay, to be adopted by key institutions involved in PA management. Also, the PDF B estimations of staff numbers required for improved management at the system and site level will be adjusted during the FSP, as the mid and long term strategic plan develops. For the lead PA institutions (DINAMA, DGRNR), the project will support the development and adoption of agency training strategies in order to establish policy and set guiding principles to address key training and human development issues.

82. The Project will also provide support to the strengthening of key municipal divisions through technical assistance to guide institutional organization, information and lesson exchange workshops and activities with other project outputs, particularly in the site demonstrations. Some Municipal Governments have committed to increase staffing complements to achieve the institutional strengthening short-term goals by the end of the project. In addition, PDF B activities leveraged an agreement between the Office of Planning and Budget and MVOTMA, through which monies from national funds for decentralization and promotion of local development could be supplied to strengthen local capacities for PA management.

83. A key element of the institutional arrangements for the NPAS will be the definition and establishment of mechanisms to further institutional coordination and cooperation, both at system level and in individual PAs, regarding such aspects as policy definition, planning, and management. As a cost effective strategy, existing capacities and expertise in different institutions will be used to avoid duplications of functions and for developing synergies. This will contribute to reducing inefficiencies due to overlap of functions and provide more focused and effective actions for monitoring and control of certain threats. It will also facilitate the implementation of harmonized approaches and procedures for PA management and contribute towards enhanced management effectiveness. Under the general framework of the National Advisory Commission, other forms of coordination for the monitoring of specific matters shall be explored and supported. For example, considering that many of the financial instruments to be explored (Outputs 1.2 and 1.3) require the agreement and coordination of a range of institutions, a high level national inter-institutional and multidisciplinary PA financing task force integrated by MVOTMA, MGAP, MINTUR, MEF and OPP, will be established, assisted by an expert in financial and economic affairs hired by the Project (See Footnote 24).

84. At the level of individual PAs, particular support will be provided to the operations of Specific Advisory Commissions (SACs), as the main scenario for local coordination. This will include specific definition of SACs functions and competences and the development of guidelines to guarantee fair representation of stakeholders and rules of procedure. It will also include the definition of protocols and agreements among the various stakeholders so that monitoring, warning and response systems can be effective and count on clearly defined coordination mechanisms. The project will provide financial resources to facilitate participation (for example, funding to enable travel of residents in remote areas). Lessons learnt from the demonstrations in Outcome 4 and other incipient experiences regarding SACs in the country will be systematized and incorporated into the final definition of coordination mechanisms. To further support these coordination mechanisms, the project will also strengthen DINAMA's capacities for overseeing the establishment of effective strategic alliances for collaborative management of PAs.

Output 1.5. Knowledge management, evaluation and adaptation systems developed for the NPAS and the Project.

85. The Project will support the establishment of a knowledge management system that will operate within MVOTMA for the collection, systematization, analysis and dissemination of data related to PA management and as an input for adaptive management. As such, the knowledge management system will be a key element for M&E at individual PAs, the NPAS and the Project. This will include a national data base on PAs, covering aspects such as regulations and guidelines for their application, results of research carried out on biodiversity and PAs, publications index, institutions related to biodiversity and PAs, It will also include an information bank on best practices and lessons learnt from the site demonstrations and other projects, both nationally and internationally. Activities concerning data and knowledge of PAs system shall be coordinated

with those of other data systems of institutions linked to conservation. In particular, in close coordination with PPR and various other public and private institutions, the Project shall take part in a nationwide GIS, contributing data and analysis criteria with regard to aspects connected with biodiversity and PAs.

86. The project will also establish a Monitoring and Evaluation system to facilitate adaptive measures to improve impact and accommodate lessons emerging elsewhere. This includes the identification of mechanisms and processes which are working and therefore are ready to be replicated and the modification of what is not working in order to achieve the project objectives. To record and gather lessons from the pilot sites as they are generated, this output will involve designing standard formats and procedures, and ensuring that such data gathering is systematically incorporated into work schedules. Project experiences and case studies will be analysed and relevant lessons drawn will be communicated widely to stakeholders at national, regional and global level using a variety of media. Mechanisms will be developed for enabling exchange among the various stakeholders and areas, including electronic media, periodic bulletins, personal exchange within and outside the country (among rangers, technicians, researchers, local stakeholders, etc.). In this respect, this Output will be closely linked to Outputs 2.1 and 2.2.

87. The project will also promote uptake of lessons learned to ensure that they get shared and used by relevant stakeholders at the national, regional and global level. This process will go beyond the dissemination of knowledge, moving into the area of influencing policy and practice. For this purpose, awareness raising activities with key groups of stakeholders, including policymakers and resource-using private sector bodies, will be conducted through Outcome 3, using lessons drawn from project experiences. In addition, the project will facilitate participation of PA staff in relevant international fora and strategic workshops in order to share knowledge and project lessons with PA practitioners regionally and globally.

Outcome 2: Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs. (Total cost: 934,000 USD; GEF: 399,000 USD; Co-funding: 535,000 USD)

88. The assessments developed during the PDF-B demonstrated that technical skills and capacities of available human resources for PA management show a significant deficit with respect to international parameters³⁴ (see “Institutional structure and coordination deficiencies” and “Knowledge and individual capacities deficiencies” barriers). This situation determines, to a large extent, current low levels of management effectiveness and imposes limitations to the implementation of the NPAS³⁵. In particular, developing the preliminary set of competences for four different staff levels highlighted the need for improved training and development in the workplace. Thus, this Outcome will provide opportunities for the strengthening of individual capacities required to help narrow this gap, in parallel to, and in accordance with, the strengthening of systemic and institutional capacities to be achieved through Outcome 1.

89. A first approach to individual capacity building of relevant organisations (State, municipal, NGOs) will be through targeted training to maximise skills for sustainability and to adapt roles and functions to modern conceptual models for conservation. A second approach of this Outcome is aimed at facilitating the long-term provision of professionals, technicians and researchers for the NPAS through the development of a tertiary education strategy and curricula that would be aligned with NPAS staff and competence targets. In addition, as stated in Output 1.4, capacity building for effective management of PAs and the NPAS will include Government hiring of new/additional personnel to modify or enhance team composition in lead institutions, along with institutional redesign.

³⁴ See for example Sheppard 2001; Marsh 1999

³⁵ “The pragmatic endeavour of enhancing training and personal development opportunities available for and accessible to the protected area manager is perhaps the next innovation-challenge facing the international conservation community. Addressing that challenge effectively and successfully would be critical for ensuring that protected areas play an important function in society and for elevating the prestige and social status of protected area management as a career option for young professionals.” (Ishwaran, 1999)

90. The training strategies of lead PA institutions will guide the development of in-service training programmes for the different staff levels that would go beyond the transfer of knowledge to address attitudes, motivation and skills to change behaviour and to increase job performance. These training programmes will build upon occupational standards to be fine tuned and agreed upon during the FSP (based on the competencies assessment conducted during the PDF B) and identified needs. Training strategies and programmes will be modified and improved over time, as the NPAS develops, to fine-tune them to institutional changes and the changing needs of employees. To contribute to their long term sustainability, these strategies and programmes will promote links, coordination and collaboration with key national institutions (e.g. University of the Republic, UTU Technical College, private universities, and research institutions). In addition, the project will promote the establishment of cooperation programmes and links between national and international institutions. The French and Spanish cooperation will support these activities through financial resources, information, networking, and by promoting exchanges with other countries in the region and worldwide.

91. The training programmes should focus on activities to address the challenges of 21st century PA management and which are considered as having the highest priority for the organisations according to the capacity and training needs assessments. Considering that the financing gap —not only budgetary but also in terms of skills and capacities— constitutes a fundamental barrier to achieving biodiversity conservation goals, a specific output of this outcome will focus on capacity building of PA practitioners to set up and operate financial planning and other business systems.

92. Based on adult learning principles, training strategies will guide learners through activities in which they will be required to participate and apply their knowledge. A mix of training approaches/methods will be used, including: short courses, workshops, retreats, conferences, distance learning courses, study tours and internships (both within the country and abroad).

Output 2.1: Training programme for practitioners at all levels on technical and practical skills for PA management

93. On the basis of the training needs assessment developed during the Preparatory Phase and the training strategies to be developed through Output 1.4, the Project will provide targeted training for human resources in public institutions, NGOs and local communities that have a role in PA management. This programme, co-financed by the GoU through several institutions, the GEF, and the French and Spanish cooperation, will include courses and workshops for management and professional staff in key aspects of design and management of PAs including, amongst other: a) ecosystem approaches to biodiversity conservation through PAs and PA Systems; b) adaptive management; c) project development and management; d) social and cultural skills required for managing PAs, including conflict management and resolution, communications, and institutional organization; e) recreation and tourism planning and management. These will be organized on a module basis and will be repeated several times during the duration of the FSP so that, as PAs are incorporated into the System, individuals that play a role in their management can have access to the training. They will also be designed so that they are delivered from some of the site demonstrations so that they maximize hands on training and practical experiences.

94. A training programme would be developed for technical and semi-technical personnel (park rangers, nature guides) with short-course and in-service training, especially in the demonstration areas. In the case of other field staff, the project contemplates induction courses which shall include basic concepts on biodiversity, conservation, PAs and NPAS. Training of enforcement officers would also be developed with specific emphasis on topics concerning information on legislation and regulations of the NPAS.

95. These training programmes will be strengthened through collaboration with programmes developed by other institutions, such as UTU which is currently elaborating technical curricula for PA management. The project will support fellowships for in-service training and exchange programmes in PAs both nationally and

internationally. Study tours or short-term courses abroad would also be provided to contribute to the development of abilities and skills. The project will also facilitate the participation of professionals in graduate and postgraduate careers abroad by the dissemination of information on relevant available courses and funding opportunities and, in a very few selected cases, by providing partial financial support if key expertise is considered necessary for the NPAS and other funding sources are not available.

Output 2.2 Training programme for PA practitioners to set up and operate financial planning and other business systems

96. In Uruguay, there is a significant gap in terms of the skills needed to plan and manage the finances of the NPAS (see “Knowledge and individual capacities deficiencies” barrier) and in the innovation and vision needed to transform PA values into revenues (see “financial deficiencies” barrier). This is especially true in public institutions, which are highly dependent on central budgetary appropriations, and where PA agency staff are usually not required to engage in financial planning. As a consequence, most management plans analysed during the PDF B do not have financial sections and none includes a business plan. And at the most basic level, agencies have not determined standard operational costs to run their PAs and do not know what their financing gaps are between available funds and budgets required for minimal and good practice management scenarios. Without the ability to identify and forecast their financing needs over time and match these with secure sources of funding, agency spending decisions will remain ad-hoc, reactive, and thus vulnerable to fluctuations in both funding and expenditure requirements.

97. To help overcome this barrier, this output will deliver training activities to improve skills and capacity for the financial sustainability of PAs and the system. International expertise will be sought to train a team of local trainers in key PA financing issues. These local trainers in turn will pass on their acquired knowledge to practitioners at the site and system level. Learning topics will address both expenditures and revenues. On the expenditure side, support will be given to develop knowledge and skills that support good financial management. On the revenue side, the key will be to create awareness and understanding of all potential sources of revenue, to enable PA practitioners define the right combination to meet specific local conditions.

98. Initially, training will take place in pilot sites and later extended to the rest of the system during the life of the project. In the pilot sites (Output 1.3 and Outcome 4), PA practitioners will receive guidance and support to supplement PA management plans with long term financial and business planning and the ability to implement these plans in a participatory manner. These plans will act as models for PA managers across the system and, later on, to develop a system-wide business plan.

99. In addition, PA practitioners in pilot sites will be trained to start developing some of the funding strategies and innovative revenue generation mechanisms identified in their business plans (e.g implementation of market-oriented financial mechanisms, recreation and tourism fees, etc.). Learning topics will include information on where and under what conditions each financing tool is appropriate, examples of success and failures elsewhere, skills and knowledge needed to implement each tool, market opportunities and market conditions. Successful experiences regarding funding strategies in the non profit sector in the country, mainly of some museums and urban open areas, will be analysed to draw lessons and information on best practices.

100. Practitioners will also learn how to improve cost control and financial management at the site level, including how to manage financial resources and mechanisms effectively, developing and managing budgets, pitfalls to avoid, how to control and manage costs and expenses. The Project will work with the site teams to set up and operate the practical details of the revenue generating schemes, such as payment collection, cash management, and tracking revenues back to central accounts. The system wide capacity building will then promote the replication and scale-up of these pilot practices across the system. For this purpose, the project will provide technical assistance to work with managers and practitioners in the recording and capture of interesting results and lessons learned.

101. At the institutional level, managers need to understand the techniques and components of long term financial planning and the possibilities available in terms of revenue sources and cost-effective operations. Training will address system-level business planning, effective institutional cost control and financial management mechanisms, when and under what conditions each financing tool is appropriate, economic values of PAs and costing of ecosystem services, market opportunities and market conditions, fundraising, how to mobilise and build political support for innovative financing and effective management of protected areas.

Output 2.3: Tertiary education strategy and curricula aligned with NPAS staff and competence targets

102. In view of the very limited development in Uruguay of post-secondary training programs with respect to PAs, the project will support the establishment of a task force to revise tertiary education programmes and curricula and to find out ways and means by which universities and similar training and research institutes can contribute towards creating and sustaining the relationship between knowledge and practice.

103. At universities and colleges, the project will work with academic authorities to mainstream protected area concepts into relevant curricula. For this purpose, the project will support the design of specific modules and materials. In addition, professional formation and course updates would be developed for researchers, professionals, technicians, and students of different careers (economy, biological sciences, agronomy, engineering, anthropology, etc.) intended to develop multidisciplinary approaches for the planning and management of protected areas and to strengthen or develop capacities for applied research. The project will provide financial assistance to hire specific trainers (both national and international) and to promote participation of prospective students from different parts of the country (e.g. through scholarships).

Outcome 3: Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices. (Total cost: 1,482,000 USD; GEF: 559,000 USD; Co-funding: 923,000 USD)

104. Many of the barriers to the effective PA management in Uruguay, as well as various threats to biodiversity, are related to the low levels of understanding regarding the importance of PAs in conservation and sustainable development. Thus, the success of the Project in achieving its objective and long term goal depends, to a large extent, on encouraging attitudes and behaviours that favour conservation. This, in turn, requires an informed, supportive and knowledgeable citizenry. By investing in awareness raising and education, the project will build new constituencies for conservation amongst the public at large, which will also be crucial for sustainability.

105. This Outcome will supplement training and capacity building provided through other outcomes with awareness building and education to increase understanding of, and support for protected areas. This approach is further divided into 1) an educational programme targeting mainly primary and junior high schools; 2) awareness building programmes for policy makers and sectoral stakeholders (agricultural, forestry, tourism, and businesses), and 3) the development of the institutional image of the NPAS and general public communications strategies. In addition, the project will promote the definition of general guidelines for developing coherent non formal educational and awareness building activities at the site level.

106. Considering that the mass media plays a crucial role in forming public opinion and raising environmental awareness, the project will build constructive relationships with journalists, other communicators, editors and media producers through activities aimed at improving their understanding of the values, functions and services of PAs and their contribution to sustainable development.

Output 3.1: Education programme for primary and junior high schools

107. In coordination with the recently created National Environmental Network for Sustainable Human Development, the project will support the definition of educational targets regarding conservation of

biodiversity through PAs and the development of specific curricula, activity guides and instructional materials.

108. With respect to the formal educational system, primary schools (ages 6-11) and junior high schools (ages 12-15) have been chosen as a target audience for a number of reasons:

- Primary-age children are at a developmental stage where they are empathetic, recognise different perspectives on issues and show positive attitudes towards wildlife and conservation³⁶. Children can transfer messages to their families and help shape positive attitudes and behaviours.
- Visiting PAs with junior high school students allows them to place their learning, whether it is in natural sciences, social sciences, geography, etc., into a relevant context. On the other hand, teachers can benefit from exploring a subject in an innovative way. In addition many secondary students are at the edge of entering the work force, thus visiting PAs might awaken interest and vocations in conservation careers.
- Environmentally literate students become citizens who are able to weigh various sides of an environmental issue and make responsible decisions as individuals and as members of their community. Since today's kids and youth are tomorrow's resource users and policy makers, these educational experiences are expected to have an impact on the level of understanding and awareness of the broader society in the medium to long term³⁷.

109. In coordination with ANEP authorities, specific targets will be defined and strategies designed to align the goals of the PA curriculum to be developed by the Project with those of the official curriculum, and to design extra curricular activities. The Project will support the production of lesson plans, activity guides and instructional materials regarding PAs and biodiversity conservation. Successful experiences worldwide will be explored for the development of the curriculum, lesson plans and activities³⁸. Capacity-building (including training of teachers, participatory workshops, internships in PAs and conservation institutions) will ensure that schools and teachers are positioned to carry out activities beyond the life of the project.

110. For the development of the educational program and materials, key aspects will be considered including *fairness and accuracy* in describing problems, issues, and conditions and in reflecting the diversity of perspectives on them; *emphasis on skills building* to address conservation issues; *appropriateness for different developmental levels*; *action orientation*; techniques that create an *effective learning environment* (considering different ways of learning, connections to learners' everyday lives, learning beyond the boundaries of the classroom, making learning about PAs and the environment fun); recognition of the *interdisciplinary nature of conservation education*³⁹.

111. The project will also set up a *pilot site* to serve as the main on-site centre for practical components of the education programmes aimed at primary and secondary levels, to demonstrate the general guidelines for developing non formal educational activities in PAs, and to provide best practices for educational centres and programmes. The *Santa Lucia Wetlands* has been selected as pilot site for these activities for a number of reasons: a) this site includes a PA – the Santa Lucia Wetlands Natural Municipal Park -- which already has a visitor centre, albeit rudimentarily equipped; b) there is already a very successful environmental education programme conducted by the Municipality of Montevideo in schools near the area, which preparatory work indicated could incorporate specific components on PAs and be extended to the whole Metropolitan Area. This is a valuable antecedent regarding the development of educational modules approved by ANEP for their inclusion in formal educational programmes. During the Preparatory Phase contacts were developed with this and similar projects to identify common elements and enable joint work during the implementation of the FSP. Considering this experience; c) the proximity of the selected site to the capital city would facilitate

³⁶ Kidd & Kidd 1996

³⁷ EPA, 2004; Ham 1992

³⁸ E.g. Project Wild, Project Wet, Investigating your Environment

³⁹ NAAEE, 2004

visitation and hands on activities for more than 25 % of Uruguay's schools and 50 % of the country's primary school students; d) a Working Group with representatives of the three local governments of the Metropolitan Area (i.e., Canelones, San José and Montevideo) and MVOTMA was recently created and this will be helpful in progressing towards the development of coordinated activities; e) there are other institutions involved in conservation and environmental education activities in the area (in particular, INIA through its experimental station in Las Brujas).

112. The site will also be an on going interactive educational centre in which the setting up and joint management of a PA will be demonstrated over time. This will include activities that support the redesign of the PA so that it can provide demonstration of best practices regarding participatory processes for PA planning and management, zoning and land use planning, control of invasive tree and shrub species, among others. In addition to Santa Lucía Wetlands, the pilot sites for testing governance models (Outcome 4) will also serve to test the general guidelines for developing educational activities at the level of individual PAs.

113. The educational activities to be developed in the Santa Lucía Natural Municipal Park will contribute to recommendation 5.14 of the V World Parks Congress on Cities and PAs, in particular through reaching out to urban residents, building stronger urban constituencies for nature conservation, reaching out to disadvantaged groups and working to bridge social divisions through shared experiences in nature.

Output 3.2: Awareness building programme for policy makers

114. Formal education programs focusing on children are a long term solution to conservation problems. However, they do not address the immediate, short term need to change attitudes and behaviours of adult audiences. Thus the project will develop communication strategies aimed at reaching strategic groups whose decisions and behaviours affect the current environment.

115. One of these target audiences includes political representatives, policy makers and decision makers. To reach them, both direct and indirect communications strategies will be promoted to facilitate the sharing of information on conservation issues, the integration of PAs into local and national economic development planning, and increase support for PA legislation and policies. Direct communications strategies will include public relations; tailor-made visits to PAs and sites with innovative approaches (e.g. community-based ecotourism development, value-added farm and fish products); visually attractive printed material; breakfast meetings to discuss key legislation and policies and inform about progress regarding the implementation of the NPAS, etc. Key messages will be defined and agreed upon during the FSP by relevant stakeholders, but could include the uniqueness of Uruguay's natural heritage; information on the role of PAs in enhancing quality of life and their contributions to sustainable livelihoods and the local and national economy; threats to biodiversity (e.g., due to contradictory policies); opportunities for income generation represented by the project's pilot approaches to PA financing, etc. Indirect strategies will be mainly through the mass media, considering their role in shaping public opinion and raising environmental awareness.

116. Considering that policy and management decisions at all levels draw on resource economic perspectives to quantify the benefits and costs of alternative options, the project will develop valuation studies to help understand the role of PAs in providing environmental services that support development (see Output 1.2). Valuation of these services would provide useful information for decision-making and resource mobilization.

Output 3.3: Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism and businesses)

117. The project will promote an awareness building programme for encouraging the support of sectoral stakeholders in conservation, fostering local collaborative partnerships between public and private sector bodies, assisting in mobilizing new sources of funding for PAs and the NPAS, and for changing negative behaviours for biodiversity conservation. Detailed strategies and specific messages will be defined during

FSP, but the main concept to be reinforced relates to the compatibility and interrelationships between conservation and development (including information regarding the value of protected areas and their contribution to livelihoods and the local and national economy; opportunities for income generation through PAs, etc.). Some activities envisaged for the implementation of awareness building programme for sectoral stakeholders include breakfast meetings, spots in the media, tailor-made visits to PAs, workshops, and lectures. Special awards for conservation initiatives of the private sector linked to PAs will also be promoted.

118. For reaching the agricultural sector, radio will be particularly used since it remains the most powerful mass medium for reaching large numbers of people in isolated areas and for the rapid diffusion of messages on sustainable agricultural practices. Moreover, combined with other media, it can be used for training and the transfer of technologies. Testimonials of farmers involved in PAs and innovative sustainable practices (especially of those involved with the pilot sites on governance models) will be used to gain support from other farmers. In the Santa Lucía Wetlands, in coordination with the Responsible Production Project, awareness strategies will be designed and implemented for the conservation and sustainable use of biodiversity, as these saline wetlands are contiguous to fields devoted to intensive agricultural production (vegetables, fruits, vineyards).

119. Tourism is of particular interest as a funding source for the NPAS in Uruguay and, through partnerships and cooperation, it could be a significant force for conservation. Thus, the project will work closely with this sector to raise awareness regarding opportunities for ecotourism in PAs, potential negative effects of tourism activities in the environment and local people, environmental legislation and policies, and to promote sustainable practices. The Ministry of Tourism and the Uruguayan Association for Rural Tourism (SUTUR) will be key partners for awareness building strategies aimed at reaching this sector. During PDF B, some private tour operators and suppliers showed interest in giving part of their profits to the NPAS Fund; thus testimonials regarding their motivations will be used as part of these strategies.

120. Concerning the business/industry sector, the project will support the development and adoption of guidelines and standards for businesses to promote good governance and transparency and enhance protected conservation. In addition, awareness rising will be linked to fundraising strategies. Information regarding opportunities for public-private –community partnerships in protected area management and funding will be disseminated and support for PAs will be sought through the promotion of different incentives (e.g., tax exemptions for donations).

Output 3.4: Institutional image of the NPAS and general public communication strategy developed

121. An image plays a fundamental role in the development of attitudes towards a given institution or proposal. As a result the Project will support the development of a positive institutional image for the NPAS around which to generate interest and support. During the Preparatory Phase some progress in the physical aspect of the NPAS image was made, including the selection of a logotype for the System. During the FSP, an Institutional Image Manual will be developed defining standardization and rationalization of printed, audiovisual and virtual material to be used by DINAMA/MVOTMA in their activities concerning the NPAS. The project will also promote the production of multi-media dissemination materials, a Public Relations Plan, the design and implementation of a merchandising policy, as well as signing guidelines for PAs with respect to other outstanding elements in the territory. Regarding the conceptual aspects of the image, the project will promote the association of protected areas as key elements of the nation's heritage and identity.

122. The Project will also support communication and awareness raising activities for the general public. This will include the definition of general targets for communication, based on surveys conducted during the Preparatory Phase. Communication programmes and messages will be developed for selected audiences and disseminated through different media, including the press, television and radio. Given the high costs commonly associated with the private media, the project will establish cooperation arrangements with public broadcasting services, in particular the national TV network (Televisión Nacional), within reach of people all around the country, and the cable station TV Ciudad, run by the municipal government of Montevideo. In

addition the project will strengthen communication efforts during the summer months, normally a slow news season, when potential receptiveness of the media is higher. The project will also promote the preparation and dissemination of specific publications, CDs, and other media. Slogans will be composed and adjusted annually to include new concepts regarding PAs. Story and photograph contests, the implementation of the Protected Areas Week, participation in celebrations of the National Heritage Day and World Environment Day, and special awards will also contribute to build awareness on, and raise support for PAs. These activities will be coordinated with other projects currently working with environmental and conservation issues, in order to capitalize results and avoid overlapping (PPR, FREPLATA, ECOPLATA, PROBIDES).

123. Plans to introduce or increase user fees will be accompanied by consumer awareness campaigns in order to overcome the potential unwillingness of users to accept paying for the services. This output will also implement a marketing campaign for the goods, services and attractions of the PA system.

124. The project will also identify and recruit “conservation champions” for the NPAS, i.e., people who are aware of the problems facing nature and the environment, and who have the power to help mobilize resources for PAs in a particularly meaningful way. The mass media will be a key partner for implementing the communication strategies aimed at the general public, considering its role in forming public opinion and disseminating messages. Thus, the project will support a number of activities tailor-made for journalist and media workers aimed at improving their understanding of the values, functions and services of PAs and their contribution to sustainable development, including workshops, visits to PAs, story contest, photograph contests for press photographers, etc.

125. These communications strategies will be discussed and approved by the NAC and the effectiveness of the different elements and media forms will be monitored --through surveys, media analysis, and in—depth interviews— so that periodic adjustments can be made as necessary.

Outcome 4: Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures. (Total cost: 2,114,000 US\$; GEF: 501,000 US\$; Co-funding: 1,613,000 US\$)

126. This Outcome will provide ground testing and best practices for a variety of PA governance models and management types, as part of the strategy to develop a multi-stakeholder NPAS and to share the responsibilities and costs of PA management across a broad spectrum of institutions, organizations and individuals. Pilot sites will be used to apply the new legal and policy frameworks and to test and develop new tools for enhancing PA management effectiveness. They will provide sites for testing innovative funding mechanisms, for some training components to be developed as part of Outcome 2, and for the generation of lessons to be shared at the national, regional and global levels. As such, the pilot demonstrations will be a cost effective strategy for strengthening capacities at all levels, removing barriers to effective PA management, while capturing tangible benefits to biodiversity and, thus, further increasing the project contribution to capturing global benefits.

127. A preliminary list of 13 sites for demonstrations was analysed during the PDF B with the participation of key stakeholders⁴⁰, using the following criteria:

- Biodiversity significance of the site
- Value for replication
- Possibility of successfully implementing the demonstration within the time frame of the project (presence and support of organized local communities and institutions, existence of previous field studies and information)

⁴⁰ The selection process took place between July 25 and September 5, 2005 with the participation of main institutions involved in PAs and conservation (DINAMA, DINOT, DGRNR, Ministry of Tourism) and in coordination with other relevant projects (PPR, FREPLATA). Once the areas were selected, key stakeholders from each site (NGOs, practitioners, representatives of municipal governments and other public institutions) participated in the definition of activities for the demonstrations.

- Potential to generate tangible and intangible benefits for a range of stakeholders (magnitude and profile of potential beneficiaries)
- Potential for on-site revenue generation, thus ensuring long term impacts of the demonstrations
- Threat levels that would allow cost-effective interventions
- Co-financing opportunities (in cash and in kind) for developing the demonstrations (e.g, willingness of other projects, NGOs, institutions, private stakeholders, to join in the experience).

128. The overall selection also considered choosing a group of sites that would reflect a range of socio-economic, ecological, and institutional scenarios. Four sites were finally selected: Esteros de Farrapos e Islas del Río Uruguay; Cerro Verde e Islas de la Coronilla; Laguna de Rocha; and Quebradas del Norte. The main characteristics of each site are provided in Section IV Part VIII. At the start of the FSP, meetings and workshops will be held with stakeholders involved in each site so as to adjust the final design of the experience and establish the rights and obligations of each party.

129. While each pilot project will demonstrate a specific governance model, a number of planned interventions are common to all sites to facilitate lesson generation and sharing. Among them: supporting the establishment and operations of Specific Advisory Commissions as set out in the NPAS Law; defining the most appropriate institutional structures, protocols, operational systems and capacities for collaborative management partnerships for each site; training of key stakeholders to perform basic PA management functions; developing or updating management plans for each site; developing business plans and testing of innovative revenue generating instruments appropriate for each area; establishing M&E systems; planning and implementing awareness and communications strategies; supporting the development of limited PA infrastructure and equipment needed to improve PA operations and contribute to the success of the demonstrations at each site.

130. Activities have been designed to enhance the effectiveness of management responses to threats, and thus to threat remediation. The project will support the systematization of these experiences in order to draw lessons that could be useful for similar situations in other areas (in terms of land tenure structures, threat scenarios, etc.). The results attained in each site will be made available for other practitioners through the Information and Knowledge Management System to be developed via Outcome 1.

Output 4.1: Management of PA on publicly owned land by national government with the participation of and benefit sharing with local communities (Esteros de Farrapos e Islas del Río Uruguay)

131. Field Demonstration Site Esteros de Farrapos e Islas del Río Uruguay: This area includes a representative sample of freshwater wetlands and fluvial islands of significant biodiversity value, and is one of the two Ramsar Sites in the country. Land tenure is public: 6,327 hectares of wetlands are owned by MVOTMA and administered by DINAMA; 7,562 hectares (fiscal islands) are owned by MGAP and under control of DGRNR (which is also the focal point for the Ramsar Convention). The area also includes 3,607 hectares of water surface corresponding to the Uruguay River (an international waterway that divides Argentina and Uruguay). To date, no inter-institutional coordination mechanism exists.

132. Since the acquisition of these wetlands by MVOTMA in 1998, DINAMA has been preparing the grounds for the proclamation of the “Esteros de Farrapos National Park” (IUCN Category II), including the development of several studies regarding the area resources through agreements with UdelaR, as a basis for the formulation of a management plan, and engaging in dialogue with local stakeholders. Currently, this area is under consideration by the NAC to be incorporated to the NPAS in its first phase.

133. Local stakeholders, including the Municipal Government of Río Negro, small and medium size cattle breeding ranches, the local Ramsar committee, organizations of the civil society, educators, and inhabitants from the communities of San Javier (with 1,680 residents) and Nuevo Berlín (2,438 residents) are highly motivated to participate in the creation, planning and management of this PA. The area is of high interest

among NGOs⁴¹, some of which have been involved in awareness raising and training activities for the local communities.

134. Main threats in the area are illegal fishing (with a degree of 27/64), poaching (12/64), illegal grazing (8/64), and an invasive woody alien species (24/64) (“honey locust” *Gleditsia triacanthos*). However, in average, the level of threats in this area is low. Illegal fishing has slightly increased in the past 5 years. Although in San Javier there is a post of the National Coastal Guard, they lack essential equipment for effective enforcement. Illegal grazing has also increased and takes place in property that belonged to the Instituto Nacional de Colonización (INC) and which used to be public grazing lands before their acquisition by MVOTMA. DINAMA has committed resources from the budget recently approved by the Parliament to provide field staff for this area in order to control illegal activities.

135. *Activities:* The pilot will support the creation, planning and early stages of management of a National Park in a participatory fashion and development of benefit sharing arrangements for park neighbours. MVOTMA will finance staff salaries and recurrent operation costs. The GEF funding will co-finance key activities including: 1) technical and financial assistance for the establishment of a local Specific Advisory Commission (including the definition of effective inter-institutional coordination mechanisms, the definition of guidelines to guarantee fair representation of stakeholders, the allocation of financial resources to facilitate participation of members); 2) technical and financial assistance for the establishment of a collaborative/participatory management model including partner identification, clarification of rights and accountabilities, and capacity building for DINAMA, DGRNR and partners; 3) priority investments identified in the pilot business plan to support the testing of innovative funding mechanisms. The Spanish Cooperation will co-finance the preparation of a management plan and a business plan, which is crucial to identify possible resource generating sources, along with investments, training, communication, education and awareness building activities necessary for their successful implementation.

136. Based on the business plan, the project will support feasibility studies and implement pilot financial mechanisms. In particular, tourism will be explored considering a preliminary diagnosis which showed the potential of the site in terms of its natural and cultural assets⁴²; its proximity to Paysandú (distant 45 km, the third largest city in Uruguay, with a population of 73,272), to the international bridge that links this city with the Argentinean city of Colon, and to a consolidated thermal tourism zone, and the high interest of the community in developing ecotourism. The area has some basic tourism infrastructure including a campground (with 600 campsites), picnic areas, and cabins. High season is summer (December to March), with visitation rates of over 5,000 people. Main place of origin of visitors are Paysandú, Río Negro, and littoral provinces of Argentina. With technical support of DINAMA, a local organization is preparing a proposal to be presented to the Cultural Centre of the Inter-American Development Bank for the financing of the restoration of an old mill in San Javier (a significant landmark of the past) to serve as visitor centre and museum. Finally, some local residents have received basic training as nature-based tourist guides.

137. The project will assess economic viability of and market opportunities for tourism development and will identify infrastructure needs. Based on these assessments, the Spanish Cooperation will co-finance some improvements in the tourism facilities of the site to allow testing of revenue mechanisms related to tourism (user fees, concessions, etc.). The project will also help define the most appropriate arrangements for community participation in tourism development and will explore the benefits from partnering with private tour operators and suppliers from outside the project area to assist with marketing, bringing in tourists,

⁴¹ E.g., Aves Uruguay; Vida Silvestre.

⁴² The small town of San Javier, in the border of the lands owned by MVOTMA, was originally a colony of Russian immigrants who introduced sunflowers in Uruguay. This community has unique cultural assets and values, including traditional meals, clothing, dances, etc. which attract visitors from other parts of the country and from neighbouring towns in Argentina, especially during the anniversary celebrations of the town (July 27).

transportation, etc. (e.g. La Paz Tourist Ranch, which caters to international visitors and has developed a horseback riding program that includes 2 days in the Farrapos Wetlands⁴³; thermal tourist resorts, etc.).

138. Other revenue generating and benefit sharing mechanisms will be assessed, including the possibility of resuming public grazing (depending on the management plan and zoning of the PA). A pilot experience regarding control of invasive tree species (a common problem in several protected areas and native forest ecosystems), currently under preparation, will take place in this site. The project will assess the feasibility of generating revenues and employment for local residents through the control of honey locust (e.g., extraction of trees, wood processing and production of wood crafts, etc.). Communications strategies will be implemented to increase awareness and knowledge for controlling IAS.

139. Training needs assessment will be conducted and capacity building activities developed to enable key stakeholders to perform basic PA management functions and effectively run tourism ventures. Educational activities for primary and junior high schools of the area will be developed to raise awareness on the role of PAs in conservation and development, especially considering the high motivation and involvement of the local teachers (the head of the San Javier high school is delegate in the National PA Advisory Commission and several teachers participate in the local Ramsar committee).

140. Considering the presence of large multinational businesses linked to the forestry sector in the region of influence of Esteros de Farrapos, potential support from this sector for the area will be explored. This could lead to the generation and capture of lessons regarding the establishment of long term collaboration agreements between PA agencies and the industry sector (e.g., as part of the environmental authorizations given by DINAMA for activities that could have potential negative impacts), that could be shared and replicated to other areas.

Output 4.2: Management of a publicly owned PA for protection of a coastal-marine habitat on publicly owned land by national government institutions and NGOs (Cerro Verde e Islas de La Coronilla)

141. Field Demonstration Site “Cerro Verde e Islas de La Coronilla”: Despite its relative small size (9,000 hectares: 2,000 ha land area and 7,000 ha ocean) this site comprises a high diversity of coastal-marine habitats of significant national and global biodiversity value. It is a staging, breeding, and resting area for numerous threatened, endemic or special interest species, including sea turtles, cetaceans, neartic and neotropical migratory birds, and fishery resources of high commercial interest. It is included in the Bañados del Este Biosphere Reserve and RAMSAR site and one of the priority areas in the Uruguayan Biodiversity Strategy for the Rio de la Plata and its Maritime Front. Currently, this area is under consideration by the NAC to proclaim the first coastal-marine PA in the country, under UICN Category IV: Habitat/Species Management Area⁴⁴.

142. Land tenure is public and currently the site is under the administration of the Army Park Service (SEPAE), as it is contiguous to Santa Teresa National Historic Monument and Park. SEPAE is highly motivated to join in a collaborative management structure for the proposed PA. For a long time, several NGOs, research institutions and projects⁴⁵ have been working in the area, developing studies and promoting awareness building activities with local neighbours, mainly artisan fishermen and residents and visitors of the nearby town of La Coronilla (241 residents). Main threat is uncontrolled tourist use, due to its proximity to a summer beach town (La Coronilla) and to Santa Teresa Fortress and Park, a popular summer campground. However, difficult access to the area determines a low degree of this threat (4/64).

⁴³ www.estancialapaz.com.uy: Horseback riding

⁴⁴ Area of land and/or sea subject to active intervention for management purposes so as to ensure the maintenance of habitats and/or to meet the requirements of specific species.

⁴⁵ CID/Karumbé, Averaves, Cetáceos Uruguay, School of Sciences-UDELAR, FREPLATA, among others.

143. *Activities:* The experience will define and develop a collaborative management model between government institutions and NGOs to strengthen conservation of coastal-marine habitats and species in publicly owned land. The creation of a coastal-marine protected area will contribute to improving representativeness of marine ecosystems in the NPAS.

144. MVOTMA, GEF and other funding sources will support the creation, planning, and early stages of management of this PA, including: the establishment of the Specific Advisory Commission and support for its operations; the establishment of a collaborative governance and management system including partner identification, clarification of rights and accountabilities, and capacity building for key partner institutions (DINAMA, DGRNR, SEPAE, PNN, DINARA, Municipal Government of Rocha, NGOs, academic and research institutions).

145. The GEF will support hiring an international expert on marine protected area planning (preferably from the region) to guide the elaboration of a co-management plan for the site. Based on this plan, the project will support the implementation of strategic management interventions to achieve management objectives of the proposed category (i.e. habitat/species management area). This could include specific human manipulation to secure and maintain specific habitat conditions; facilitating scientific research and environmental monitoring as primary activities associated with sustainable resource management; providing equipment for patrolling the offshore zones of the marine protected area to prevent illegal exploitation of fish resources; developing limited areas for public education and appreciation of the characteristics of the habitats concerned and of the work of wildlife management. GEF resources will cover the costs of materials and equipment and consultancies for the management interventions. MVOTMA and SEPAE will cover the costs associated with the salaries for protected area staff and operational expenses.

146. In spite of the limited revenue generating possibilities of the site, as given by the proposed management category, the project will explore innovative funding mechanisms compatible with the management objectives, such as agreements for bio-prospecting, research licenses/fees, fundraising strategies (donations, grants, sponsorships, etc.). Efforts will also be made to deliver such benefits to nearby communities as are consistent with the area's management objectives. For example, the extensive tourist infrastructure and services of La Coronilla (which are idle most of the year) could be used in the low season to support scientific tourism ventures. Since low tourism season in the region coincides with the summer months of the Northern hemisphere, the area could offer summer study tours for students of international academic and research institutions. Harvesting of fish resources by local artisan fishermen may be regulated through co-management agreements, quotas or permits designed to maintain the activity within sustainable limits.

147. Considering that this would be the first marine protected area and the first PA to be designated under this management category in Uruguay, lessons generated will be captured for replication to other similar sites.

Output 4.3: Management of a multi use PA on private and public lands by medium private landowners, local communities and national and municipal governments (Laguna de Rocha)

148. Field Demonstration Site “Laguna de Rocha”: This area is part of a chain of six coastal lagoons along the Atlantic Ocean, with outstanding national and global biodiversity values, including staging areas for nearctic migratory water bird species and breeding areas for numerous species of birds, fish and crustaceans. It hosts one of the largest populations of Black-necked swans in southern South America and an endemic amphibian species (*Melanophryniscus montevidensis*). Laguna de Rocha was originally included in a National Park designated in 1977⁴⁶, which comprised three lagoons, but which was neither delimited nor implemented. In 1992, a special task force proposed the division of this park and the creation of the Laguna

⁴⁶ Parque Nacional Lacustre y Área de Uso Múltiple Lagunas de José Ignacio, Garzón y Rocha.

de Rocha Protected Area and the Laguna de Garzón Protected Area (Decree 527/92). This site is considered a priority conservation area in the general framework for the territorial planning of the Atlantic coastal area of the Department of Rocha (Decree 12/2003).

149. The area is very close to the capital city of Rocha (with 70.000 residents).⁴⁷ Land tenure is mainly private: (16,000) hectares of land (mostly dedicated to extensive cattle grazing), plus 9,000 hectares of public water surface (corresponding to the Rocha Lagoon). Several private landowners are highly involved in the protection of the area. This stems from different motivations, ranging from philosophical viewpoints to the search of commercial opportunities through goods and services produced in a protected area. For example, some international land owners have contributed with signs, equipment and co-finance (with the Municipal government of Rocha) the salary of the only park ranger in the area. They are willing to co-finance an additional ranger to enhance enforcement and control, and would match funding provided by the government. Some of these ranchers are involved in local environmental organizations.

150. The area also hosts two small communities of artisan fishermen, with about 19 families (50 people) whose livelihoods depend on extraction of fish and crustaceans from the lagoon. One of these communities is located in the most fragile zone of the area (i.e. the sand bar which connects the lagoon with the ocean). There are no public services and infrastructure and rates of unsatisfied basic needs are quite high (mean household income is 70 US\$ per month). These fishermen are in an association of artisan fishermen of the coastal lagoons (APALCO) and have been beneficiaries of several projects aimed at improving local livelihoods and increasing awareness of the values of the area⁴⁸. But, as these projects were not based on sound business planning and marketing, these ventures could not continue once the projects ended. The communities of artisan fishermen are willing to support the protection of this area. For example, they would relocate to less fragile zones in the area and two young men would be interested in receiving training to become park rangers.

151. Since 2003, a Provisional Advisory Commission has been working in the area, involving a broad spectrum of public and private stakeholders (local government, DINARA, DINOT, DINAMA, UDELAR, APALCO, private ranchers, local NGOs, and research institutions. This commission is promoting the designation of the Laguna de Rocha Protected Landscape (IUCN category V) and calling for recognition as the Specific Advisory Commission by DINAMA. They have been successful in leveraging resources for the area. For example, the Embassy of Canada, through an agreement with this commission and the municipal government, will provide basic equipment for the control of the area (boat, motorcycle for the park ranger, communications equipment).

152. Main threats include unplanned tourism development and use (all terrain vehicles, water sports) (24/64) due to real estate value of coastal areas and proximity to the summer towns of La Paloma and La Pedrera, uncontrolled fishing (18/64), IAS (16/64), and illegal hunting (12/64). Potential threats include forestry with introduced species and some potato crops in the northern side of the lagoon.

153. *Activities:* This experience is aimed at defining and establishing a co-management model for a PA with high percentage of privately owned land that incorporates and responds to the interests of a broad range of stakeholders (particularly individual land owners, artisan fisheries communities, state and municipal government agencies)⁴⁹.

⁴⁷ Censo 2004.

⁴⁸ Among them, “Desarrollo participativo de un Plan de Gestión para el Parque Nacional Lacustre”, AVINA (2003-2004). This project provided technical assistance and equipment for adding value to produce (e.g. smoked fish, preparation of “sirf” crab pulp) and for establishing commercial relationships with consumers (selected restaurants of nearby beach towns of La Paloma, La Pedrera and Punta del Este).

⁴⁹ Attributes of good governance include respect for existing rights and the rule of law, effective and impartial application of rules by governing institutions and systems by which authorities can be held accountable for their actions by the public. Good governance also

154. Co-financing from the GEF and the French cooperation will support: (i) activities aimed at strengthening the existing provisional advisory commission and the establishment of an official SAC for the area; (ii) the establishment of a collaborative governance and management system including partner identification, clarification of rights and accountabilities; and (iii) capacity building for key stakeholders (at the local, municipal and national level).

155. MVOTMA and the French cooperation will co-finance the preparation of a management plan with an integrated business plan to help define the PA's operational/financial needs, opportunities and challenges. Innovative resource generating mechanisms will be explored and tested, including tourism user fees and value adding processes (e.g. production of "natural meat", "saline lambs"—raised in saline grasslands along the Atlantic coast, fish products). Careful consideration will be given to the various facets of their feasibility, including market analysis, quality assurance, marketing and distribution. The Project will provide targeted training and basic equipment and infrastructure to develop key management functions and to support the implementation of selected business strategies. Harvesting of fish resources will be regulated through co-management agreements, quotas or permits designed to maintain the activity within sustainable limits. Finally, the project will promote awareness building and education activities to contribute to the control of IAS and to manage environmental and social impacts from tourism.

156. The project will build links with a project on economic valuation⁵⁰ that is soon to start in the area, to determine the values of resources and services provided by the area and the opportunity costs for different types of landowners that may wish to implement private reserves. These studies will enable the definition of criteria and procedures to provide incentives for encouraging conservation agreements with private parties. The project will also coordinate activities with the Masters in Integrated Coastal Management (Udelar & Dalhousie University, Canada), which has selected Laguna de Rocha as a pilot site for research and other interventions. An important activity involves the redesign of the PA so as to include offshore marine zones, as current PA design only includes coastal zones.

Output 4.4: Management and benefit sharing of a multi-use PA on private land by small scale private landowners (Quebradas del Norte)

157. Field Demonstration Site "Quebradas del Norte": The Quebradas del Norte (Northern Ravines) comprise a bio-geographical region of great scenic beauty characterized by the presence of deep ravines with exuberant subtropical vegetation. This region harbours rare and threatened animal species and is a biological corridor connecting with southern Brazil. From a cultural viewpoint, the region is representative of the so-called "border culture", where residents share a cohesive identity with strong reciprocal links between Uruguay and Brazil. The region comprises a number of micro basins in four departments (Rivera, Tacuarembó, Salto and Artigas).

158. Land tenure is mostly private. The main economic activity is extensive cattle breeding, in small size ranches of low productivity value. There are about 350 ranchers in the region of which 56% are less than 100 hectares and 30 % are between 100 and 500 hectares. Overgrazing and associated uncontrolled burning of grasslands pose significant threats in some areas (18/64). Other threats stem from the expansion of large scale timber enterprises with exotic species (mainly *Pinus* spp), which are displacing the traditional cattle raising system that has modelled current landscape⁵¹.

159. The region has very low population densities (from 1 to 9 people/sq km) and high rates of poverty and unsatisfied basic needs. There are some small towns and rural villages, including Tranqueras (7.248

implies a reasonable level of performance, implying vision, a clear sense of direction, and predictability with respect to rules and decisions (Barber et al 2004).

⁵⁰ Estudio de valoración económica de elementos ambientales en la Laguna de Rocha, Facultad de Ciencias, UDELAR.

⁵¹ It should be noted that some of these businesses are willing to support activities related to conservation and local development.

residents), Masoller (261 residents), Estación Laureles (66 residents), among others. To improve their livelihoods, local residents have developed some capacity and institutional structures for collective action. For example, in the Laureles River basin, with support of the Municipal Government of Tacuarembó and financial and technical assistance provided by UNDP and the Latin American Centre for Human Economy (CLAEH), stakeholders have formed the Quebradas del Laureles Local Development Group, aimed at promoting social and economic reactivation of the area, mainly through rural and ecotourism development. The group has formulated a community-based ecotourism strategy and has received basic training (tourist information, tourist guides, gastronomy) but lacks resources to fully implement it. In financial restrictions, some landowners have made modest investments in infrastructure and are already receiving visitors. Local communities have expressed their interest in establishing a protected area in the Laureles basin, which would encompass a territory shared by the departments of Tacuarembó and Rivera⁵². These two municipal governments started promoting a regional development strategy and plan, based on conservation and valorization of biodiversity and the natural landscape.

160. In the Lunarejo River basin (adjacent to the Laureles basin) a PA was designated at municipal level in 2000, the Lunarejo Valley Natural Regional Park (IUCN Category V). A management plan was developed for this area with support of DINAMA and a multi-stakeholder commission set up, but financial restrictions impeded implementation. In spite of this, local stakeholders are highly motivated and committed to the protection of the area, and have requested support from government agencies to help them move forward. The management plan identifies tourism as one of the main potential revenue generating sources for the area, but local stakeholders have limited capacities for joining in such venture. To help overcome these barriers, the Social Development Project in the Poorest Rural Areas of Northern Uruguay (PRODENOR)⁵³ conducted a feasibility assessment for a local cooperative group, which concluded that the area has a significant tourism potential which could be strengthened through synergies with the Quebradas del Laureles Development Group and with the Tourism Commission of the town of Tranqueras.

161. *Activities:* The experience is aimed at promoting conservation, local development and sustainable livelihoods, based on valorization of biodiversity through the establishment and management of a multi-use PA in private lands, following a regional/ecosystem approach. Project interventions will embrace two micro basins (Lunarejo and Laureles) and two administrative units (departments of Rivera and Tacuarembó), which constitutes an innovative approach for PA planning and management in the country, in line with the new Government policies regarding territorial planning and development.

162. Considering that the French cooperation will be one of the main co financing sources of this experience and based on specific features of the Quebradas del Norte region, the French model of *Natural Regional Parks* will be explored and adapted to create a Protected Landscape (IUCN Category V) and guide the experience. Activities include (i) defining an appropriate governance type that could foster management arrangements between state and municipal agencies, local communities and organizations of the civil society; (ii) the establishment of the Specific Advisory Commission and support for its operations; (iii) based on existing management plan of the Lunarejo Valley, tourism strategy of the Laureles basin, and municipal frameworks for territorial planning, a global plan for protection and development of this territory will be defined.

163. The French cooperation will give financial and technical assistance to support the establishment and initial operations of the management structure (including training of key stakeholders and hiring local development agents). Monitoring and a mid term evaluation of its operations will lead to fine tuning of this structure. The global management plan will set the objectives to be reached, guidelines regarding the protection, improvement and development of this territory, and the measures needed to set these in action. As

⁵² The Laureles river is the natural boundary between Tacuarembó and Rivera.

⁵³ MVOTMA, MEVIR. Social Development Project in the Poorest Rural Areas of Northern Uruguay: 1) Feasibility study for a tourism project in the Lunarejo Valley; 2) Action Plan for the development of a group ecotourism venture". December 2005

such, it will be an instrument for coordination and coherence of actions to be carried out within the protected landscape by the various stakeholders involved.

164. A business plan will help define the PA's operational/financial needs, opportunities and challenges. This area has the potential for rural tourism/ecotourism development (in terms of natural and cultural assets, national and municipal policies favouring tourism activities, proximity to potential markets⁵⁴. It also has a community-based tourism strategy (including vision, goals and action lines) and the incipient experience of the Quebradas del Laureles Local Development Group in this field. As such, the project will help strengthen this experience based on market research, sound business and financial planning, and tourism product development (suited to target markets), promotion, and distribution. The French cooperation will also give technical and financial assistance for the development of tourist infrastructure and facilities and support upgrade of rural housing to suit basic accommodation needs of tourists and accessibility to ranches and attractions.

165. Other site-based revenue options will be further explored and tested as part of this demonstration. GEF and the French cooperation will co finance basic studies to assess feasibility of potential value adding processes and products (e.g. based on traditional sheep and cattle rising, apiculture, artisan food products). According to results of these studies, a strategy adding value to produce will be defined along with quality assurance policies, marketing and distribution plans.

166. The project will support targeted training of key stakeholders to strengthen local, municipal, and national capacities for sustainability of the experience and strategies. For these activities, coordination and collaboration agreements with other institutions⁵⁵ will be sought. Once the management structure is in place, the French Cooperation will support "park-to-park" cooperation regarding specific issues and promote exchanges with similar experiences in the region and in France.

Project Indicators, Assumptions and Risks

167. The Project has established a set of performance indicators the details of which are presented in the Section II Part II. These include:

- Area of principal representative, exemplary ecosystems in protected areas that is legally incorporated in the NPAS
- Level of management effectiveness in PAs incorporated into the NPAS
- Diversity of PAs governance models for the NPAS.
- Funding gap in PAs for achieving operational standards
- Adequacy of staffing profiles, and institutional processes in the lead NPAS institution (DINAMA)
- Level of consensus on the SNAP design and implementation strategy
- Level of coordination between key NPAS stakeholders.
- Improvements to the NPAS financing system
- Percentage of staffing with insufficient competence and skills required for an effective PA management.
- Integration of budget and planning into management plans.
- Number of careers that include specific modules on PAs.
- Importance assigned by the general public to issues related to the environment, biodiversity and PAs
- Percentage of the population that knows what a PA is.
- Involvement of the general public in activities linked to conservation and PAs.
- Percentage of schools that participate in educational programs on PAs and biodiversity conservation.

⁵⁴ Rivera (105.000 inhabitants) and its neighbour city of Sant'Ana do Livramento (Brasil); Tacuarembó (90.500 inhabitants).

⁵⁵ Technical Programme on Sustainable Natural Resource Management (UDELAR, in Rivera), training opportunities offered by MEVIR/DINAE, North-eastern Regional Office of CLAEH.

- Level of management effectiveness of PAs where demonstration pilots are implemented.
- Number of hectares under management and annual operational plans that have been officially approved and that delimit sustainable use and conservation use in private lands.
- Number of farmers employing sustainable uses in PAs (category V & VI) in accordance with management plans
- Number of non-pilot PA wich are replicating the models developed and tested in demonstration sites.

168. In addition, at the beginning of Project implementation, for each of the pilot sites of Outcome 4 specific sets of indicators will be developed with input of key stakeholders that are e in line with the overall outcome indicators and will provide specific input to these as sub sets M&E systems.

169. The project rests on assumptions that imply the political stability of the country and a slight improvement in the socio-economic conditions, as well as the continued commitment expressed by the national government and other key stakeholders in terms of the coordination, information and knowledge contribution, and key decision-making that is punctual and timely. It is estimated that the risks of not verifying these assumptions are low to moderate. Eight main assumptions are summarized below, along with the risk of them not holding and the measures included in the project design for mitigation. Other assumptions guiding project design are explained in the Logical Framework. The Stakeholder Involvement Plan (Prodoc Section IV Part III) includes potential conflicts assessed for each stakeholder group that could pose risks and the mitigation measures that were included in design.

Assumption	Risk*	Risk mitigation measure
Key baseline biodiversity conservation programs and actions are successfully implemented.	L	The risk is unlikely, given that the Government has given high priority and political support to the SNAP Project and the implementation of the NPAS. Project implementation is based on a Steering Committee and the advice of NAC, who together include the key institutions and programs in conservation of biodiversity in the country. This will help anticipate any changes in previously planned activities of other institutions and programs, and make the necessary adjustments in the execution of the Project to reduce potential negative impacts.
Government commitments in relation to land use planning and sustainable use of natural resources are maintained.	L	The risk is unlikely given current government activities, including the active implementation of the Responsible Production Project (PPR), with a US\$ 30 million WB loan and US\$ 7 million GEF grant aimed at mainstreaming biodiversity conservation in productive sectors. The project will support improved inter-agency coordination at the national and municipal level and this will ensure better alignment of development activities. Valuation studies will help understand the role of biodiversity in providing environmental services that support development, and communications strategies will increase awareness of decision makers and encourage support for legislation and policies relevant to BD conservation.
No serious events occur to modify current estimates of moderate economic growth and social stability.	M	To offset any potential risks associated with this the Project will introduce financial and business planning and will support a diversification of financing sources for the NPAS to reduce dependence on budget allocations, as well as a fundraising strategy, so that the System can grow at a pace that is financially sustainable. Likewise, its execution is founded on broad social participation opportunities and mechanisms. The project will promote local development and sustainable livelihoods, based on valorization of biodiversity through the establishment of multi-use PAs in private lands.
The current tourism strategy of promoting “Uruguay Natural” is maintained and is successful.	L	The Project will be executed in close coordination with MINTUR, who was a key actor in project development. The project will strengthen MINTUR’s efforts through market research, sound business planning, and tourism product development, promotion, and distribution. Strategic marketing campaigns aimed at the national market will be developed to encourage visitation to the attractions of the PA system.
Official approval of legal and regulatory framework occurs within current predicted timeframe.	M	Although the level of country ownership of the project is high, legislative processes in Uruguay tend to be slow. This risk will be mitigated through the strategic use of lobbying and communications to inform and raise

		awareness of political representatives, decision makers, and policy makers. The project will build close relationships with the mass media, considering its role in forming public opinion.
It will be politically possible to achieve the necessary policy reforms and institutional arrangements.	L	The GoU has committed to increase staffing complements to achieve the institutional strengthening short-term goals by the end of project. The FSP will provide technical assistance to develop the institutional redesign of government agencies to fulfil their mandates and roles in the implementation of the NPAS and will promote participatory activities for the development of an agreed set of occupational standards that would define the skills and knowledge required for PA jobs to be adopted by key institutions. The definition and establishment of mechanisms to further institutional coordination and cooperation, both at system and site levels will facilitate the implementation of harmonized approaches and procedures for PA management and contribute towards enhanced management effectiveness.
Key stakeholders continue to have at least the present levels of interest in acquiring and using the new knowledge and skills provided through the Project.	L	The Project was designed and will be implemented with strong input from a broad range of stakeholders. Training strategies will be based on training needs assessments and will guide learners through activities in which they will be required to participate and apply their knowledge. The project will promote incentives for personal and career development. The project will provide financial assistance to facilitate participation of SAC members. It is expected that institutions represented in the NAC will actively encourage their members to use the new knowledge and approaches developed by the project.
The level of threats on PAs selected for demonstration stay the same or decrease.	M	The threat analysis showed that, in the past 5 years, main threats in PAs remained constant or slightly increased. To enhance the effectiveness of management responses to threats in pilot sites, and thus to threat remediation, specific activities have been designed. The project will design and implement monitoring, warning, response and evaluation mechanisms to prevent and/or mitigate the negative impacts of key threats to PAs. In addition the project will provide infrastructure and equipment needed to improve enforcement and control and institutions will increase field staff numbers. The official incorporation of PAs to the NPAS during the Project, will contribute to maintain strict protection criteria on such areas.
Overall Rating	L/M	

* *RISK OF THE ASSUMPTION NOT HOLDING* Rating: L – (Low Risk); M – (Medium Risk); H – (High Risk).

Expected Global and National Benefits

170. *Global benefits:* By building systemic, institutional and individual capacities to design and set up a National Protected Area System that effectively conserves a representative sample of Uruguay’s biodiversity, the proposed project will make a significant contribution to the attainment of one of the outcomes of Decision VII/28⁵⁶ of the CoP 7 of the Convention on Biological Diversity. This will help the GoU further global commitments to *in situ* biodiversity conservation. Through the improved management effectiveness of existing PAs and the gradual incorporation of new areas in the framework of the gradual implementation of the NPAS, the Project will contribute to the protection of ecosystems, habitats and other biodiversity elements of global importance, including temperate grasslands, coastal-marine ecosystems, wetlands, and forests. The project aims to include 92,500 hectares in the NPAS at the end of its execution, and 641,000 in the 10-year strategic plan. The breakdown of these per ecosystem is shown in the Logframe matrix. The design and set up of a NPAS based on the 21st century paradigm for PAs and modern approaches to conservation planning, will provide valuable replicable lessons for the international community.

⁵⁶ This calls for the “*establishment and maintenance by 2010 for terrestrial and by 2012 for marine areas, of comprehensive, effectively managed, and ecologically representative national and regional systems of protected areas that collectively, inter alia through a global network, contribute to achieving the three objectives of the Convention and the 2010 target to significantly reduce the current rate of biodiversity loss, and to achieve sustainable development and the attainment of the Millennium Development Goals*”.

171. *National benefits:* The project will provide important benefits to the Uruguayan society as a whole, as it will ensure the long-term conservation of its natural and cultural heritage, as well as the integration of environmental conservation into the national development objectives and strategies. Other benefits generated by the project include the improvement of PA management effectiveness, the empowerment of local stakeholders in decision-making processes, the development and strengthening of national and local partnerships to promote sustainability for the NPAS, reducing the funding gap in PAs for achieving operational standards, improved understanding of the values and benefits of conservation, and integration of the NPAS in the political agenda. Current and potential users of PAs will benefit through the improvement and expansion of recreational, tourist, educational, and research opportunities that will be generated.

172. *Local benefits:* Considering that 90% of the land in Uruguay is privately owned, it is expected that a large part of the PAs will be inhabited. Thus, landowners and local communities are key constituencies to ensure PA conservation and will be targeted as strategic beneficiaries and partners of the project, through the identification and support of pilot income-generating activities that promote the sustainable use of natural resources. The Incremental Cost Matrix in Section II provides additional information on national and global benefits.

Country Ownership: Country Eligibility and Country Driveness

173. The country has signed a series of international agreements and conventions in the field of biodiversity conservation, among them, the Convention on Biological Diversity of 1992 (Law N° 16.408 of 1993) and is contracting party of the Ramsar Convention (Law 15337 of 29/10/82). The project addresses each of the four elements of the Programme of Work for Protected Areas agreed at CBD-COP 7. In particular, project outputs, outcomes, and activities will contribute to the achievement of key goals of this programme by:

Programme Element 1	<ul style="list-style-type: none"> - Establishing and strengthening a national system of protected areas - Integrating protected areas into broader land- and seascapes and sectors so as to maintain ecological structure and functions - Establishing collaboration between neighbouring PAs across national boundaries - Improving site-based protected area planning and management - Preventing and mitigating the negative impacts of key threats to protected areas
Programme Element 2	<ul style="list-style-type: none"> - Establishing mechanisms for the equitable sharing of both costs and benefits arising from the establishment and management of protected areas. - Enhancing and securing involvement of local communities and relevant stakeholders
Programme Element 3	<ul style="list-style-type: none"> - Providing an enabling legal, policy and institutional environment for protected areas - Building capacity for the planning, establishment and management of protected areas - Contributing to long term financial sustainability of protected areas and the NPAS - Strengthening communication, education and public awareness
Programme Element 4	<ul style="list-style-type: none"> - Developing and adopting minimum standards and best practices for the NPAS - Developing and adopting frameworks for monitoring, evaluating and reporting PA management effectiveness at the site and system level - Promoting the dissemination of, and facilitating access to, scientific and technical information from and on protected areas.

174. In the course of recent years, Uruguay has given growing attention to Environmental issues, biodiversity conservation and Protected Areas. The Constitution reform of 1996 in Article 47, places protection of the environment at the highest level, declaring it to be of “general interest”—a status that under Uruguayan Law gives collective interests pre-eminence over private/individual ones. This concern for environmental issues was further emphasized by another Constitutional amendment approved in November 2004, with reference to water resources. The Proposal of a National Strategy for Biodiversity Conservation and Sustainable Use of Biological Diversity, of 1999, grants fundamental importance to the creation of a

National Protected Areas System. Pursuant to this guideline, Law 17.234 of 2000 declares the general interest of creating a NPAS. The new government, inaugurated in March 2005, gave great importance to the effective implementation of such System, according to the above-mentioned Act and agreed during the transition phase from the former administration to the new one, the approval of Decree N° 52/005, to regulate it. This commitment to the issue is also manifest in the willingness of the Government to increase PA budget resources substantially, as expressed in the Five-Year Budget Project prepared by the Executive Power and approved by the Legislative.

175. This project also meets other GEF eligibility criteria. The main objective is aligned with national biodiversity policies, as mentioned before and as further analyzed in Part 1A Section I of the Prodoc. Resources requested from GEF will cover the necessary incremental costs to overcome the barriers that currently prevent the creation and implementation of a NPAS in Uruguay. Different relevant stakeholders have been involved in activities developed during the Preparatory Phase of the Project, in the framework of a consultation and participatory workshops process, and further development of the proposal would include participation workshops and extensive consultation. The project is consistent with the GEF Operational Strategy and Operational Programmes 2, 3 and 4 as it will cover incremental costs to design and start implementation of a NPAS that will generate global benefits in marine, coastal, freshwater, forest and grassland habitats.

Sustainability

176. Given that the project will promote a phased approach to design and implement a National Protected Area System that would be fully sustainable in the long term, a key component will be the development of a Strategic Plan, establishing a series of successive phases to ensure that the System expands in accordance with the strengthening of capacities and the ability to cover costs in each stage, improving its ecological, social and institutional sustainability. The plan will define the relevant regulatory and operational requirements to enable the implementation of the NPAS in the short term and guiding its expansion and sustainability over the mid and long term. This plan will be developed with the participation of relevant stakeholders from the public, private and civil society sectors to address current and future social, economic, institutional and cultural issues, and consensus will be sought for its implementation. The following sections describe specific approaches the project will develop to address the different dimensions of sustainability.

177. **Financial sustainability** The project will place emphasis on developing strategies and instruments to improve the ability to secure sufficient, stable and long-term financial resources and allocate them in a timely manner, so that PAs are managed effectively and cost efficiently. To help achieve the long term sustainability of the NPAS the project includes the following approaches:

- Developing a system-wide financing strategy and action plan for sustainable funding of PAs, addressing major elements needing government decisions.
- Introducing financial and business planning to balance both sides of the financial equation and encouraging PA managers to identify and forecast their financing needs over time and match these with secure sources of funding.
- Developing a diversified set of revenue sources for the NPAS financing strategy to increase long term income potential of the NPAS.
- Creating appropriate legal, policy, and institutional frameworks to enable the rest of the PA financing system to develop.
- Developing resource distribution mechanisms to address differences in terms of the viability of financial sustainability of different PAs.
- Building the capacities across PA institutions and other relevant stakeholders to supplement PA management plans with long term financial and business planning, to implement these plans in a participatory manner, and to adequately use different financial tools.
- Strengthening financial management information and tracking systems and budget reporting procedures to measure performance against indicators.

- Broadening the stakeholder base to bring in new partners to PA management, including the private sector and NGOs, to reduce running costs and increase social participation and sustainability.
- Developing a fundraising strategy to orient capitalisation of the NPAS Fund and identify different funding sources to contribute to the generation of new investments and for the acquisition of lands of high strategic conservation priority.
- Developing valuation studies and communications strategies to help understand the role of PAs in providing environmental services that support development, build new constituencies for conservation, and assisting in mobilizing new sources of funding for PAs and the NPAS.
- Providing ground testing and demonstration of key aspects that can be gradually incorporated into the NPAS strategic plan (including testing of innovative resource generation mechanisms)
- Strengthening capacities to improve site-based protected area planning and management.

178. ***Institutional sustainability.*** The Project will encourage capacity building activities and other initiatives aimed at creating the appropriate institutional environment for effectively managing PAs at the System and site levels. Institutional sustainability will be addressed through:

- Reviewing of existing responsibilities, procedures, equipment and staffing arrangements of governmental institutions that are currently charged with PA management.
- Developing an agreed set of occupational standards that would define the skills and knowledge required for PA jobs in Uruguay, to be adopted by key institutions involved in PA management.
- Restructuring of the lead NPAS institution (i.e. DINAMA), aligning its staffing table with new functions and mandates and putting in place appropriate institutional procedures and operational levels.
- Setting up mechanisms to further inter-institutional coordination and cooperation regarding such aspects as policy definition, planning, and management (including support to NAC, SACs, inter-institutional and multidisciplinary PA financing task force, etc.)
- Creating appropriate legal and policy frameworks.
- Providing targeted training to enhance skills for sustainability and to adapt roles and functions to modern conceptual models for conservation.
- Promoting the development and adoption of agency training strategies for the lead PA institutions (DINAMA, DGRNR), in order to establish policy and set guiding principles to address key training and human development issues.
- Developing pilot demonstrations as a cost-effective strategy for strengthening capacities of a wide range of stakeholders (especially through learning-by-doing, thus assuring that new skills and knowledge be incorporated into institutions and practitioners directly involved in PA management), along with activities that will ensure the creation of enduring mechanisms for public-private collaborative management, participation, and the inclusion of these stakeholders into the NPAS institutional framework.
- Developing a positive institutional image for the NPAS around which to generate interest and support.
- Aligning NPAS staff and competence targets with a tertiary education strategy and curricula to facilitate the incorporation of new professionals to the NPAS in the long term.

179. ***Social sustainability.*** Project preparation was developed in a highly participatory fashion, including staff from key public institutions, the private sector, NGOs and other stakeholders from the civil society. Participation and social acceptance would be enhanced through the execution of a comprehensive Stakeholder Involvement Plan (Section IV, Part III) which identifies stakeholder interests and possible conflicts and responsive mitigation measures to assure strong and effective stakeholder participation. Other elements of project design to address social sustainability include:

- Testing collaborative PA management arrangements to improve the stake of local communities and the private sector in PA management, building a sense of ownership.

- Supporting operations of SACs and other participation mechanisms, to enhance and secure involvement of local communities and relevant stakeholders.
- Promoting direct benefits for local communities and PA residents through appropriate revenue generating mechanisms (e.g., ecotourism, value-added products) that will be put in place and continue after the project.
- Exploring and developing incentives to promote private sector participation in PA establishment and management.
- Investing in awareness raising and education to increase societal appreciation of the benefits of PAs and the value of services they provide.

180. ***Ecological sustainability.*** As mentioned before, special emphasis will be put in the financial sustainability of the NPAS; therefore, it is expected that by the end of the Project (five years) the PA system will be relatively small. In consequence, this minimal or embryonic system will not necessarily cover all the ecosystems and habitats representative of the country. Thus ecological sustainability would be sought through successive stages to expand the NPAS within financial viable limits. To address ecological sustainability the project will develop a system design that considers the following approaches:

- Completing protected area gap analysis based on the requirements for a representative system of protected areas that adequately conserves terrestrial, marine and freshwater biodiversity.
- Establishing suitable time-bound and measurable national and regional level protected area targets and indicators.
- Selecting areas based on sound scientific data and technical criteria, using a holistic analysis of biodiversity and its status in all the ecosystems/habitat types of the country.
- Integrating protected areas into broader land- and seascapes and sectors by applying the ecosystem approach and establishing and managing buffer zones and/or ecological corridors, so as to maintain ecological structure and functions⁵⁷.
- Preventing and/or mitigating the negative impacts of key threats to protected areas through the design and implementation of monitoring, warning, response and evaluation mechanisms. In particular, taking measures to control risks associated with invasive alien species in protected areas.
- Establishing collaboration between neighbouring PAs across national boundaries (and in the future, establishing transboundary PAs).
- Field demonstrations will contribute to improve the levels of management effectiveness on these sites providing immediate biodiversity benefits.

Replicability

181. The project interventions will support capacity building at the systemic, institutional and individual levels, by strengthening policies, increasing skills of a range of stakeholders in PA management, and improving operational efficiencies. This will enhance the potential for replicating good management practices system-wide.

182. The development of skills of a wide range of PA practitioners, will enable them to build the capacities of others through the generation, adaptation and dissemination of knowledge and practices in PA management. Institutional and policy frameworks will be improved and mechanisms will be in place for easy adoption by different institutions and PAs across the country. Accordingly, trained people and strengthened institutions are key replication elements within the System. The NPAS Strategic Plan will

⁵⁷ For this purpose, the project will promote close coordination of activities with other biodiversity programmes and projects, in particular with the MGAP-GEF/WB Project on Responsible Production (PPR) whose objective is to mainstream conservation of biodiversity in rural production systems.

encourage the replication of capacity building activities, as they include specific guidelines in relation to development and institutional organization, including staff development programs.

183. Pilot demonstrations will be undertaken to ground truth policies and guidelines formulated at the general level for the NPAS Strategic Plan and provide valuable information for guiding the gradual expansion and consolidation of the system. As best practices from the pilot sites and successive phases of the NPAS become clearer, policy frameworks would be adjusted accordingly to further facilitate replication of these lessons throughout the system. Pilot sites will also provide laboratories for testing different governance approaches and management types, suitable to different scenarios (in terms of land tenure, threats to biodiversity, socioeconomic and institutional contexts, opportunity costs of establishing PAs, different management categories), and innovative funding mechanisms. These sites were carefully selected considering their demonstration value (replicability).

184. Furthermore, the Project envisages an information and knowledge management system (Output 1.5) to ensure the replication of lessons learnt from the demonstration sites to other PAs of similar characteristics in the successive stages of the NPAS. To record and gather lessons from the pilot sites as they are generated, this output will involve designing standard formats and procedures, and ensuring that such data gathering is systematically incorporated into work schedules. Project experiences and case studies will be analysed and relevant lessons drawn will be communicated widely to stakeholders at national, regional and global level using a variety of media. Mechanisms will be developed for enabling exchange among the various stakeholders and NPAS areas, including electronic media, periodic bulletins, personal exchange within and outside the country (among rangers, technicians, researchers, local stakeholders, etc.).

185. Specifically regarding financial issues, project design has incorporated key elements of the global GEF-UNDP Project *Financial Sustainability for National Systems of Protected Areas*, to facilitate lessons sharing and replication of methodologies and mechanisms tested and demonstrated in the project countries.

Stakeholder involvement

186. Stakeholders include, but are not limited to: central government agencies that are key for the implementation of the project (MVOTMA, MGAP, MINTUR, MEC, MI, MDN, MIEM), local governments, research and education institutions, private sector, NGOs and other social organizations. Among the private sector stakeholders, the growers and farmers associations are of special significance in the implementation of NPAS. The majority of relevant stakeholders are members of the NAC that was constituted in the Preparatory Phase. The Project also envisages supporting the incorporation of new stakeholders into this participative institutional group.

187. The Project's Stakeholders Involvement Plan (Section IV Part III) is based on a strategy that started implementation during the Preparatory Phase and rests on the following pillars:

- NAC with mandatory advisory functions in Project decision-making and evaluation.
- SACs with a similar role in activities relative to individual PAs that are incorporated to NPAS during the Project. The possibility of establishing Temporary Advisory Commissions in areas that are in the process of joining the System is also envisaged.
- Implementation supported by Agreements with public institutions, NGOs and other social organizations.
- Participatory meetings and workshops as one of the fundamental methodological instruments to develop most of the Project activities.
- The project places a strong emphasis on active participation of local communities and landowners in the implementation of co- management of PAs and includes provisions for conflict resolution and benefit sharing

Financial Modality and Cost Effectiveness

188. The total cost of the project is US\$ 7,283,000. GEF funding of US\$ 2,500,000, excluding preparatory assistance is requested. Significant co-financing has been mobilised totalling US\$ 4,783,000 including funds from PNUD, Uruguay Government, Municipal Governments, other public institutions, NGOs, private sector, Spanish Cooperation and French Cooperation. The breakdown of co-finances is provided in the following tables. The GEF to co-funding ratio for the entire project is 1:2.9; a significantly higher ratio (1: 4.2) has been levered for Outcome 4 that includes on site demonstrations generating specific local benefits.

Table 6. Co-financing Sources

Name of Co-financier	Classification	Type	Amount (US\$)	Status
UNDP	Multilateral donor	Cash	50,000	Confirmed
MVOTMA	Government	Cash	1.371,000	Confirmed
		In Kind	544,000	Confirmed
MGAP	Government	Cash	52,000	Confirmed
		In Kind	123,000	Confirmed
MINTUR	Government	In Kind	35,000	Confirmed
ANEP	Government	In Kind	100,000	Pledged
UDELAR	Public	In Kind	82,000*	Confirmed
IMM	Government	In Kind	100,000	Confirmed
IMTT	Government	In Kind	63,000	Confirmed
NGO	NGO	In Kind	50,000	Pledged
Private Farmers	Private	Cash	14,000	Pledged
Spanish Cooperation	Bilateral donor	Cash/ In Kind	399,000**	Confirmed/ Pledged
French Cooperation	Bilateral donor	Cash/ In Kind	1,800,000**	Pledged
Sub-Total Co-financing			4,783,000***	

* Exact number: US\$ 81,959 ,** Exchange rate: 1.2 US\$ / € ,*** Does not include PDF-B co-financing of US\$ 120,000

Table 7. Project Budget by sources, Outcomes and Outputs.

OUTCOMES AND OUTPUTS	TOTAL (US\$)	GEF (US\$)	CO-FUNDING (US\$)	
Outcome 1: Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational				
	2,753,000	1,041,000	1,712,000	
<u>Output 1.1:</u> A validated and officially approved Strategic Plan of the NPAS	741,000	300,000	MVOTMA	357,000
			MGAP	12,000
			UDELAR	42,000
			Spanish Cooperation	30,000
<u>Output 1.2:</u> A system-wide Financial Strategy and Business Plan adopted by the GoU.	727,000	200,000	MVOTMA	201,000
			MGAP	10,000
			MINTUR	13,000
			Spanish Cooperation	53,000
			French Cooperation	250,000
<u>Output 1.3:</u> Tourism related revenue generation and distribution instruments tested	309,000	136,000	MVOTMA	100,000
			MGAP	5,000
			MINTUR	5,000
			IMTT	63,000
<u>Output 1.4:</u> Institutional arrangements, structures, responsibilities, and occupational standards defined for managing the NPAS	520,000	122,000	UNDP	20,000
			MVOTMA	200,000
			MGAP	28,000
			French Cooperation	150,000

Output 1.5: Knowledge management, evaluation and adaptation systems developed for the NPAS and the Project.	456,000	283,000	UNDP	10,000
			MVOTMA	156,000
			MGAP	7,000
Outcome 2: Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs.				
		934,000	399,000	535,000
Output 2.1: Training programme for practitioners at all levels on technical and practical skills for PA management	547,000	200,000	UNDP	20,000
			MVOTMA	50,000
			MGAP	15,000
			MINTUR	2,000
			ANEP	90,000
			Spanish Cooperation	20,000
			French Cooperation	150,000
Output 2.2: Training programme for PA practitioners to set up and operate financial planning and other business systems	323,000	169,000	MVOTMA	40,000
			MGAP	10,000
			MINTUR	4,000
			ANEP	10,000
			Spanish Cooperation	10,000
			French Cooperation	80,000
Output 2.3: Tertiary education strategy and curricula aligned with NPAS staff and competence targets	64,000	30,000	MVOTMA	11,000
			Spanish Cooperation	3,000
			French Cooperation	20,000
Outcome 3: Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices.				
		1,482,000	559,000	923,000
Output 3.1: Education programme for primary and junior high schools	547,000	270,000	MVOTMA	100,000
			MGAP	8,000
			IMM	100,000
			Spanish Cooperation	69,000
Output 3.2: Awareness building programme for policy makers	297,000	60,000	MVOTMA	150,000
			MGAP	5,000
			MINTUR	2,000
			Spanish Cooperation	30,000
			French Cooperation	50,000
Output 3.3: Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism, and businesses)	309,000	60,000	MVOTMA	150,000
			MGAP	5,000
			MINTUR	4,000
			Spanish Cooperation	40,000
			French Cooperation	50,000
Output 3.4: Institutional image of the NPAS and general public communication strategy developed	329,000	169,000	MVOTMA	100,000
			MGAP	5,000
			MINTUR	5,000
			French Cooperation	50,000
Outcome 4: Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures.				
		2,114,000	501,000	1,613,000
Output 4.1: Management of PA on publicly owned land by national government with the participation of and benefit sharing with local	379,000	105,000	MVOTMA	100,000
			MGAP	30,000

communities (Esteros de Farrapos e Islas del Río Uruguay)			Spanish Cooperation	144,000
Output 4.2: Management of a PA for protection of a coastal-marine habitat on publicly owned land by national government institutions and NGOs (Cerro Verde & Islas de La Coronilla)	350,000	200,000	MVOTMA	75,000
			MGAP	25,000
			NGOs	50,000
Output 4.3: Management of a multi use PA on private and public lands by medium private landowners, local communities and national and municipal governments (Laguna de Rocha)	634,000	100,000	MVOTMA	75,000
			MGAP	5,000
			UDELAR	40,000
			Farmers	14,000
			French Cooperation	400,000
Output 4.4: Management and benefit sharing of a multi-use PA on private land by small scale private landowners (Quebradas del Norte)	751,000	96,000	MVOTMA	50,000
			MGAP	5,000
			French Cooperation	600,000
Total Cost (M US\$)	7,283,000	2,500,000		4,783,000

Cost-effectiveness:

189. The Project was designed not only to be cost-effective in overcoming key barriers, but also to increase the cost-effective management of PAs and the future NPAS. The proposed project will achieve this through a two pronged approach that combines capacity building and testing of various governance and management systems in a number of field demonstration sites.

190. A fundamental element to strengthen systemic capacities will be a national-level protected area Strategic Plan, which will set out the design of a representative NPAS, define actions to achieve the system's goals, and define the relevant regulatory and operational requirements to enable the gradual implementation and management of the system over the long term. A preliminary version of the Strategic Plan will cover a period of five years and is to be established in the first two years of full project implementation. There will be a strong interconnection between this plan and project implementation: First, as an agreed upon and officially approved strategy for the NPAS, the short term plan will provide overall guidance for the implementation of project actions. Second, the project will provide ground testing and demonstration of key aspects that can be gradually incorporated into the Strategic Plan, as lessons and experience from field demonstrations are obtained and as the institutional and individual capacities are increased. At the end of project, Uruguay will have an instrument to guide the expansion of its NPAS over the mid and long term. By focusing resources on this Strategic Plan and building capacities to set-up its first phase, GEF support will be highly cost effective.

191. Training programmes will build on capacity and training needs assessments developed during the PDF B and would go beyond the transfer of knowledge to address attitudes, motivation and skills to change behaviour and to increase job performance.

192. The project will place emphasis on developing strategies and instruments to improve the ability of the system to secure sufficient, stable and long-term financial resources and allocate them in a timely manner, so that PAs can be managed effectively and cost efficiently. Adequate legal and policy frameworks will be created or amended to enable the rest of the PA financing system to develop. Financial management information and tracking systems will be strengthened and budget reporting procedure revised and implemented to measure performance against indicators.

193. The Project will support the gradual implementation of a multi-stakeholder NPAS based on collaborative and decentralized management arrangements. This is a cost-effective strategy, as it will enable sharing the responsibilities and costs of PA management across a broad spectrum of institutions,

organizations and individuals; dealing with capacity gaps where the required skills are not available within the PA institution; and allowing DINAMA to focus on its regulatory function.

194. Pilot sites will be used to apply the new legal and policy frameworks, to test and develop new tools for enhancing PA management effectiveness (including innovative funding mechanisms and governance types), to develop some training components, and for the generation of lessons to be shared at the national, regional and global levels. As such, the pilot demonstrations will be a cost effective strategy for strengthening capacities at all levels, removing barriers to effective PA management, while capturing tangible benefits to biodiversity. Selection criteria of pilot sites (including value for replication, possibility of successfully implementing the demonstration within the time frame of the project, potential for on-site revenue generation, co-financing opportunities—in cash and in kind—for developing the demonstrations) also support the cost effectiveness of interventions. Cost effectiveness will be increased over time as the project includes specific mechanisms for replication throughout the system of lessons learnt in these pilots and as such GEF will achieve significant impact with limited resources.

195. In the baseline protected areas would be created but not necessarily in the most key areas. Thus, the project was also designed to be cost effective for biodiversity conservation. First, the Strategic Plan will develop a system design that will select areas based on sound scientific data and technical criteria, using a holistic analysis of biodiversity and its status in all the ecosystems/habitat types of the country. In addition, pilot areas were selected to include sites with recognised biodiversity values and some ecosystems currently under represented in the existing PAs. Thus, pilot areas provide a cost effective way for delivering capacity building while capturing tangible benefits to biodiversity and thus further increasing the project contribution to capturing global benefits.

196. The success of the Project in achieving its objective depends, to a large extent, on encouraging attitudes and behaviours that favour conservation. For this purpose, the Project will combine strategies to awareness building in strategic groups whose decisions and behaviours affect the current environment (e.g. policy makers and sectoral stakeholders) with education programmes for primary and middle schools as a cost effective strategy to encourage the development of positive behaviours and attitudes over the short, medium and long term.

197. The Project will be implemented on the basis of a small Project Management Unit (PMU) that will be created within DINAMA, and which will incorporate staff from other government institutions that have functions in PAs (i.e. the extended project management unit). These implementation arrangements provide a very cost-effective working modality while contributing to individual and institutional capacity building.

198. With regard to procurement of project inputs, standard procedures of the Government of Uruguay and of UNDP will be carefully applied to ensure value for money in all purchases of goods and procurement of services for the project. The project will use strict internal and external audit controls that meet international standards.

Linkages with the UNDP Country Programme

199. This initiative is part of one of UNDP Country Program Focus Areas in Uruguay for: **“Conservation of the environment and sustainable use of natural resources”** as it will support “capacity building for an integrated management of the land, natural resources and the environment, in compliance with international commitments assumed by the country as regards the environment”. Furthermore, this project will contribute to **strengthen governance and local development** in Uruguay drawing from the previous experiences of UNDP in this field.

200. The project is closely related with the **Local Development Strategy** of UNDP/Uruguay, as it will contribute to i) socio-economic local development; ii) institutional development of local governments; iii) territorial and environmental development. In this sense, the project will give support to initiatives directed to

improve local competitiveness, the generation of employment and income, processes of social integration, reduction of inequities and the strengthening of socio-cultural local identities. It will also contribute to the strengthening of the local governments capacities to act organized and systematically to achieve the aims of environmental management in the long term.

Linkages with, Consultation, Coordination and Collaboration between IAs and IAs and ExAs

201. The project has identified a number of GEF-funded projects in Uruguay that are relevant to this Project and have coordinated with these during the Preparatory Phase through regular workshops and meetings. During the Full-Scale Project, coordination will continue to be promoted through the integration of representatives from these projects into the Steering Committee. The Uruguayan Government will favour an effective coordination between the following initiatives to ensure synergies and enhance respective impacts: (i) the MGAP-GEF-WB Project Responsible Production (PPR), that seeks to incorporate conservation in the productive landscape and agricultural systems, has clear complementarities with the current project. Although there is no geographic overlapping between these projects collectively they support the two prongs of the country's conservation strategy. (ii) The GEF/WB OAS Guaraní Aquifer System Project (PSAG), that involves four nations, seeks to advance sustainable management and use of this water body; PAs represent a vital component of conservation and planning of fresh water resources; (iii) the UNDP-DINAMA Small Grants Programme (PPD-GEF) started operations in late 2005 and coordination will be explored in themes related to local strategies that involve the community and its development around PAs; (iv) the bi-national GEF/UNDP Environmental Protection of the Río de la Plata and its Maritime Front: (FREPLATA), that has developed a marine biodiversity conservation strategy and including guidelines for PAs, will provide a fundamental input to the design of estuarine and coastal PAs in Uruguayan-Argentinean bi-national waters. Finally in specific regard to financial issues, project design has incorporated key elements of the global GEF-UNDP Project *Financial Sustainability for National Systems of Protected Areas*, to facilitate lessons sharing and replication of methodologies and mechanisms tested and demonstrated in the project countries. Close coordination will be sought with this project.

PART III: PROJECT MANAGEMENT ARRANGEMENTS

202. The project will be executed through UNDP's National Execution Modality with DINAMA as the executing agency and with the support from UNDP as implementation agency of GEF. As government executing agency, DINAMA will be responsible for the coordination and management of the Project and will monitor compliance with Work Plans as the basis for Project execution. A Project Management Unit (PMU) will be created within DINAMA to be responsible for the day-to-day implementation of Project activities, including the direct supervision of activities that are sub-contracted or carried out by other institutions under this agreement. The PMU will be integrated by a General Coordinator, a Technical Coordinator, and Heads of Training, Participation, Environmental Education and Communications. It will also be integrated by an Expert in Economic and Financial Issues, an expert on Monitoring, and secretarial staff. To enable the effective assimilation of the Project in permanent institutional structures, the PMU will convene an Extended Management Unit (EPMU) of technical experts appointed by the main institutions with competence and specific interest in the project and including Protected Areas Division of DINAMA, DINOT, Parks Directorate of DGRNR, DINARA from MGAP and Ministry of Tourism. This extended management unit will form part of project oversight and is the extension of experience in the Preparatory Phase where this modality was adopted with excellent results.

203. A Steering Committee (SC) will be created to ensure coordination among the different institutions involved. It will be integrated by the Directors of DINAMA and DINOT from MVOTMA, DGRNR and DINARA from MGAP, the Ministry of Tourism, one delegate proposed by the environment NGOs, one member appointed by the UNDP Resident Representative in Uruguay, and by bilateral donors. The Coordinators or Directors of other GEF Projects (national or regional) indicated above will be invited to participate in sessions along with the corresponding Directors of Local Governments involved in key aspects

of the Project. The SC will be chaired by DINAMA, it will meet at least quarterly to guide the Project implementation, approve the PMU staff selection and Annual Work Plans, to supervise Project activities and monitor compliance with Annual Work Plans, and approve progress and financial reports. Finally, the NAC, created by Law 17.234, will act as a mandatory advisory body integrated by a large number of stakeholders from the public, private and organized society sectors.

PART IV: MONITORING AND EVALUATION

204. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the PMU and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The logical framework matrix in Section II, Part II provides M&E indicators along with their corresponding means of verification. These will form the basis on which the project's Monitoring and Evaluation system will be built. Details are provided in the Prodoc Section IV part IX.

205. Monitoring will include regular feed back to the Project Steering Committee. Annual Project Performance Review (PIR/APR) will be completed yearly followed by an annual Tripartite Review (TPR). Responsibilities for monitoring the specific indicators in the logical framework will be divided between the PMU and DINAMA-MVOTMA. Emphasis is placed on harmonizing, to the fullest extent possible, the project's M&E activities with routine M&E activities of DINAMA-MVOTMA. Adaptive management will be an essential ingredient in PA management plans as well as in the PA and individual performance evaluation systems that will be instituted through the project. This will increase the chance of M&E results feeding into the planning and implementation of actions on the ground. Two independent external evaluations will be undertaken, one at the mid-term to progress being made towards the objective and identify strengths and weaknesses so as to reinforce aspects working well and to make any necessary corrections. The final evaluation will assess amongst other issues the achievement of outcomes, sustainability of results and identify lesson learning for other projects. The Management Effectiveness Tracking Tool (METT) will be conducted for the 16 sample PAs at mid term and at project end. METT baseline values are included as a separate annex to the Prodoc.

PART V: LEGAL CONTEXT

(To be inserted at CEO)

SECTION II. STRATEGIC RESULTS FRAMEWORK AND GEF INCREMENT

PART I: INCREMENTAL COST ANALYSIS

Part I.A. Project background, national and global objectives

206. The Uruguayan government that took office in March 2005 places strong emphasis on a National Social Emergency Assistance Plan to overcome the serious social problems of recent years. To this end, the government is seeking to reactivate the productive system in the broadest sense including services, such as tourism, articulating measures to improve access of the less favored social sectors to employment, education, and healthcare opportunities. Within this difficult socio-economic context, the new government has given special priority to ensuring that environmental protection is compatible with economic and social development. The five-year budget (2006-2010) of the National Environment Agency DINAMA has a significant increase of its investment component to improve the control capacity of the State in environmental issues and to start the implementation process of the NPAS (in particular, the budget allocated for PAs showed an increase of about 700%). Despite this strong political will, resources are still limited to overcome key barriers and develop the capacities to design and effectively manage the NPAS and to assure its long-term sustainability.

207. As mentioned in Section I, Part 1.A, much of Uruguay's biodiversity is of global significance. In spite of a number of threats—that stem mainly from competing land uses—the country still holds large portions of little-modified habitats and ecosystems of great conservation value, including grasslands, native forests, wetlands, and marine ecosystems. In recognition of this scenario, the National Biodiversity Strategy of 1999 laid out a two-pronged approach: One is to mainstream conservation issues in the productive sectors, principally the agricultural and livestock sector (which is the focus of the Responsible Production Project, a World Bank agriculture-related loan that is under development by the Ministry of Livestock, Agriculture and Fisheries with an attached GEF component). The second approach is to establish a NPAS as a priority action for *in situ* conservation, to strengthen land-use planning and protect representative samples of the country's biodiversity.

208. While the NPAS Law and statute provide a sound basis on which to advance, a number of barriers prevent the implementation of Uruguay's PA system, underpin the poor management effectiveness of existing PAs, and impede their long term sustainability (See: Section I, Part 1.B). The proposed project will support Uruguay in overcoming the barriers to designing and implementing a National System of Protected Areas that effectively conserves a representative sample of Uruguay's biodiversity. Consistent with GEF's biodiversity strategic priority of promoting the sustainability of the protected areas in the context of national systems and institutions, the project will significantly help the GoU pursuing this global objective of placing PAs on a sustainable basis (in the environmental, social, institutional and financial dimensions). Accordingly, it will also play a key role towards achieving the national development objectives and advancing the commitments assumed by the country in the CBD-COP 7.

Part I.B. Incremental cost assessment

System boundary

209. The project has a national scope, encompassing the NPAS of Uruguay but focusing on specific thematic areas defined by each of the project outcomes. Project system boundaries with respect to each of these outcome areas are as follows:

- *Legal, policy and institutional frameworks:* This area is defined by activities to support the development of relevant frameworks, including legal, institutional, and policy reforms and improvements of practices that encourage effective management and sustainable financing for the NPAS.
- *Individual capacities:* This includes developing the appropriate balance of knowledge and skills of key stakeholders for effectively running the NPAS and its constituent PAs.

- *Awareness on the values of PAs and their importance for sustainable development:* This includes awareness raising of key stakeholders and the broad society to influence policies and practices.
- *Cost-effective management structures:* This includes testing different governance approaches to increase public participation in the management of PAs and as a strategy to share the responsibilities and costs of PA management across a broad spectrum of institutions, organizations and individuals.

Baseline

210. Under the baseline scenario some actions will be taken to address certain aspects of the deficiencies and barriers, but these will be insufficient to face the structural changes required for the establishment and consolidation of a representative, effective, and sustainable NPAS, consistent with the country's socio-economic context. A brief description of the main baseline activities follows, grouped into four thematic areas cross-referenced against project outcomes. Baseline spending which is contributing to achieving the four project outcomes is estimated at US\$ 16 million in the next five years. Amounts contributed by the main institutions through the different activities described are presented in (See: Table 8 Incremental Cost Matrix)

211. Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS: Existing and planned investments in related baseline activities for the period 2006-2010 has been estimated at US\$ 7,466,000. MVOTMA has allocated about one million US\$ to start the implementation process of the NPAS. MGAP, through DGRNR, will continue managing PAs under its administration and will put into practice procedures and activities established by Law 17.234 in order to incorporate several of these PAs into the NPAS. Within the MGAP, the Responsible Production Project will be implemented during this period. This project represents the most powerful effort for the conservation of biodiversity in productive systems and landscapes, thus its role is fundamental in the promotion of actions for the conservation of biodiversity in buffer zones and, in general, in the PAs surroundings. This project will also strengthen institutional capacities of DGRNR, including improving administrative and enforcement procedures, natural resource management, and financing the elaboration of management plans for five PAs under its administration. MDN will continue managing PAs under its administration, through SEPAE, as determined in Law 17.234, and steps will be taken to incorporate them to the NPAS in due course. PROBIDES will continue managing Potrerillo de Santa Teresa PA, through an agreement with a local NGO. This program will continue working in five departments of the eastern region, supporting capacity building of local governments and promoting trans-boundary and regional approaches to conservation. The Municipalities of Treinta y Tres and Montevideo will invest in activities to improve management of PAs under their administration (Quebrada de los Cuervos and Humedales del Santa Lucía). MINTUR will continue working for the development and promotion of nature-based and rural tourism, the integration of PAs to tourist circuits, market research, and monitoring of such activities.

212. Concerning knowledge and information, several public institutions will continue developing research activities aimed at generating knowledge for the conservation of biodiversity and PAs. In particular UDELAR has already started implementing the "Geographic priorities for the conservation of terrestrial biodiversity in Uruguay" Project with funds from PDT, in close coordination with this Project during its Preparatory Phase. Likewise, the DGRNR will strengthen its GIS and its development will be coordinated with DINAMA and other institutions. NGOs will continue making substantial contributions in new knowledge, awareness raising, policy proposals, and conservation activities, but in a scenario of limited resources.

213. Although the Law 17.234 and its regulatory decree supply a general framework for development and operation of the NPAS, little progress has been made in defining specific regulations and policies to give effect to existing legislation and support long term sustainability of the NPAS. Thus, despite the above baseline initiatives and the GoU's willingness to implement the NPAS, such efforts would be made in the absence of appropriate legal, policy and institutional frameworks, through a "trial-and-error" approach. For example, given present capacity deficiencies regarding modern approaches to systematic conservation planning, in the baseline scenario the selection of areas to integrate the NPAS would follow an ad hoc

approach, thus facing the danger of becoming a new assemblage of uncoordinated PAs with reduced contribution to biodiversity conservation. If under-represented biodiversity is to be brought under legal protection as part of the NPAS there is a need to work closely with landowners in key areas and guarantees would be required to ensure that biodiversity-friendly land uses continue in the long term. This would require specific legal instruments and policies, including incentives, to facilitate participation of the private sector in the establishment and management of PAs, which are unlikely to be developed in the baseline scenario. Effective financial and business planning will be hindered by limitations in the technical and administrative capacity in DINAMA and other key institutions for the sustainable management of the PA system. Although current legal and regulatory framework provide an initial framework to advance towards the financial diversification of the System, no systematic feasibility review of financial mechanisms would be carried out and no diversified funding portfolio developed to help bridge the financing gap and increase the long term income potential of the future NPAS. Creating appropriate legal, policy and planning frameworks will require expertise and financial resources which would not be available in the baseline.

214. Development of knowledge and skills for effectively running the NPAS and its constituent PAs: Existing and planned investment in related baseline activities during the period 2006-2010 amounts to a total of US\$ 476,000. MVOTMA, MGAP and other key stakeholders directly involved in PA management (Municipal Governments, NGOs), will promote capacity building at the individual level to address the challenges of implementing the NPAS and improving PA management effectiveness. A few institutions will provide some training opportunities, including UDELAR through some courses in undergraduate programs (Agronomy, Forestry and Sciences) and through the Master in Integrated Coastal Zone Management that will be developed in two editions over the next five years, in agreement with the University of Dalhousie, Canada, with the support of CIDA. Another program with strong participation of UDELAR, which is currently starting a new phase, is ECOPLATA that combines activities in the fields of research, training and capacity building of stakeholders in coastal areas. The Technical College of Uruguay, under ANEP, will implement a 2-year Technical Program for PA management, with a total of 2,500 hours. This course represents a substantial contribution to the training of human resources in this area. PROBIDES will provide resources for individual capacity building of stakeholders in its region of influence. MINTUR will provide training opportunities for tourist guides, information services, and others.

215. Despite the above baseline initiatives, PA staff capacity to perform routine PA functions will remain poor. A PDF B study revealed that that current staff employed in managerial, technical, supervisory and field worker posts has a low skills base in key competency areas for effective PA management including: financial management, natural resource conservation, monitoring and assessment, project development and management, recreation and tourism management, social and cultural skills including conflict management and resolution, communications, participatory management, and enforcement and control, among others (See: Table 5). Without targeted training, along with realignment of current staffing table with new functions and competences, PA management will remain sub optimal.

216. Awareness raising efforts on the values of PAs and their importance for sustainable development: Different baseline efforts will support awareness-raising activities and information campaigns (total amount: US\$ 2,819,000) MVOTMA, through the Environmental Awareness Promotion Program, will continue with communications and awareness raising activities regarding biodiversity conservation and PAs. MINTUR will continue basing the promotional strategy of the country as a tourist destination on the “*Uruguay Natural*” brand. In addition, this ministry will promote awareness raising and training of tourist operators in terms of the sustainable use of natural heritage. MEC and ANEP, through the different national formal education programs, will continue incorporating environmental issues and, in particular, those relative to the conservation of biodiversity in the official curricula, thus contributing substantially to the awareness raising of children and youth. Covering the five departments in the East of the country, PROBIDES will devote significant resources to environmental education and awareness raising. The Environmental Education Group of the Municipality of Montevideo will continue working actively in environmental education and awareness building, and also developing other participatory activities in environmental monitoring. A Working Group, integrating the local governments of the three departments that comprise the

Metropolitan Area, was recently created and this will be helpful in progressing toward the development of coordinated activities. Also INIA, through its experimental station in Las Brujas, is involved in conservation and environmental education activities in the area of the Santa Lucía Wetlands.

217. Despite the above baseline initiatives, available budget is insufficient to implement strategic interventions aimed at reaching key audiences with persuasive messages to influence policies and practices, including the media, political decision makers, opinion leaders, the private sector and local communities. For example, resources and technical expertise are needed for PA valuation and the incorporation of this information into awareness building campaigns and funding strategies for different stages of the NPAS.

218. Implementation of cost-effective management structures: Given the land tenure and land use patterns in Uruguay, the NPAS law promotes the development of a multi-stakeholder PA system and a variety of collaborative management types to share the responsibilities and costs of PA management across a broad spectrum of institutions, organizations and individuals. A first set of PA that have been presented to the NAC as potential candidates for an initial NPAS, reflect a range of socio-economic, ecological, and institutional scenarios. Thus their proclamation would provide an opportunity to ground testing different governance and management models (public, private, and mixed).

219. Total baseline is estimated in U\$S 5,556,000. DINAMA has allocated some resources in its 2006-2010 budget to improve management and decentralization (including increasing field staff, improving basic infrastructure and equipment, and promoting awareness raising and public participation). The MGAP and the PPR project will strengthen the involvement of private landowners in conservation and promote environmentally friendlier productive systems in buffer zones. The National Government, through different programs promoted by the Office for Planning and Budget (OPP), will assist municipal governments in initiatives linked to local development and PAs. While NGO PA stewardship is a relatively untested approach in Uruguay, several national NGOs have made and will continue making relevant investments towards specific habitats. UDELAR will implement the Project “Socio-economic and environmental costs and benefits of the current use of Laguna de Rocha and its basin: inputs for the integrated management of a coastal protected area”, with resources from PDT. In several parts of the country, and in particular in the candidate areas, local stakeholders have been and will be highly involved in biodiversity conservation and in the search for alternative income sources related to PAs to improve sustainable livelihoods.

220. However, poor delineation of management responsibilities between the different government agencies, the private sector and the local communities, coordination deficiencies, weak capacities to develop key PA management functions (including PA planning, adaptive management, financial and business planning, M&E), lack of protocols and operational systems for collaborative management partnerships, and lack of guidance and sound information regarding sustainable uses of biodiversity, will lead to overlapping mandates and low cost efficiencies. The implementation of cost effective management structures will require expertise and financial resources to ground test policies and develop best practices, which would not be available in the baseline.

GEF alternative to generate global benefits

221. Against the background baseline scenario, the GEF alternative will constitute an essential complement to currently limited ongoing actions regarding the development of key capacities at the systemic, institutional and individual levels, while at the same time providing a number of targeted and concrete solutions through lessons learned and best practices to be derived from on site interventions.

222. The Government of Uruguay, GEF, UNDP, various local governments, bilateral donors, NGOs, private landowners and private enterprises will provide financing to cover the incremental costs of efforts to design a National Protected Area System that effectively conserves a representative sample of Uruguay’s biodiversity and initiate its implementation. This would be achieved through four complementary outcomes, each of which is only partially achieved under the baseline scenario (See Part II, Project Goal, Objectives,

Oucomes and Outputs). The benefits of this project will result in vastly improved management practices, increased potential for revenue generation and significant improvement and progress towards the achievement of biodiversity conservation outcomes - many of which have international significance. This section presents alternative costs and scenarios by outcome.

223. Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational. Total incremental funding for developing the framework of the NPAS and establishing operational, institutional and financing arrangements is US\$ 2,753,000. Resources requested to the GEF (US\$ 1,041,000) will help contract studies and consultancies through agreements, national and international consultants and to cover the costs of personnel, input and strategic investment for the gradual coming into force of the NPAS. This will also help in a very significant way with resources for the implementation of an information and knowledge management system for NPAS and the Project. The Uruguayan government, through MVOTMA, MGAP and MINTUR, in particular, will contribute in human resources, operation costs and new investment. Most of the effort is aimed at improving structures for NPAS planning and management, including a gradual incorporation of new employees, to replace human resources financed by other sources, towards the end of the Project. The IMTT, responsible for the management of Quebrada de los Cuervos PA, will also make its contributions to achieve this Outcome; this site will host a test on financial instruments based on admission fees and provision of tourism services. UDELAR will contribute key original knowledge through a research conducted in coordination with the Project. The French Cooperation will help in the design of the Strategic Plan, adding their experience in the Regional Natural Parks, as well as the one generated in other projects they supported in the region, relative to the valuation of products and services, as part of a strategy to generate and attract income for local development. The Spanish Cooperation will also contribute its own experience to the Strategic Plan and, in particular, in the articulation between NPAS and the general territorial planning, an issue around which very successful bilateral collaboration experience exists between both countries.

224. Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs. Total incremental funding for developing key stakeholders knowledge and skills is US\$ 934,000. The support requested from the GEF (US\$ 399,000) refers to agreements and contracts for international and national consultants to develop training activities; traveling expenses for Uruguayan staff to go on internships and other types of training abroad, with special preference within the region. The Uruguayan government, through MVOTMA, MGAP, MINTUR and ANEP will provide resources in terms of staff, operation costs and investment. Close coordination with UDELAR will provide long term sustainability for training capacities. The Spanish Cooperation will contribute resources for training activities, including funds for horizontal exchange between technical experts and field workers in the region. The French Cooperation provides funds for training activities, including resources for foreign consultants and coverage of costs for the participation of Uruguayan staff abroad.

225. Awareness on the values of PAs and their importance for sustainable development is increased and influences policies and practices. Total incremental funding for developing key stakeholders and general awareness is US\$ 1,482,000. The support requested from the GEF (US\$ 559,000) refers to agreements and contracts for international and national consultants, investment and organization of workshops to implement programs in education and communication, as well as to develop a visible institutional image for NPAS. To the extent that education, awareness raising and image development activities focus on the Santa Lucía Wetlands, a part of these resources will be directed to this area. The Uruguayan government, through MVOTMA, DINAMA and MINTUR will provide resources in terms of staff, operation costs and investment, especially in the area of communication and awareness-raising. The IMM will provide human resources and material in the framework of the implementation process of education and communication programs in the Santa Lucía Wetlands area. The Spanish Cooperation will also contribute resources for the necessary investment to develop such experience in the area, as well as for workshops and the production of publications and audio-visual material for the Project. The French Cooperation provides funds for national and international consultants, workshops, contracts and key investments in NPAS image developing.

226. Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance models. Total incremental funding for developing Pilot Demonstrations to prove private, public and mixed governance approaches for effective PA management is US\$ 2,114,000. Funds requested from the GEF (US\$ 501,000) are directed to support feasibility studies and implement pilot financial mechanisms, workshops, a pilot experience regarding control of invasive tree species (a common problem in several protected areas and native forest ecosystems), and strategic investments for the implementation of pilot experiences. The national government, through the MVOTMA, MGAP, and SEPAE will provide human resources and materials. In the framework of an agreement signed between OPP and MVOTMA, there is a possibility to increase considerably the contribution of the government, this is deemed an excellent opportunity to closely relate the PAs with local development. The local governments in areas where the pilot experiences will be conducted, will provide support mainly in kind (employees/hours). UDELAR will make a specific contribution in one of the experiences (Laguna de Rocha), where it will conduct research that will contribute knowledge on the economic valuation of environmental services. Rural producers in all areas where pilot demonstrations will be conducted will contribute time, areas within their properties to be incorporated into the Management Plans, and infrastructure. Other local social stakeholders will also make substantial time contributions to the activities of the Project (these aspects have not been quantified). In the case of one of the pilot demonstrations (Laguna de Rocha), rural producers contribute financial resources for the field staff and operation costs. In another area (Esteros de Farrapos e Islas del Río Uruguay) contributions come from an industrial plant. One NGO (CID/Karumbé) will contribute to activities in research, communications and participation support in the framework of the demonstration experience to be developed in Cerro Verde. The Spanish Cooperation will co-finance the preparation of a management plan and a business plan, which is crucial to identify possible resource generating sources, along with investments, training to enable key stakeholders to perform basic PA management functions and effectively run tourism ventures, education and awareness building activities, and some improvements in the tourism facilities of the site to allow testing of revenue mechanisms related to tourism (user fees, concessions, etc.). The French cooperation will give financial and technical assistance to support the establishment and initial operations of the management structure (including training of key stakeholders and hiring local development agents) in Quebradas del Norte and Laguna de Rocha. These contributions refer to agreements and contracts, workshops, investment and operation costs. Once the management structure is in place, the French Cooperation will support the search for decentralized cooperation (“park-to-park”) regarding specific issues and promote exchanges with similar experiences in the region and in France.

Summary of costs and benefits

227. The total cost of the alternative strategy (excluding PDF-B funds) is estimated in US\$ 23,600,000. This figure is the sum of the above-described baseline costs of US\$ 16,317,000, together with incremental costs of US\$ 7,283,000. These incremental costs in turn are broken down into US\$ 2,500,000 in GEF support, along with US\$ 4,783,000 in incremental co-financing. In relative terms, GEF support is financing an estimated 34.3 % of the incremental costs and 10.6% of the total costs of the alternative scenario. A summary of incremental cost is provided in table 8.

228. The GEF funding has been committed for activities generating clear global benefits over the long term, associated with increasing the effectiveness of biodiversity conservation through protected areas in Uruguay. The incremental benefits matrix provides a summary of the domestic and global benefits of the Project.

Incremental Benefits Matrix

Benefits	Baseline (B)	Increment / Alternative (A)
Domestic benefits	<p>Limited progress in inter-institutional coordination, in management decentralization and in the participation of local stakeholders in existing PAs, determines low cost-effectiveness in conservation management. For example, there is an ongoing situation in several PAs where “distance management” is practiced, without an active involvement of local stakeholders. This entails higher costs and low effectiveness in management.</p> <p>Restrictions in equipment, public domain programs and involvement of local stakeholders in existing PAs, lead to low capitalization of opportunities to create jobs or generate income derived from tourism and/or the increased value of products and services within the PAs and/or their surroundings.</p> <p>The conservation of biodiversity and PAs is to a large extent unrelated to the development of the country. This implies that opportunities for jobs and income for populations linked to PAs and to the economy in general, are neither generated nor exploited. In addition, there are environmental dangers and high mitigation costs resulting from the lack of harmonization between the productive use and conservation of the land.</p>	<p>A broad social agreement around the Strategic Plan allows for the gradual implementation of a NPAS –non-existing today—and becomes the basis for coordination and effective participation of public, private and social, national and local stakeholders, leading to a higher cost-effectiveness in conservation management.</p> <p>The gradual implementation of a multi-stakeholder NPAS, the support in terms of design and implementation of public use programs, including adequate infrastructure and equipment, as well as the search for ways to add value to products and services, encourages the involvement of private stakeholders and local communities, generating and attracting income that contributes to local development.</p> <p>Progress is made in improving the link between conservation and development, thus contributing to sustainable development in ecological, economic and social terms, in compliance with the Project Goal. The close coordination between this Project and PPR enhances these results as it favours the articulation between conservation in productive systems and landscapes (PPR) and conservation in PAs (NPAS). Accordingly, progress is made pursuant to the aims of the PAs Working Program agreed by the CBD CoP7.</p>
Global benefits	<p>The slow progress in the formulation of a Strategic Plan to orient the implementation of a currently non-existing NPAS, leads to an inappropriate coverage of ecosystems and other biodiversity elements of global importance, and to low management effectiveness of individual PAs.</p> <p>The weakness of DINAMA compromises its own capacity to control and regulate the NPAS and limits the effective application of biodiversity management plans that contribute to the conservation of biodiversity in the PAs that are incorporated into the System.</p> <p>The inadequate financing structure, the weakness of key national and local public institutions and the low degree of private stakeholders</p>	<p>The Strategic Plan sets forth the framework and allows for gradual advancement towards the implementation of a NPAS with an adequate coverage of ecosystems and other biodiversity elements of global importance, and higher management effectiveness at the level of its integrated PAs. This will also contribute to the work programme on protected areas adopted in CBD-CoP7.</p> <p>Strengthening DINAMA and the level of coordination with other national and local public institutions, will help improve its capacity to control the effective application of officially approved management plans, improving the conservation of biodiversity elements of global importance.</p> <p>The diversification of funding, the improved efficiency of management processes through institutional capacity building, individual training and</p>

Incremental Benefits Matrix

Benefits	Baseline (B)	Increment / Alternative (A)
	<p>and local communities, undermine the economic, financial and social sustainability of the NPAS, and constrain its contribution to the conservation of biodiversity. This affects biodiversity values of global importance, namely the loss of ecosystems that are significant to migratory species (birds, fish, turtles, cetaceans), endangered species (27 animal species in Annex I of CITES; 101 animals in Annex II; 100 plants in Annex II), etc.</p> <p>Staff numbers and technical skills and capacities for PA management have slow progress and impose serious limitations to an effective PAs management and biodiversity conservation.</p> <p>The lack of key knowledge in PA management and, fundamentally, the difficulties to access the relevant bulk of existing information and knowledge, results in PAs management decisions faced with knowledge barriers that challenge their effectiveness.</p> <p>The low awareness on the part of key social stakeholders as to the importance of biodiversity conservation and the role of PAs, leads to continuity and/or worsening of pressures and threats on existing PAs, as well as difficulties to create new PAs that include ecosystems and other biodiversity values that are under-represented today.</p>	<p>coordination and decentralization of functions, together with the growing involvement of private stakeholders and local communities in PA management, favor the economic, financial and social sustainability of NPAS. Lessons learned in demonstration experiences that test governance models in different management contexts and categories, and during an experience on funding mechanisms, represent core contributions in this respect. In this way, Uruguay's long-term contribution to the conservation of biodiversity values of global importance, is secured.</p> <p>Staff numbers and capacities improvement leads to a more effective and sustainable PAs management and consequent contribution to biodiversity conservation.</p> <p>PAs management based on knowledge generated and/or publicly available through a consistent and updated system, helps improve management effectiveness and its contribution to the conservation of biodiversity.</p> <p>The development and dissemination of a visible NPAS image together with the design and execution of educational, communication and awareness raising activities on conservation of biodiversity and PAs, will foster a gradual change in the behavior of key social stakeholders. This will reduce threats on existing PAs and generate an atmosphere favorable to the creation of new PAs that improve coverage of ecosystems and biodiversity values of global importance. Concentrating education and communication activities next to the most populated areas of the country, will generate replicable lessons both for the System and beyond national boundaries. At the same time, this will grant high visibility to the NPAS under construction.</p> <p>The formulation and initial implementation process of a NPAS--defined according to the 21st century paradigm and based on modern approaches to conservation planning--in a country where the system is lacking today, provides replicable lessons for the international community.</p>

Table 8. Incremental Cost Matrix

Costs	Baseline (B)	Alternative (A)	Increment (A-B)
Outcome 1: Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational.	Baseline:	7,466,000	7,466,000
	MVOTMA	1,029,000	1,712,000
	MGAP	260,000	30,000
	MGAP-PPR/GEF-BM	2,000,000	MVOTMA
	MDN-SEPAAE	2,485,000	MGAP
Outcome 2: Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs.	MINTUR	88,000	MINTUR
	UDELAR	92,000	UDELAR
	IMM	1,236,000	IMTT
	IMTT	63,000	Spanish Cooperation
	PROBIDES	213,000	French Cooperation
	Baseline:	476,000	476,000
	MVOTMA	75,000	535,000
	MGAP	25,000	20,000
	MINTUR	6,000	MVOTMA
	ANEP	100,000	MGAP
UDELAR	150,000	MINTUR	
PROBIDES	50,000	ANEP	
ECOPLATA	70,000	Spanish Cooperation	
Outcome 3: Awareness on the values of PAs and their importance for sustainable development is increased and influences policies and practices.	Baseline:	2,819,000	2,819,000
	MVOTMA	300,000	923,000
	MGAP	25,000	MVOTMA
	MINTUR	82,000	MGAP
	ANEP	1,500,000	MINTUR
	IMM	657,000	IMM
	INIA	15,000	Spanish Cooperation
	PROBIDES	162,000	French Cooperation
	ECOPLATA	78,000	150,000
	Baseline:	476,000	535,000
Total co-financing:	20,000	20,000	
Total:	399,000	399,000	
Total Alternative:	1,410,000	1,410,000	
GEF:	1,041,000	1,041,000	
Total Alternative:	10,219,000	10,219,000	
GEF:	399,000	399,000	
Total co-financing:	20,000	20,000	
Total:	535,000	535,000	
Total Alternative:	934,000	934,000	
GEF:	559,000	559,000	
Total co-financing:	23,000	23,000	
Total:	1,482,000	1,482,000	
Total Alternative:	4,301,000	4,301,000	

Costs	Baseline (B)	Alternative (A)	Increment (A-B)
Outcome 4: Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures.	Baseline:	5,556,000	5,556,000
	OPP	3,211,000	1,613,000
	MVOTMA	72,000	300,000
	MGAP	65,000	65,000
	MGAP-PPR/GEF-BM	2,000,000	40,000
	UDELAR	45,000	50,000
	NGOs	149,000	14,000
	Farmers	14,000	144,000
			French Cooperation
			1,000,000
			c) GEF: 501,000
			d) Total Alternative: 7,670,000
Total costs	Total Baseline:	16,317,000	Total co-financing: 4,783,000
	OPP	3,211,000	GEF: 2,500,000
	MVOTMA	1,476,000	Total Increment: 7,283,000
	MGAP	375,000	50,000
	MGAP-PPR/GEF-BM	4,000,000	1,915,000
	MDN-SEPAAE	2,485,000	175,000
	MINTUR	176,000	35,000
	ANEP	1,600,000	100,000
	UDELAR	287,000	82,000
	IMM	1,893,000	100,000
	IMTT	63,000	63,000
	INIA	15,000	50,000
	PROBIDES	425,000	14,000
	ECOPLATA	148,000	399,000
	NGOs	149,000	1,800,000
	Farmers	14,000	c) GEF: 2,500,000
			d) Total Alternative: 23,600,000
			GEF PDF B: 343,000
			Co-financing PDF B: 120,000
			TOTAL PDF B: 463,000
			GRAND TOTAL: 24,063,000

PART II PROJECT LOGICAL FRAMEWORK

Project Strategy	Indicator	Base Line	Target <i>Unless otherwise stated these are targets for Project completion</i>	Means of Verification	Assumption																		
<p>Goal: The biodiversity and natural heritage of Uruguay is conserved and supports national development goals</p>																							
<p>Purpose (Objective): A National Protected Area System that effectively conserves a representative sample of Uruguay's biodiversity is designed and implemented under initial implementation.</p>	<p>I. Area of principal representative, exemplary ecosystems⁵⁸ in protected areas that is legally incorporated in the NPAS</p>	<ul style="list-style-type: none"> Several terrestrial and aquatic ecosystems in the country are currently sub represented in existing PAs. These include : <ul style="list-style-type: none"> Coastal PAs do not include marine areas Under representation of grasslands. The palm <i>Butia capitata</i> has been declared Natural Monument but no palm forest areas are legally protected. The exact coverage of these and other ecosystems will be determined in the FSP⁵⁹ 	<ul style="list-style-type: none"> At least the following hectares per ecosystems will be (a) legally incorporated in the NPAS at the end of the Project; and (b) included in the 10-year plan and with specific strategies for implementation: <table border="1" data-bbox="641 693 917 1060"> <thead> <tr> <th>Hectares per ecosystem</th> <th>EoP</th> <th>10-year plan</th> </tr> </thead> <tbody> <tr> <td>Marine and coastal</td> <td>30,000</td> <td>500,000</td> </tr> <tr> <td>Ravine forest</td> <td>23,000</td> <td>45,000</td> </tr> <tr> <td>Fresh water wetlands</td> <td>11,500</td> <td>35,000</td> </tr> <tr> <td>Saline and brackish wetlands</td> <td>10,000</td> <td>21,000</td> </tr> <tr> <td>Grasslands</td> <td>18,000</td> <td>40,000</td> </tr> </tbody> </table> Target percentages for each ecosystem will be determined in the FSP as part of the 10-year NPAS plan. 	Hectares per ecosystem	EoP	10-year plan	Marine and coastal	30,000	500,000	Ravine forest	23,000	45,000	Fresh water wetlands	11,500	35,000	Saline and brackish wetlands	10,000	21,000	Grasslands	18,000	40,000	<ul style="list-style-type: none"> Project reports and PA incorporation documents 10- year NPAS Strategic plan GAP analysis reports 	<ul style="list-style-type: none"> Key baseline biodiversity conservation programmes and actions are successfully implemented. Government commitments in relation to land use planning and sustainable use of natural resources are maintained. No serious events occur to modify current
Hectares per ecosystem	EoP	10-year plan																					
Marine and coastal	30,000	500,000																					
Ravine forest	23,000	45,000																					
Fresh water wetlands	11,500	35,000																					
Saline and brackish wetlands	10,000	21,000																					
Grasslands	18,000	40,000																					

⁵⁸ The exact determination of which ecosystems should be considered as key for inclusion in the NPAS and the target percentages for each to ensure representativity will be defined as part of the FSP through completion of the gaps study (Output 1.1). For this the following definition is used for *Exemplary ecosystems*: Ecosystems that maintain a full complement of native biodiversity, a full range of natural processes and landscape patterns, and a distribution of species that is consistent with historical ranges of variability (i.e., the range of occurrence of different ecosystems prior to wide scale, intensive human disturbance).

⁵⁹ The area of each ecosystem in existing PAs is not known, in part due to the fact that some PAs are designated a management category that theoretically confers conservation to ecosystems but that in reality are operated under different objectives. In part this is due incomplete information on the condition of the ecosystems in PAs and widely differing approaches to recording this thus hampering aggregated results.

Project Strategy	Indicator	Base Line	Target <i>Unless otherwise stated these are targets for Project completion</i>	Means of Verification	Assumption
Purpose (Cont.)	2. Level of management effectiveness in PAs incorporated into the NPAS	<ul style="list-style-type: none"> METT applied during PBF B for a sample set of 16 PAs: Poor: 37% of evaluated PAs Fair: 56% Good: 6% Excellent: 0% <p>The ranges for each level have been established as follows and using the WB/WWF METT during the PDFB with slight adaptations to questions to better fit the Uruguay context (please see Part X)</p> <p>< 36%: Poor (0–38 points) 37–57%: Fair (39–60 pts) 58–78%: Good (61–82 pts) 79–100%: Excellent (83–105 pts)</p>	<ul style="list-style-type: none"> 50% of all PA incorporated into the NPAS have METT scores within the range of good. And 50 % of the sample set not included in the NPAS shows some increase in the METT scores 	<ul style="list-style-type: none"> METT reports on PAs at beginning of Project, at mid term, and at Project completion 	<ul style="list-style-type: none"> Estimates of moderate economic growth and social stability. The current tourism strategy of promoting “Uruguay Natural” is maintained and is successful.
3. Diversity of PAs governance models for the NPAS.		<ul style="list-style-type: none"> Only one PA has some degree of co-management governance (Potrerillo de Santa Teresa). The rest are managed by governmental agencies (DINAMA, DGRNR, municipalities) –PART I 	<ul style="list-style-type: none"> At least one PA incorporated in the NPAS with the following governance models : <ul style="list-style-type: none"> - Public - Private - Public-private - Public-NGO In the 10 year NPAS plan each model is proposed for replication in at least one specific site. 	<ul style="list-style-type: none"> Project reports and formal agreements between MVOTMA and relevant stakeholders (landowners, NGOs communities, etc.) 	
4. Funding gap in PAs for achieving operational standards		<ul style="list-style-type: none"> The funding gap for the current annual operation costs of the PAs and the central regulatory institution is approximately 50%, based on PDF B studies that determined actual available resources and made an initial projection of operational standards and respective costs. 	<ul style="list-style-type: none"> At least 80% of PAs in the NPAS have a funding gap of less than 15% for new operational standards. And 40 % of the sample set of PA not included in the NPAS shows some decrease in funding gap. 	<ul style="list-style-type: none"> Financial reports from MVOTMA - DINAMA on SNAP and constituent PAs. National Budget and audits. 	

Project Strategy	Indicator	Base Line	Target <i>Unless otherwise stated these are targets for Project completion</i>	Means of Verification	Assumption
<p>OUTCOME 1: Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational.</p>	<p>1. Adequacy of staffing profiles, and institutional processes in the lead NPAS institution (DINAMA)</p>	<ul style="list-style-type: none"> Currently DINAMA staffing table does not include key professions, and the processes for leading and overseeing the NPAS are not clear or do not yet exist. 	<ul style="list-style-type: none"> DINAMA has at least the minimum requirements for fulfilling the defined role in the NPAS. The target staffing and process values will be determined on completion of the NPAS Plan that defines roles of all constituent stakeholders 	<ul style="list-style-type: none"> Reports on DINAMA's reorganisation 	<ul style="list-style-type: none"> Official approval of legal and regulatory framework occurs within current predicted timeframe. The GoU maintains its commitment to provide the resources determined in short NPAS.
	<p>2. Level of consensus on the SNAP design and implementation strategy</p>	<ul style="list-style-type: none"> There is no consensus on the composition and implementation strategies for the NPAS 	<ul style="list-style-type: none"> By the end of year 2 the design and overall parameters for the NPAS in the short term (5 year) is finalised and in process of approval, and by end of the Project the 10-year plan for the NPAS is approved along with a strategy for its implementation. 	<ul style="list-style-type: none"> 5-year and 10-year NPAS strategic plans and the acts of National PA commission meetings 	<ul style="list-style-type: none"> Implementing agencies maintain a co-operative, collaborative working relationship. The institutional reorganization of DINAMA is undertaken in accordance with the NPAS and GoU commitments.
	<p>3. Level of coordination between key NPAS stakeholders.</p>	<ul style="list-style-type: none"> The PA National Advisory Commission (NAC) is created by Law but is yet to operate in a regular manner. 	<ul style="list-style-type: none"> From year one onwards the NAC meets regularly and takes decisions related to the NPAS. 	<ul style="list-style-type: none"> Acts from NAC meetings. 	<ul style="list-style-type: none"> Legal, policy and institutional changes will move forward together and relative weighting of each for scoring purposes can be fixed.
	<p>4. Improvements to the NPAS financing system</p>	<ul style="list-style-type: none"> To be determined using a baseline survey against financial sustainability scorecard during inception phase⁶⁰. 	<ul style="list-style-type: none"> Increase of 50% at end of project for each scorecard item. 	<ul style="list-style-type: none"> Independent review and assessment of laws, policies and regulatory framework governing accounting. 	<ul style="list-style-type: none"> Potential resistance and/or obstacles to adopting new financial practices can be overcome.

⁶⁰ Reference: Project “Financial sustainability of National Systems of Protected Areas”, Governments of Bulgaria, Ecuador, Gabon, Panama, Thailand, Vietnam – UNDP – GEF, December 2005.

Project Strategy	Indicator	Base Line	Target <i>Unless otherwise stated these are targets for Project completion</i>	Means of Verification	Assumption																																								
<p>Outcome 2: Public and private stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs.</p>	<p>1. Percentage of staffing with insufficient competence and skills required for an effective PA management.</p>	<table border="1"> <thead> <tr> <th colspan="2">Base Line</th> </tr> <tr> <th colspan="2">% of staffing with insufficient competence and skills⁶¹</th> </tr> </thead> <tbody> <tr> <td colspan="2">Managerial/Higher Technical</td> </tr> <tr> <td>Finance managing Natural resources monitoring & conservation</td> <td>62% 46%</td> </tr> <tr> <td colspan="2">Technical/Supervisory</td> </tr> <tr> <td>Finance managing Tourism & recreation</td> <td>92% 92%</td> </tr> <tr> <td colspan="2">Park Rangers (skilled workers)</td> </tr> <tr> <td>Tourism & recreation Natural resources monitoring & conservation</td> <td>70% 60%</td> </tr> <tr> <td colspan="2">Field workers</td> </tr> <tr> <td>Natural resources monitoring & conservation Enforcement & control</td> <td>100% 80%</td> </tr> </tbody> </table>	Base Line		% of staffing with insufficient competence and skills ⁶¹		Managerial/Higher Technical		Finance managing Natural resources monitoring & conservation	62% 46%	Technical/Supervisory		Finance managing Tourism & recreation	92% 92%	Park Rangers (skilled workers)		Tourism & recreation Natural resources monitoring & conservation	70% 60%	Field workers		Natural resources monitoring & conservation Enforcement & control	100% 80%	<table border="1"> <thead> <tr> <th colspan="2">Target</th> </tr> <tr> <th colspan="2">% of staffing with insufficient competence and skills</th> </tr> </thead> <tbody> <tr> <td colspan="2">Managerial/Higher Technical</td> </tr> <tr> <td>Finance managing Natural resources monitoring & conservation</td> <td>20% 10%</td> </tr> <tr> <td colspan="2">Technical/Supervisory</td> </tr> <tr> <td>Finance managing Tourism & recreation</td> <td>25% 40%</td> </tr> <tr> <td colspan="2">Park Rangers (skilled workers)</td> </tr> <tr> <td>Tourism & recreation Natural resources monitoring & conservation</td> <td>30% 0%</td> </tr> <tr> <td colspan="2">Field workers</td> </tr> <tr> <td>Natural resources monitoring & conservation Enforcement & control</td> <td>40% 40%</td> </tr> </tbody> </table>	Target		% of staffing with insufficient competence and skills		Managerial/Higher Technical		Finance managing Natural resources monitoring & conservation	20% 10%	Technical/Supervisory		Finance managing Tourism & recreation	25% 40%	Park Rangers (skilled workers)		Tourism & recreation Natural resources monitoring & conservation	30% 0%	Field workers		Natural resources monitoring & conservation Enforcement & control	40% 40%	<ul style="list-style-type: none"> Annual reports of key agencies. Staff performance evaluations of key agencies. Training reports of key agencies. Organigrams and staffing levels of key agencies. 	<ul style="list-style-type: none"> It will be politically possible to achieve the necessary policy reforms and institutional arrangements Implementing agencies are able to pay competitive salaries Implementing agencies maintain a co-operative, collaborative working relationship
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<p>2. Integration of budget and business planning into management plans.</p> <p>3. Number of tertiary level curricula that include specific modules on PAs.</p>	<ul style="list-style-type: none"> No PA develops business planning with a linked budget. 1 	<ul style="list-style-type: none"> All pilot PAs and 2 additional PAs develop and implement business plan that are directly linked to the budget and the management plan goal and objectives. 4 	<ul style="list-style-type: none"> Management, plans, budgets, business plans, business plan implementation monitoring reports, PA agency procedures manuals, policies and accounting systems. Programs of tertiary courses 	<ul style="list-style-type: none"> Potential resistance and/or obstacles to adopting new financial practices can be overcome. 																																									

⁶¹ Based on a preliminary assessment of the PDF B, to be revised at the beginning of the FSP. For each staff level, the two key capacities that showed higher deficiencies were chosen to build the indicator (i.e., the capacities that showed higher percentage of staff with a score of 3 or less in a scale of 1 to 5)

Project Strategy	Indicator	Base Line	Target <i>Unless otherwise stated these are targets for Project completion</i>	Means of Verification	Assumption																
<p>Outcome 3: Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices.</p>	<p>1. Importance assigned by the general public to issues related to the environment, biodiversity and PAs⁶²</p> <p>2. Percentage of the population that knows what a PA is.</p>	<table border="1" data-bbox="293 1098 594 1413"> <thead> <tr> <th rowspan="2">Issues considered important for conserving biodiversity</th> <th colspan="2">% of responses</th> </tr> <tr> <th>1st Mention</th> <th>1st & 2nd Mention</th> </tr> </thead> <tbody> <tr> <td>Avoiding extinction of wild animal species</td> <td>1</td> <td>4</td> </tr> <tr> <td>Avoiding felling of native forests</td> <td>3</td> <td>6</td> </tr> <tr> <td>Conserving natural landscapes</td> <td>1</td> <td>6</td> </tr> </tbody> </table> <p>• 48% know what a PA is, but less than 20% have an appropriate understanding of the concept of a PA.</p>	Issues considered important for conserving biodiversity	% of responses		1st Mention	1st & 2nd Mention	Avoiding extinction of wild animal species	1	4	Avoiding felling of native forests	3	6	Conserving natural landscapes	1	6	<p>• Issues indicated as relevant in the survey have a tendency to increase over the lifetime of the project. Sample issues are shown in the table under baseline. Other issues will be included in this indicator at Inception workshop.</p> <p>• 70% know what a PA is and more than 40% have an appropriate understanding of the concept of a PA.</p>	<p>• Surveys at mid term and end of project.</p> <p>• Public opinion surveys in broader community at mid and end of project and annually in demonstration sites</p>	<p>• Key stakeholders continue to have at least the present levels of interest in acquiring and using the new knowledge and skills provided through the project</p> <p>• The Government maintains its commitment to current policies for participation of private and community stakeholders in PA management.</p>		
Issues considered important for conserving biodiversity	% of responses																				
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Avoiding extinction of wild animal species	1	4																			
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	<p>3. Involvement of the general public in activities linked to conservation and PAs.</p>	<table border="1" data-bbox="797 1098 1019 1413"> <thead> <tr> <th>Activities</th> <th>% of people</th> </tr> </thead> <tbody> <tr> <td>Visit PAs</td> <td>20</td> </tr> <tr> <td>Request information on conservation of natural resources</td> <td>15</td> </tr> <tr> <td>Donate money to conservation of the environment</td> <td>7</td> </tr> </tbody> </table>	Activities	% of people	Visit PAs	20	Request information on conservation of natural resources	15	Donate money to conservation of the environment	7	<p>• % of people involved in conservation and PAs shows an increasing tendency during the lifetime of the project.</p>	<p>• Public opinion surveys in broader community at mid and end of project and annually in demonstration sites.</p>	<p>• The current trends of increasing awareness on broader environment issues continues</p> <p>• Increased awareness implies support for necessary systemic and institutional capacity improvements</p>								
Activities	% of people																				
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	<p>4. Percentage of schools that participate in educational programs on PAs and biodiversity conservation.</p>	<table border="1" data-bbox="1044 1098 1198 1413"> <thead> <tr> <th colspan="2">% of schools that participate in educational programmes 2006</th> </tr> </thead> <tbody> <tr> <td>HSL's influence area</td> <td>13%</td> </tr> <tr> <td>Metropolitan area</td> <td>22%</td> </tr> <tr> <td>Other PA's influence area⁶³</td> <td>22%</td> </tr> </tbody> </table>	% of schools that participate in educational programmes 2006		HSL's influence area	13%	Metropolitan area	22%	Other PA's influence area ⁶³	22%	<table border="1" data-bbox="1044 720 1222 1056"> <thead> <tr> <th colspan="2">% of schools that participate in educational programmes in year 2011</th> </tr> </thead> <tbody> <tr> <td>HSL's influence area</td> <td>100%</td> </tr> <tr> <td>Metropolitan area</td> <td>50%</td> </tr> <tr> <td>Other PA's influence area⁶⁴</td> <td>50%</td> </tr> </tbody> </table>	% of schools that participate in educational programmes in year 2011		HSL's influence area	100%	Metropolitan area	50%	Other PA's influence area ⁶⁴	50%	<p>• School reports.</p> <p>• Register of schools that participate in activities in Sta. Lucia Wetlands & other areas.</p>	
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⁶² The baseline values were obtained during a survey undertaken in the PDF B by Mori in July 2005, in Montevideo and other towns with more than 10,000 inhabitants.

⁶³ This indicator was built based on information of schools in the region of influence of Esteros de Farrapos e Islas del río Uruguay, Bañadode del Este Biosphere Reserve, and Quebradas del Norte.

⁶⁴ Idem. 5

Project Strategy	Indicator	Base Line	Target <i>Unless otherwise stated these are targets for Project completion</i>	Means of Verification	Assumption
<p>Outcome 4: Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures.</p>	<p>1. Level of management effectiveness of PAs where demonstration pilots are implemented.</p>	<ul style="list-style-type: none"> Score from adapted METT <ul style="list-style-type: none"> - Lunarejo: 29% (poor) - Farrapos: 35% (poor) - Laguna de Rocha: 43% (fair) - Cerro Verde: 27% (poor) 	<ul style="list-style-type: none"> At least the following scores using the adapted METT <ul style="list-style-type: none"> - Lunarejo: 37% (average) - Farrapos: 58% (good) - Laguna de Rocha: 58% (good) - Cerro Verde: 58% (good) 	<ul style="list-style-type: none"> METT score at mid term and end 	<ul style="list-style-type: none"> The levels of threats on PA selected for demonstration remain the same or decrease. Key stakeholders continue to have the same or higher levels of interest in participating in PA management. Timely official approval of management plans
	<p>2. Number of hectares under management and annual operational plans that have been officially approved and that delimit sustainable use and conservation use in private lands.⁶⁵</p>	<ul style="list-style-type: none"> There are currently no PAs with management plans that delimit sustainable use and conservation use in private lands thus baseline value is 0 hectares. 	<ul style="list-style-type: none"> At least 20.000 hectares of private lands in PAs are under management plans that delimit sustainable use and conservation use. 	<ul style="list-style-type: none"> Management and operational plans and the documents that officially recognise these. 	
	<p>3. Number of farmers employing sustainable uses in PAs (category V & VI) in accordance with management plans</p>	<ul style="list-style-type: none"> 0. 	<ul style="list-style-type: none"> At least 100. 	<ul style="list-style-type: none"> Project reports and PA management plans. 	
	<p>4. Number of non-pilot PA which are replicating the models developed and tested in demonstration sites.</p>	<ul style="list-style-type: none"> 0. 	<ul style="list-style-type: none"> At least 4. 	<ul style="list-style-type: none"> Project visits to and records of enquiries from PAs to demonstration PAs. 	

⁶⁵ In general terms in the baseline only one PA has a management plan under implementation; 56% of the PAs are developing a plan but these have not been implemented; 25% of the PA do not have a management plan. None of the Management Plan have been officially approved. Only one PA has an annual operational plan and undertakes most of the planned activities. By the end of the Project all PAs incorporated officially in the NPAS at Project closure are expected to have officially approved management and annual operation plans that are under implementation.

Goal: The biodiversity and natural heritage of Uruguay is conserved and supports national development goals

Purpose: A National Protected Area System that effectively conserves a representative sample of Uruguay's biodiversity is designed and under initial implementation.

<p>Outcome 1: Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational.</p>	<p>Outcome 2: Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs.</p>	<p>Outcome 3: Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices.</p>	<p>Outcome 4: Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures.</p>
<p>Output 1.1: A validated and officially approved Strategic Plan of the NPAS</p>	<p>Output 2.1: Training programme for practitioners at all levels on technical and practical skills for PA management</p>	<p>Output 3.1: Education programme for primary and junior high schools</p>	<p>Output 4.1: Management of PA on publicly owned land by national government with the participation of and benefit sharing with local communities (Esteros de Farrapos e Islas del Río Uruguay).</p>
<p>Output 1.2: A system-wide Financial Strategy and Business Plan adopted by the GoU.</p>	<p>Output 2.2 Training programme for PA practitioners to set up and operate financial planning and other business systems</p>	<p>Output 3.2: Awareness building programme for policy makers</p>	<p>Output 4.2: Management of a PA for protection of a coastal-marine habitat on publicly owned land by national government institutions and NGOs (Cerro Verde & Islas de La Coronilla)</p>
<p>Output 1.3: Tourism related revenue generation and distribution instruments tested</p>	<p>Output 2.3: Tertiary education strategy and curricula aligned with NPAS staff and competence targets</p>	<p>Output 3.3: Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism, and businesses)</p>	<p>Output 4.3: Management of a multi use PA on private and public lands by medium private landowners, local communities and national and municipal governments (Laguna de Rocha)</p>
<p>Output 1.4: Institutional arrangements, structures, responsibilities, and occupational standards defined for managing the NPAS</p>		<p>Output 3.4: Institutional image of the NPAS and general public communication strategy developed</p>	<p>Output 4.4: Management and benefit sharing of a multi-use PA on private land by small scale private landowners (Quebradas del Norte)</p>
<p>Output 1.5: Knowledge management, evaluation and adaptation systems developed for the NPAS and Project.</p>			

SECTION III: TOTAL BUDGET AND WORKPLAN

Table 9. Total Workplan and Budget

TOTAL WORKPLAN AND BUDGET								
Project Title: Catalyzing the implementation of Uruguay's National Protected Area System								
GEF Project Outcomes /Atlas Activity	Responsible Party	Source of Funds	Year 1 US \$	Year 2 US \$	Year 3 US \$	Year 4 US \$	Year 5 US \$	Total Amount
Outcome 1: Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational	DINAMA, MVOTMA	GEF	209,000	208,000	208,000	208,000	208,000	1,041,000
		UNDP	6,000	6,000	6,000	6,000	6,000	30,000
TOTAL OUTCOME 1 COST			215,000	214,000	214,000	214,000	214,000	1,071,000
Outcome 2: Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs.	DINAMA, MVOTMA	GEF	80,000	80,000	80,000	80,000	79,000	399,000
		UNDP	4,000	4,000	4,000	4,000	4,000	20,000
TOTAL OUTCOME 2 COST			84,000	84,000	84,000	84,000	83,000	419,000
Outcome 3: Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices.	DINAMA, MVOTMA	GEF	111,000	112,000	112,000	112,000	112,000	559,000
		UNDP	----	----	----	----	----	----
TOTAL OUTCOME 3 COST			111,000	112,000	112,000	112,000	112,000	559,000
Outcome 4: Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures.	DINAMA, MVOTMA	GEF	100,000	100,000	100,000	100,000	101,000	501,000
		UNDP	----	----	----	----	----	----
TOTAL OUTCOME 4 COST			100,000	100,000	100,000	100,000	101,000	501,000
TOTAL by Source of Fund/Donor (without PDF-B)		GEF	500,000	500,000	500,000	500,000	500,000	2,500,000
		UNDP	10,000	10,000	10,000	10,000	10,000	50,000
		MVOTMA	300,000	300,000	300,000	415,000	600,000	1,915,000
		MGAP	15,000	15,000	20,000	50,000	75,000	175,000
		MINTUR	4,000	5,000	6,000	10,000	10,000	35,000
		ANEP	----	50,000	50,000	----	----	100,000
		UDELAR	28,000	27,000	27,000	----	----	82,000
		IMM	20,000	20,000	20,000	20,000	20,000	100,000
		IMTT	12,000	12,000	13,000	13,000	13,000	63,000
		NGOs	10,000	10,000	10,000	10,000	10,000	50,000
		Farmers	2,000	3,000	3,000	3,000	3,000	14,000
		Spanish Cooperation	179,000	110,000	110,000	----	----	399,000
		French Cooperation	----	600,000	600,000	600,000	----	1,800,000
Total Co-Fin. (without PDF-B)								4,783,000
GRAND TOTAL								7,283,000

SECTION IV: ADDITIONAL INFORMATION

PART I: Other agreements

The endorsement, co-financing and support letters are included in an attached file.

Table 10. Endorsement letters

Institution	Sender	Post
DINAMA	Alicia Torres	National Environmental Director
MVOTMA	Roberto Elissalde	Operational GEF Focal Point
DINAMA	Luis Santos	Former Operational GEF Focal Point

Table 11. Co-financing letters

Institution	Sender	Post	Co-financing		Components supported or co-financed
			Cash	Total	
OPP	Cr. Carlos Viera	Planning and Budget Office Director			General
MVOTMA	Arq. Mariano Arana	Minister of Housing, Territorial Planning and Environment	1,371,000	544,000	General
MGAP	Mr. José Mujica	Minister of Livestock, Agricultural and Fisheries	52,000	123,000	General
MINTUR	Héctor Lescano	Minister of Tourism		35,000	Output 1.2 y Outcome 2
ANEP	Dr. Luis Yarzabal	President and director of the National Public Education Administration		100,000	Education, communication and awareness
PDT- Protected Areas (UDELAR)	Dr. Alejandro Brazeiro	Coordinator of the Project		42,000	Strategic plan
PDT-Laguna de Rocha (UDELAR)	Dr. Humberto Tommasino	Coordinator of the Project		39,959	Management of PA Laguna de Rocha; Financial Instruments and strategies
IMM	Dr. Ricardo Ehrlich	Mayor of the Municipality of Montevideo		100,000	Education, communication and awareness; PA Humedales del Santa Lucía

Institution	Sender	Post	Co-financing			Components supported or co-financed
			Cash	In kind	Total	
IMTT	Dr. Gerardo Amaral	Mayor of the Municipality of Treinta y Tres		63,000	63,000	Management of PA Quebrada de los Cuervos
NGO CID/Karumbé Laguna Rocha producers	Alejandro Fallabrino	Coordinator		50,000	50,000	Management
Spanish cooperation	Miguel Iuvdikov	Administrator	14,000		14,000	Management of PA Laguna de Rocha
French cooperation	José Dallo Moros	General Coordinator of Spanish International Cooperation Agency	399,000		399,000	Management of PA Esteros de Farrapos e Islas del Río Uruguay and Humedales del Río Santa Lucía
	S.E.D. Laurent Joseph Rapin	Ambassador	1,800,000		1,800,000	Management of PA Quebradas del Norte and Bañados del Este (Laguna de Rocha)

Table 12. Support letters

Institution	Sender	Post	Components supported or co-financed
IMC	Dr. Marcos Carámbula	Mayor of the Municipality of Canelones	Education, communication and awareness. PA Humedales del Santa Lucía.
IMRocha	Artigas Barrios	Mayor of the Municipality of Rocha	Management of PA Laguna de Rocha and Cerro Verde
Metropolitan Agenda Program	Gonzalo Carámbula	Coordinator	Education, communication and awareness.
PRODENOR	Luis Silvera	Director	Management of PA Quebradas del Norte
ECOPLATA	Lic. Mónica Gómez Erache	Regional Director IDRC	General Management in coastal areas
INIA	Pablo Chilibroste	President	Investigation; Strategic Plan; Management of PA Santa Lucía
NGO CIEDUR	Sr. Jaime Behar	President	General
NGO Vida Silvestre	Oscar Blumetto	President	General
NGO Grupo Palmar	Jorge Pedraja	President	General Management of PA Potrerillo
NGO Eco-Chuy	Carlos Aristimuño	President	General
Red Uruguaya de	Rafael Tejera	NAC Delegate	General

ONGs Ambientalistas				
CNFR	Fernando López Mario Costa	President Secretary	General	
ANPL	Wilson Cabrera Walter Lema Alvaro Ambrois	President Secretary Secretary	General	
CAF	Juan Pedro Hounie	President	General	
San Javier community	Nelly Chulak Ana C. Castarnov Walter Martinelli	Fundación Dr. V. Roslik Comité Ramsar Secretario Junta Local de San Javier	Management of PA Esteros de Farrapos e Islas del Río Uruguay	
Cisplatina Viajes y Turismo	Mónica Rossi	Director	General PAs found Ecotourism	
Policymakers words	Eduardo Jaime	Local Council of Montevideo	General	

PART II: Terms of References for the key project staff and main sub-contracts

This part will be added only after the GEF has approved the project, and before requesting CEO endorsement.

PART III: Stakeholder Involvement Plan

I. PDF-B: Information dissemination, consultation, and similar activities that occurred during project preparation

1. During project preparation, a stakeholder analysis was undertaken in order to identify key stakeholders with respect to protected area management and biodiversity conservation, and to assess their mandates, roles, importance and influence on the project. The analysis identified three main groups of stakeholders, which are described in detail in Table 10 in terms of their roles and mandates, interest in the project, potential impact on the project and mitigation strategies. During the public inception workshop, which gathered 95 people, the key role of participation in project preparation and implementation was emphasized.

2. Project preparation entailed extensive consultation with a broad range of stakeholder groups through interviews, group discussions, site visits, formal and informal meetings, and workshops. In particular, key institutional stakeholders (DINAMA, DINOT, DGRNR, MINTUR) had significant input in project preparation through the Extended Project Management Unit, which met during PDF B on a weekly basis.

3. A total of 11 workshops were held in various locations throughout the country, with the participation of 664 people representing government agencies, the private sector and the civil society, including:

- Ministries (MVOTMA, MGAP, MDN, MEC, MINTUR, MIEM).
- Representatives of the Legislature
- Municipal Governments; Heads of Departments/Secretaries in charge of environmental topics, Municipal Authorities (Juntas Departamentales) of the 19 Departments (political divisions) of Uruguay.
- Members of NGOs; including second-degree networks (ANONG, Uruguayan Network of Environmental NGOs) and first-degree institutions (ROA, CLAES, CLAEH, CLAEH-Northeastern Region, CEUTA, CIEDUR, Vida Silvestre, OCC, CID/KARUMBÉ, Cetáceos del Uruguay, Asociación Nacional de Guardaparques, Instituto Jabí, Averaves, Aves Uruguay, Iniciativa Latinoamericana, Scouts Movement of Uruguay, Grupo Viraró, Grupo Palmar, Grupo Esperanza Cuervos, Aguas al Tacuarí, Eco Chuy, Grupo Gea 33, Lions Club 33 Olimar, among others).
- Private sector (farmers, businesses, tourism entrepreneurs)
- Local communities and neighbours residing near PAs.
- Training and research institutions (Schools of Agriculture, Architecture, Sciences, Social Sciences, and Chemistry from the University of Uruguay), INIA, National Museum of Anthropology and Natural History, various primary and secondary schools.
- Other projects (PROBIDES, FREPLATA, PPR, Arqueología de Tierras Bajas CONYCIT-IADB).
- Park rangers from San Miguel National Park, Wetlands of the Santa Lucía River Municipal Natural Park, Rocha Lagoon, Castillos Lagoon, Potrerillo de Santa Teresa Biological Station, Quebrada de los Cuervos).

4. Workshops were aimed at:

- Assessing current levels of management effectiveness (attended by 55 people)

- Assessing biodiversity values of existing PAs, identifying gaps in current PAs, describing global biodiversity values in the country, and analyzing pressures and threats on this biodiversity (two workshops were held with the participation of 159 people).
- Analyzing barriers to the implementation of an effective and sustainable NPAS (attended by 60 people)
- Consulting and adjusting proposed interventions to overcome these barriers (3 regional workshops with 160 participants).
- Public review of the Project draft and incorporation of comments prior to sending it to the funding bodies (four nation-wide workshops were held with the participation of 230 participants).

5. Each of these public involvement activities was planned bearing in mind the outcomes of former activities, thus generating continuous feedback. The project design was constantly fine-tuned through the incorporation of inputs from workshop participants. These activities promoted spaces where relevant stakeholders could meet and discuss key issues regarding the implementation of the NPAS. These activities contributed to strengthen “horizontal” links among stakeholders involved in conservation of biodiversity and PA management and in forming informal networks of regional and local groups.

6. This process was crucial in leveraging substantial co-funding resources from international, national, municipal and local institutions, NGOs, other projects, thereby ensuring higher participation once the project enters implementation. Tangible support for the project is illustrated through the numerous letters of endorsement, support and co-financing obtained from the key stakeholders to be involved in the project implementation. The list of letters is included in Section IV of the UNDP Prodoc.

II. Full-size Project: Planned stakeholder participation and their involvement in project-related decision making and implementation

7. In the Project Strategy, participation is a key and permanent element that starts during project preparation, is consolidated during its execution and goes beyond the temporary five-year horizon of the Project. In this regard, it represents an essential pillar for the sustainability of Project activities and, broadly speaking, of the NPAS under construction.

8. A **Project Steering Committee (SC)** will be established, chaired by DINAMA and composed of representatives of key stakeholders including the Directors of DINAMA and DINOT from MVOTMA, DGRNR and DINARA from MGAP, the Ministry of Tourism, one delegate from environmental NGOs, one member appointed by the UNDP Resident Representative in Uruguay, and by bilateral donors. The SC will meet at least quarterly and will be responsible for approving the appointment of staff of the PMU; supervising the Project implementation process, overseeing the work being carried out by the PMU/EPMU, approving Annual Work Plans, monitoring progress and approving reports; overseeing the financial management and production of financial reports. The SC may invite representatives of other stakeholder groups (e.g. municipal governments, other GEF projects) and experts to consider specific issues of the project.

9. The **National Advisory Commission (NAC)** as set forth by Law 17.234, created during the Preparatory Phase, will be the main consultative body. It is chaired by MVOTMA, through DINAMA, and includes delegates from a broad group of public, private and civil society stakeholders. Its role in the project will be: providing strategic advice to the PMU on the implementation of project activities to ensure alignment with national, municipal and local planning processes and sustainable development and conservation policies and strategies; ensuring inter-agency coordination; ensuring full participation of stakeholders in project activities. The Project will support strengthening and regular operations of the NAC. For example, during PDF B it was deemed convenient to incorporate key stakeholders that were not considered in the Law (including representatives from Specific Advisory Commissions (SACs), the

Ministry of Transportation and Public Works (MTO), the Ministry of Mining and Energy (MIEM), and CIU), an aspect that will be dealt with during project implementation.

10. At the level of each PA to be incorporated into the System, regulations call for the creation of **Specific Advisory Commissions (SAC)**. The Commissions will be chaired by MVOTMA and will be integrated by a broad variety of participants related to every PA. In addition, in areas that are currently developing processes towards the creation of PAs to be later incorporated into the System, the creation of Temporary Advisory Commissions or similar institutional bodies will be encouraged as this will advance participatory opportunities within the framework of a progressive expansion of the NPAS.

11. While several Project activities will be carried out directly by the Project Management Unit, many others will be implemented by different stakeholders (public, private, NGOs) under the agreement or contract modality. This mechanism was chosen so that Project activities will help strengthen the capacity of key stakeholders through their direct involvement.

12. Finally, the Project sets forth the organization of meetings and workshops called for the participatory construction of knowledge and proposals in specific aspects, as well as to reach the necessary agreements for their implementation.

13. The following sections outline the participation plan for the project against Outcomes and Outputs.

Outcome 1: Legal, policy and institutional frameworks that encourage effective management and sustainable financing for the NPAS are in place and operational.

Output 1.1: A validated and officially approved Strategic Plan of the NPAS

14. The design of the NPAS and elaboration of the strategic plan will include effective public involvement activities to enable input and consensus building of key stakeholders of the public and private sectors and civil society to address current and future social, economic, institutional and cultural issues. A Task Force will be established for the elaboration of the Strategic Plan composed of staff of DINAMA and other key institutions, plus temporary national and international consultants. Basic studies for the elaboration of this plan could be developed through special agreements with UDELAR, NGOs, and other institutions.

15. At the national level, workshop will be held to discuss and review principles and approaches for enhancing the Strategic Plan, as well as to set priorities. In addition, regional workshops⁶⁶ will be held to explore ways of operationalising the principles established at the national workshop, and for the validation of the Plan.

16. The Project will support publication and dissemination of the draft Strategic Plan as part of the communication and awareness building programmes of Outcome 3. For example, copies will be sent to all regional offices of ministries and local governments nationwide. This document will be made public through the websites of the Project and DINAMA and all stakeholders involved will be notified via electronic mail, certified notes to organizations, and the media (radio, press, etc.).

⁶⁶ Regional Workshops, involving several administrative units (departments) will be conducted as they increase level of local participation and enable a more concrete discussion of issues. This methodology was tested during the Preparatory Phase and its use is recommended throughout the execution of the Project.

17. After publication of the draft Strategic Plan, another round of workshops will take place to review and discuss the document. Contributions, opinions and suggestions in writing sent to the PMU will be contemplated up to one month after the draft document is published. After this period, the document shall be worded in its final format and submitted for DINAMA's approval. After enactment of the Strategic Plan, a document will be prepared and distributed via physical and virtual support (paper and CDs).

18. The Plan will be implemented following agreement by State, municipal agencies and other relevant stakeholders through the CNA and official approval by MVOTMA. Annual work programs will be developed by a Task Force on Protected Areas, which will also provide annual reports to MVOTMA, the PSC and the CNA and will review and report on the progress of the Plan as a whole at the end of each phase.

19. The project will also provide the strengthening of the existing regulatory and legal framework to enable the implementation of the Strategic Plan and for the sustainability of the ensuing NPAS. In this regard, regulatory frameworks will be created in an environment of exchange and permanent dialogue between DINAMA, EPMU and consultants during the elaboration and negotiation stages until they are approved at the corresponding level.

20. In order to favour the development of synergies among different PAs and relevant stakeholders, the Project shall define harmonized approaches for PA administration and management, including standardised procedures and guidelines. These will be prepared in close collaboration with key stakeholders involved in PA management (technical staff, rangers, etc.) and will be ground tested by practitioners at pilot sites through outcome 4.

Output 1.2: A system-wide Financial Strategy and Business Plan adopted by the GoU

21. Through this output, a national strategy and action plan for sustainable funding of PAs will be defined, prepared, and adopted by the government of Uruguay. Considering that key elements of this strategy require the agreement and coordination of a range of institutions, a high level national inter-institutional and multidisciplinary PA financing task force integrated by MVOTMA, MGAP, MINTUR, MEF and OPP (plus any other persons or institutions invited for specific inputs) will be established with the assistance of an expert in financial and economic affairs hired by the Project.

Output 1.3: Tourism related revenue generation and distribution instruments tested

22. In the field demonstration site Quebrada de los Cuervos the project will support the establishment and operations of the Specific Advisory Commission, to bring together key stakeholders for the design and implementation of new tourism based revenue generation mechanisms. Neighbours will be involved to explore specific arrangements for tourism managements (e.g. concessions of specific services).

23. In addition to site based efforts the project will work through cross-sectoral and inter-departmental links (with MINTUR, representatives of the tourism sector, etc.) to develop and implement a strategy to integrate PA based tourism into national tourism planning. Specific activities will be implemented for coordination between PAs and agencies on entrance and user fees to avoid competition and promote fee harmonization between sites.

Output 1.4: Institutional arrangements, structures, responsibilities, and occupational standards defined for managing the NPAS

24. An inter-ministerial Working Group will be created with representatives from the Protected Areas Division of DINAMA and the Department of Parks and Protected Areas of DGRN, who together with

PMU and specific consultants will develop the institutional redesign of government agencies to fulfil their mandates and roles in the implementation of the NPAS. Building on preliminary work developed during the PDF B, the FSP will promote participatory workshops and activities for the development of an agreed set of occupational standards that would define the skills and knowledge required for PA jobs in Uruguay, to be adopted by key institutions involved in PA management. The project will support specific activities to help overcome some reluctance derived from these changes, including workshops to involve staff, in service training, etc.

25. The Project will also provide support to the strengthening of key municipal divisions through technical assistance to guide institutional organization, information and lesson exchange workshops and activities with other project outputs, particularly in the site demonstrations. Proposed capacity-building activities will be discussed with these stakeholders and round tables will be organized to close agreements for support and follow-up activities.

26. To improve inter-institutional coordination, considered one of the most important barriers for effective PA management, the project will support the operations of the NAC and SACs (as the main scenario for local coordination).

Output 1.5: Knowledge management, evaluation and adaptation systems developed for the NPAS and the Project.

27. Mechanisms will be developed for enabling exchange among the various stakeholders and PAs (rangers, technicians, researchers, local stakeholders, etc.) including electronic media, periodic bulletins, personal exchange within and outside the country, cross visits to PAs, workshops, etc. Activities concerning data and knowledge of PA system shall be coordinated with those of other data systems of institutions linked to conservation. In particular, in close coordination with PPR and various other public and private institutions, the Project shall take part in a nationwide GIS, contributing data and analysis criteria with regard to biodiversity and PA aspects.

28. The database on experiences and good practices will be used as basis for the exchange among stakeholders involved in the different PAs. Annual meetings will be fostered among stakeholders where progress made in PA management, SACs operations, work with local communities, etc. will be presented, with organized interactive sessions to optimize debate and discussion.

Outcome 2: Key stakeholders directly involved in PA management have the appropriate balance of knowledge and skills required for effectively running the NPAS and its constituent PAs.

Output 2.1: Training programme for practitioners at all levels on technical and practical skills for PA management

29. In order to help stakeholders involved reach the necessary competencies and knowledge to perform their jobs, the Project will provide targeted training for human resources at all levels in public institutions, NGOs and local communities that have a role in PA management. Building on preparatory work, the FSP will promote involvement of staff and other stakeholders in training needs assessment and development of training strategies.

30. Based on the basic principles of adult learning, training strategies will guide learners through activities in which they will be required to participate and apply their knowledge. A mix of training approaches/methods will be used, including: short courses, workshops, retreats, conferences, distance learning courses, study tours and internships (both within the country and abroad) to address different learning styles of trainees.

31. To contribute to their long term sustainability, training strategies and programmes will promote links, coordination and collaboration between PA agencies and key national training and research institutions (e.g. University of the Republic, UTU Technical College, private universities, IIBCE, etc.).

32. The PMU will foster activities to disseminate timely information on scholarships, internships, available courses and funding opportunities. In very few selected cases, partial financial support will be provided to promote training abroad if key expertise is considered necessary for the NPAS and other funding sources are not available. The PMU will also encourage activities to disseminate what relevant CAEs stakeholders have learnt. In this way, the stakeholders themselves will be motivated to train their peers and become active champions of the knowledge and skills acquired.

33. The development of occupational standards and the corresponding training will help professionalize the PA sector and promote increased involvement of PA staff and effectiveness in their tasks.

Output 2.2: Training programme for PA practitioners to set up and operate financial planning and other business systems

34. Initially, training will take place in pilot sites and later extended to the rest of the system during the life of the project. In the pilot sites (Output 1.3 and Outcome 4), PA practitioners will receive guidance and support to supplement PA management plans with long term financial and business planning and the ability to implement these plans in a participatory manner. The Project will work with the site teams to set up and operate the revenue generating schemes identified in their business plans and get into practical details such as payment collection, cash management, and tracking revenues back to central accounts.

35. The project will provide technical assistance to work with managers and practitioners in the recording and capture of interesting results and lessons learned, and specific activities will be developed for dissemination and uptake of lessons generated in pilot sites into policy and practice at the system level.

Output 2.3: Tertiary education strategy and curricula aligned with NPAS staff and competence targets

36. In view of the very limited development in Uruguay of post-secondary training programs with respect to PAs, the project will support the establishment of a task force to revise tertiary education programmes and curricula and to find out ways and means by which universities and similar training and research institutes can contribute towards creating and sustaining the relationship between knowledge and practice. The project will work with academic authorities to mainstream protected area concepts into relevant curricula and design specific modules and materials. Professional formation and course updates would be developed for researchers, professionals, technicians, and students of different careers (economy, biological sciences, agronomy, engineering, anthropology, etc.) to develop multidisciplinary approaches for the planning and management of protected areas and to strengthen or develop capacities for applied research. These activities could be developed in agreement with the Continuing Education Unit of the University of the Republic, UTU Technical Collage, and other public and private institutions. The project will provide financial assistance to promote participation of prospective students from different parts of the country (e.g. through scholarships).

Outcome 3: Increased awareness on the values of protected areas and their importance for sustainable development influences policies and practices.

Output 3.1: Education programme for primary and junior high schools

37. With respect to the formal educational system, project team will work along with the recently created National Environmental Network for Sustainable Human Development and ANEP authorities to define specific targets and design strategies aimed at aligning PA curriculum and official curriculum goals, and to design extra curricular activities.

38. For the development of the educational program and materials, key aspects will be considered including fairness and accuracy in describing problems, issues, and conditions and in reflecting the diversity of perspectives on them; emphasis on skills building to address conservation issues; appropriateness for different developmental levels; action orientation; techniques that create an effective learning environment (considering different ways of learning, connections to learners' everyday lives, learning beyond the boundaries of the classroom, making learning about PAs and the environment fun); recognition of the interdisciplinary nature of conservation education⁶⁷.

39. Building on a successful environmental education programme conducted by the Municipality of Montevideo, the project will set up a pilot site in the Humedales de Santa Lucía Natural Municipal Park, to serve as the main on-site centre for practical components of the education programmes aimed at primary and secondary levels, to demonstrate the general guidelines for developing non formal educational activities in PAs, and to provide best practices for educational centres and programmes. The proximity of the selected site to the capital city would facilitate visitation and hands on activities for more than 25 % of Uruguay's schools and 50 % of the country's primary school students. The FSP will further joint work and coordination with other stakeholders, including the recently created Working Group composed of representatives of the three local governments of the Metropolitan Area (i.e., Canelones, San José and Montevideo) and MVOTMA, and other institutions involved in conservation and environmental education activities in the area.

Output 3.2: Awareness building programme for policy makers

40. The project will develop communication strategies aimed at reaching political representatives, policy makers and decision makers to facilitate the sharing of information on conservation issues, the integration of PAs into local and national economic development planning, and to increase support for PA legislation and policies. Some of these strategies will involve direct participation of this target audience and first hand experiences, including tailor-made visits to PAs and sites with innovative approaches (e.g. community-based ecotourism development, value-added farm and fish products) and breakfast meetings to discuss key legislation and policies and inform about progress regarding the implementation of the NPAS.

Output 3.3: Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism, and businesses)

41. Some activities envisaged for the implementation of awareness building programme for sectoral stakeholders include active participation, like breakfast meetings, tailor-made visits to PAs, workshops, and lectures. Testimonials of farmers involved in PAs and innovative sustainable practices (especially of those involved with the pilot sites on governance models) will be used to gain support from other farmers. Special awards for conservation initiatives of the private sector linked to PAs will also be promoted to encourage private involvement in conservation. The project will work in close coordination and cooperation with the Ministry of Tourism and the Uruguayan Association for Rural Tourism (SUTUR) to develop awareness building strategies aimed at reaching this sector. Information regarding opportunities

⁶⁷ NAAEE, 2004

for public-private-community partnerships in PA management and funding will be disseminated and support for PAs will be sought through the promotion of different incentives (e.g., tax exemptions for donations).

Output 3.4: Institutional image of the NPAS and general public communication strategy developed

42. An image plays a fundamental role in the development of attitudes towards a given institution or proposal. For this purpose, the Project will support the development of a positive institutional image for the NPAS around which to generate interest and support. The Project will also develop communication and awareness raising strategies for the general public, including highly participatory activities such as story and photograph contests, the implementation of the Protected Areas Week, participation in celebrations of the National Heritage Day and World Environment Day, and special awards. These activities will be coordinated with other projects currently working with environmental and conservation issues, in order to capitalize results and avoid overlapping.

43. The mass media will be a key partner for implementing the communication strategies aimed at the general public, considering its role in forming public opinion and disseminating messages. Thus, the project will support a number of activities tailor-made for journalist and media workers aimed at improving their understanding of the values, functions and services of PAs and their contribution to sustainable development, including workshops, visits to PAs, story contest, and photograph contests for press photographers, among other.

Outcome 4: Know-how on cost-effective management structures is expanded and reinforced through field demonstrations of different PA governance structures.

44. Pilot sites will be key tools in the stakeholder involvement plan, as they will provide hands on opportunities for applying the new legal and policy frameworks, to test and develop new tools for enhancing PA management effectiveness and for the generation of lessons to be shared at the national, regional and global levels. The project will provide technical and financial assistance for the establishment of a local Specific Advisory Commission, including the definition of effective inter-institutional coordination mechanisms, the definition of guidelines to guarantee fair representation of stakeholders, the allocation of financial resources to facilitate participation of members. Where possible, monitoring will be done in partnership with neighbours and local residents. Tourist and neighbour views and impressions of the services provided by each site will be used to improve these services.

Output 4.1: Management of PA on publicly owned land by national government with the participation of and benefit sharing with local communities (Esteros de Farrapos e Islas del Río Uruguay).

45. The experience will support the creation, planning and early stages of management of a National Park in a participatory fashion and development of benefit sharing arrangements for park neighbours, including the small town of San Javier, and small and medium size farmers. The project will support the establishment of the SAC and a collaborative/participatory management model including partner identification, clarification of rights and accountabilities, and capacity building for key stakeholders.

46. The project will also help define the most appropriate arrangements for community participation in tourism development and will explore the benefits from partnering with private tour operators and suppliers from outside the project area to assist with marketing, bringing in tourists, transportation, etc. A pilot experience regarding control of invasive tree species will take place in this site, and special attention will be given to assess the feasibility of generating revenues and employment for local residents through

the extraction of these trees, wood processing and production of wood crafts, etc. Communications strategies will be implemented to increase awareness and knowledge for controlling IAS.

47. Targeted training will be developed to enable key stakeholders to perform basic PA management functions and effectively run tourism ventures. Educational activities for primary and junior high schools of the area will be developed especially considering the high motivation and involvement of the local teachers (the head of the San Javier high school is delegate in the National PA Advisory Commission and several teachers participate in the local Ramsar committee).

Output 4.2: Management of a PA for protection of a coastal-marine habitat on publicly owned land by national government institutions and NGOs (Cerro Verde & Islas de La Coronilla)

48. The experience will define and develop a collaborative management model between government institutions and NGOs that have accumulated relevant experience in the area, to strengthen conservation of coastal-marine habitats and species in publicly owned land. The SAC to be established will involve artisan fishermen and neighbours from nearby beach town of La Coronilla. The project will support the establishment of a collaborative governance and management system including partner identification, clarification of rights and accountabilities, and capacity building for key partner institutions (DINAMA, DGRNR, SEPAE, PNN, DINARA, Municipal Government of Rocha, NGOs, academic and research institutions). Harvesting of fish resources by local artisan fishermen may be regulated through co-management agreements, quotas or permits designed to maintain the activity within sustainable limits.

Output 4.3: Management of a multi use PA on private and public lands by medium private landowners, local communities and national and municipal governments (Laguna de Rocha)

49. The area and its socio-economic context are characterized by conflicts of use and pressures on its natural resources. The project will support activities aimed at strengthening the existing provisional advisory commission and the establishment of an official SAC for the area; the establishment of a collaborative governance and management system including partner identification, clarification of rights and accountabilities; and capacity building for key stakeholders (at the local, municipal and national level).

50. Harvesting of fish resources will be regulated through co-management agreements, quotas or permits designed to maintain the activity within sustainable limits. The project will promote awareness building and education activities to involve local stakeholders in the control of IAS and to manage environmental and social impacts from tourism.

Output 4.4: Management and benefit sharing of a multi-use PA on private land by small scale private landowners (Quebradas del Norte)

51. The experience is aimed at promoting conservation, local development and sustainable livelihoods, based on valorization of biodiversity through the establishment and management of a multi-use PA in private lands, following a regional/ecosystem approach involving two micro basins and two administrative units (departments). Activities include defining an appropriate governance type that could foster management arrangements between state and municipal agencies, local communities and organizations of the civil society and the establishment of the Specific Advisory Commission and support for its operations. The project will help strengthen the incipient experience and capacities of the Quebradas de Laureles Local Development Group in tourism development through market research, sound business and financial planning, targeted training, and tourism product development (suited to target markets), promotion, and distribution. Once the management structure is in place, the French Cooperation will promote exchanges with similar experiences in the region and in France.

52. An attempt will be made to encourage “peer learning” by strengthening horizontal exchange and drawing on knowledge and abilities of the different existing social groups. Action will be oriented towards the constitution of a SAC that, given the characteristics of this area, will have to involve a broad group of neighbours and private landowners.

III. Impacts on beneficiaries and vulnerable groups, especially women, rural youth, and displaced households

53. In terms of benefits accruing to stakeholders, the sustainable conservation of biodiversity values within the Project Area will provide benefits that are significant globally, nationally and locally. At the global level, potential beneficiaries include PA practitioners that could benefit through the sharing of lessons developed from the Project, in particular regarding collaborative management models, governance types, and innovative resource generation mechanisms. The global community will benefit from the establishment and effective management of a NPAS, which will contribute to the implementation of the CBD and the achievement of its Programme of Work on Pas

54. At the national level, beneficiaries include public institutions (at the State and Municipal levels), a wide range of PA practitioners, organizations of the civil society, the academia, local residents in or near PAs, PA users, and the broader society. Impacts include enhanced capacities to actively and effectively participate in PA management and decision making processes, to meet biodiversity conservation objectives and other objectives relating to sustainable development and broader landscape planning; improved long term income potential; improved relations and prevention of conflicts between PA agencies and local communities and neighbours; increased knowledge and access to relevant information; increased societal appreciation of the benefits of PAs and the value of services they provide; securing key places of biological and cultural significance and perpetuating today’s values for the future generations; improved recreation and tourism opportunities, among other.

55. Locally, vulnerable groups —especially women, artisanal fishermen communities, rural youth, and poor private landowners— will benefit from the promotion of governance models that will better reflect local values, interests and traditions and will equitably share the benefits and costs of establishing and managing PAs. The project will provide these communities with the knowledge, skills and mechanisms to improve their livelihoods while sustainability conserving biodiversity values, and contributing to poverty alleviation.

Table 13. Matrix of main stakeholders involved in biodiversity conservation and protected area issues

Departments/Divisions identified	Institutional Mandate and Responsibilities	Role/Interest in the Project	Potential Problem and Mitigation
<p>1. Presidency of the Republic <i>Planning and Budget Office (OPP)</i></p> <ul style="list-style-type: none"> DIPRODE 	<p>Advisor to the Executive Power in the formulation of development plans and budget of all State institutions. General coordination of activities, projects and programs related to international cooperation.</p>	<ul style="list-style-type: none"> Participate in planning of NPAS within the framework of the definition of development plans and budgets of the country. Optimize the use of public resources. Support the creation of inter-institutional coordinated areas. PDGM IV and FDI Funds. 	<ul style="list-style-type: none"> Many of the financial instruments to be explored require the agreement and coordination of a range of institutions, including OPP. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> Establishment of a high level national inter-institutional and multidisciplinary PA financing task force (MVOTMA, MGAP, MINTUR, MEF and OPP), with the assistance of an expert in financial and economic affairs hired by the Project. Sensitize OPP as to the need to incorporate the environmental dimension as a pre-condition in the approval of development projects submitted by local governments (Art. 298).
<p>2. Ministry of Housing, Territorial Planning and Environment (MVOTMA) <i>National Environment Agency (DINAMA)</i></p> <ul style="list-style-type: none"> Protected Areas Division DINAMA regional offices COTAMA 	<p>Competent authority in implementation of NPAS to be created pursuant to Law 17.234 and its regulatory Decree. CDB Focal Point. Responsible for policies relative to planning, management, control and protection of PAs and the Environment. Owns/co-manages some PAs (Potrerillo de Santa Teresa, San Miguel National Park, Farrapos Wetlands).</p>	<ul style="list-style-type: none"> Project executing agency Competence to design and coordinate NPAS execution. Chair the NAC. Chair the Steering Committee. Will ensure that PA regulations are taken into account in policies and instruments. 	<ul style="list-style-type: none"> Many of the activities and financial instruments to be explored require the agreement and coordination of a range of institutions. NPAS' Law does not regulate the institutional arrangements or operational procedures for COTAMA and COTAOT nor define mechanisms for coordination at the operational level across all responsible agencies. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> Steering Committee and the NAC, together include the key institutions and programs in conservation of biodiversity in the country. These institutions help anticipate and take into account all changes in activities previously planned by other institutions and programs, producing the necessary adjustments in the execution of the Project, in order to secure synergies and reduce negative impacts derived from changes from what the Baseline predicted. Establishment of a high level national inter-institutional and multidisciplinary PA financing task force (MVOTMA, MGAP, MINTUR, MEF and OPP), with the assistance of an expert in financial and economic affairs hired by the Project.

Departments/Divisions identified	Institutional Mandate and Responsibilities	Role/Interest in the Project	Potential Problem and Mitigation
<p><i>National Territorial Planning Agency (DINOT)</i></p> <ul style="list-style-type: none"> ▪ COTAOT 	<p>Territorial planning. Potential role in marine-coastal and buffer zones management.</p>	<ul style="list-style-type: none"> • Participation in NPAS design to include criteria that are compatible with a general Territorial Planning policy. • Integrate the Steering Committee 	<ul style="list-style-type: none"> • Definitions included in the Territorial Planning Act are compatible with conservation and management objectives set forth in NPAS. • NPAS' Law does not regulate the institutional arrangements or operational procedures for COTAMA and COTAOT nor define mechanisms for coordination at the operational level across all responsible agencies. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions.
3. Ministry of Livestock, Agriculture and Fisheries (MGAP)			
<p><i>Renewable Natural Resources Agency (DGRNR)</i></p>		<ul style="list-style-type: none"> • Integrates the Steering Committee • Integrates the NAC • Link the project with the PPR (GEF-WB) 	
<ul style="list-style-type: none"> ▪ Department of Parks and Protected Areas (DPAP) 	<p>Manages 14 conservation units; 3 of them in areas of global importance for biodiversity conservation (Laguna de Castillos Wildlife Refuge; Cabo Polonio and Atlantic Coast Natural Monument; National Lake Park of Lagunas de José Ignacio, Garzón and Rocha)</p>	<ul style="list-style-type: none"> • Participation in NPAS design. • Eventual transfer of human resources to NPAS coordinating unit. 	<ul style="list-style-type: none"> • Potential conflict due to loss of resources that may imply the transfer of certain competences to DINAMA. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Development of an Institutional strengthening plan (definition of posts and functions, the definition of minimum requirements of staff, definition of institutional procedures and practices). • Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions. • Establishment of a high level national inter-institutional and multidisciplinary PA financing task force (MVOTMA, MGAP, MINTUR, MEF and OPP), with the assistance of an expert in financial and economic affairs hired by the Project.
<ul style="list-style-type: none"> ▪ Department of Fauna 	<p>Policies regarding the conservation and sustainable use of wildlife, including hunting, farming, trade, etc. Surveillance and control. Focal point of CMS and CITES.</p>	<ul style="list-style-type: none"> • Participation in NPAS design, in management plans. • Take part in initiatives concerning species protection/ control of exotic species. • Development of synergies among relevant stakeholders to fulfil its mandates. 	<ul style="list-style-type: none"> • Potential differences between fauna conservation criteria established in the NPAS and those used by this office. • Weak enforcement capacity. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key

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<ul style="list-style-type: none"> ▪ Soils and Waters Division 	<p>Policies relevant to conservation and management of soil and water resources. Potential role, especially in Category V and VI PAs and buffer zones.</p>	<ul style="list-style-type: none"> • Participation in NPAS design, in management plans. • Development of synergies among relevant stakeholders to fulfil its mandates. 	<p>institutions.</p> <ul style="list-style-type: none"> • Design and implementation of monitoring, warning, response and evaluation mechanisms that facilitate permanent feedback and adjustment. • Definition of protocols and agreements among the various stakeholders so that monitoring, warning and response systems can be effective and count on clearly defined coordination mechanisms. <ul style="list-style-type: none"> • Potential differences between the criteria on conservation and sustainable use of soils and waters established by NPAS and those used by this office. • Weak enforcement capacity. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions. • Design and implementation of monitoring, warning, response and evaluation mechanisms that facilitate permanent feedback and adjustment. • Definition of protocols and agreements among the various stakeholders so that monitoring, warning and response systems can be effective and count on clearly defined coordination mechanisms.
<p><i>General Forestry Agency (DGF)</i></p> <ul style="list-style-type: none"> ▪ Native Forest Division 	<p>Policies relative to conservation and sustainable use of native forests. Law enforcement and control.</p>	<ul style="list-style-type: none"> • Participation in NPAS design, in management plans. • Take part in initiatives concerning species protection/ control of exotic species. • Development of synergies among relevant stakeholders to fulfil its mandates. 	<ul style="list-style-type: none"> • Potential differences between criteria on conservation of native forests established by NPAS and those used by this office. • Weak enforcement capacity. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions. • Design and implementation of monitoring, warning, response and evaluation mechanisms that facilitate permanent feedback and adjustment. • Definition of protocols and agreements among the various stakeholders so that monitoring, warning and response systems can be effective and count on clearly defined coordination mechanisms.

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<p><i>National Water Resources Agency (DINARA)</i></p> <ul style="list-style-type: none"> ▪ Dept. of Fish Biology ▪ Dept. of Industrial Development ▪ Dept. of Marine Mammals ▪ Operations Division 	<p>Responsible for promoting sustained use of fishing resources and other water resources and ecosystems (marine and fresh water). Law enforcement and control. Research. Potential role in marine PAs to be created.</p>	<ul style="list-style-type: none"> • Participation in NPAS design, in management plans. • Integrates the Steering Committee 	<ul style="list-style-type: none"> • Potential differences between criteria on conservation of water resources established by NPAS and those used by this office. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions. • Institutional involvement on pilot demonstration (e.g.: Cerro Verde).
<p><i>Agricultural and Farming Policies and Planning Office (OPYPA)</i></p>	<p>Advises ministerial hierarchy in the formulation of management policies, conservation and development of renewable natural resources. Potential role in definition of buffer zone and PA Categories V and VI policies.</p>	<ul style="list-style-type: none"> • Participation in NPAS design, in management plans. 	<ul style="list-style-type: none"> • Potential conflict between conservation objectives set forth by NPAS and policies on use of natural resources in areas adjacent to PAs. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions.
<p>4. Ministry of Defence</p> <p><i>General Command of the Army</i></p> <ul style="list-style-type: none"> • Environmental Division of Dept. V “Civil Affairs” Army Staff • Army Park Service (SEPAE) 	<p>Active participation in support to organizations directly responsible for Environmental preservation.</p> <p>Manages 2 National Parks (Santa Teresa and San Miguel)</p>	<ul style="list-style-type: none"> • Integrates the NAC • Co-executes NPAS through the management of protected areas. 	<ul style="list-style-type: none"> • Potential conflict on the use of resources coming from income relative to use and services generated in the parks. • Weak capacity for participatory management and enforcement regarding public PAs. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Adjustment of quality criteria in the management of these areas. • Capacity building to actively participate in collaborative management arrangements. • Institutional involvement on pilot demonstrations (e.g. Cerro Verde).
<p><i>Military Institute for Higher Studies</i></p> <ul style="list-style-type: none"> • Academic Management Department, Military Engineering School 	<p>Responsible for planning, coordinating and programming the Environmental Preservation Course, aimed at high-ranking Army Staff and civilian professionals. This course trains them to advise top management and directors in issues relative to environmental preservation, stimulate and encourage the search for new knowledge in the environmental field, appreciate the importance of preservation: encourage inter-personal ability to facilitate</p>	<ul style="list-style-type: none"> • Integrate changes in legislation and experiences resulting from application of NPAS as best practices to be included in their Course for their staff. 	<ul style="list-style-type: none"> • Current information indicates that there are no potential conflicts/issues.

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<i>Uruguayan Antarctic Institute</i>	<p>multi-disciplinary studies of the environment; develop capacity to transfer knowledge related to the environmental issue in intermediate ranks; be able to attend in-depth courses on environmental subjects, as well as conduct research projects applied to the environment.</p> <p>In charge of formulating, evaluating and putting into force the necessary regulations for the preservation of the Antarctic environment and its dependent and associated ecosystems.</p> <p>In charge of programming and developing Antarctic scientific, technological and logistic activities that determine the National Antarctic Program.</p>	<ul style="list-style-type: none"> Participation in controlling and detecting behaviours that threaten biodiversity in the Uruguayan Antarctic area. Participation in dissemination and Research activities. 	<ul style="list-style-type: none"> Current information indicates that there are no potential conflicts/issues.
<p><i>National Navy</i></p> <ul style="list-style-type: none"> Environment Bureau of the National Coastal Guard (PNN) 	<p>Law enforcement in coastal and maritime areas. Links with fishermen and local communities which favours working in coastal and marine areas.</p>	<ul style="list-style-type: none"> Participation in controlling and detecting threatening behaviours in maritime areas. 	<ul style="list-style-type: none"> Difficulty to define homogeneous criteria for action. Difficulty to incorporate knowledge on biodiversity and conservation priorities and objectives. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> Incorporate them to demonstration experiences from the onset (in coastal and marine areas).
5. Ministry of Tourism and Sports			
<p>Tourist policies, promotion and marketing.</p> <p>In recent years has actively promoted eco-tourism and other tourism modalities related to nature, especially bird and whale watching.</p>		<ul style="list-style-type: none"> Integrate the Steering Committee Participation in the design and execution of demonstration experiences where tourist activities can be developed in balance with conservation. Support in regulation of tourism activities in through sectoral instruments, such as including PAs in Tourism Interest Zones, publicity campaigns and related training programs; Encourage development of tourism as an alternative economic livelihood; Help in coordinating private tourism operators for local conservation projects. 	<ul style="list-style-type: none"> Potential conflict due to lack of unified criteria in terms of eco-tourism and the use of protected areas. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> Pilot demonstrations concerning the establishment of eco-tourism activities (e.g. Farrapos Wetlands). Establishment of a high level national inter-institutional and multidisciplinary PA financing task force (MVOTMA, MGAP, MINTUR, MEF and OPP), with the assistance of an expert in financial and economic affairs hired by the Project.
6. Ministry of Education and Culture			
<i>Education Bureau</i>	Environmental education in the formal	<ul style="list-style-type: none"> Development of educational strategies 	<ul style="list-style-type: none"> Reluctance to integrate new contents to primary and

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<ul style="list-style-type: none"> ANEP 	<p>education system (ANEP).</p>	<p>in the field of biodiversity and protected areas.</p> <ul style="list-style-type: none"> Develop proposal of how to strengthen the theme of biodiversity into the curricula of basic and elementary education; Assist with the capacity building of the professors to partake in the environmental monitoring and replication in schools; Together with Project personnel, prepare education materials for schools; Include work visits to parks and protected areas in school. 	<p>junior high education programs.</p> <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> In coordination with the recently created National Environmental Network for Sustainable Human Development, the project will support the definition of educational targets regarding conservation of biodiversity through PAs and the development of specific curricula, activity guides and instructional materials. Capacity-building (including training of teachers, participatory workshops, internships in PAs and conservation institutions) will ensure that schools and teachers are positioned to carry out activities beyond the life of the project. Collaboration with successful experiences worldwide to exchange lessons learned for the development of the curriculum, lesson plans and activities (e.g. Project Wild, Project Wet, Investigating your Environment).
<p><i>Cultural Heritage Commission</i></p>	<p>Conservation and management of national artistic, historic and cultural heritage.</p>	<ul style="list-style-type: none"> To integrate environmental heritage as part of the national heritage. 	<ul style="list-style-type: none"> Potential conflict due to overlapping of areas and different criteria with future NPAS. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> Establishment of a Task Force for the elaboration of the Strategic Plan headed by DINAMA with the support of staff of DINAMA and other key institutions.
7. Ministry of Transport and Public Works			
<p><i>National Architecture Agency (DNA)</i></p>	<p>National public works policy.</p>	<ul style="list-style-type: none"> Works in adjacent areas or within protected areas. 	<ul style="list-style-type: none"> Potential conflict between planned infrastructure and conservation priorities.
<p><i>National Hydrography Agency (DNH)</i></p>	<p>Competence in the management of continental waters for public use.</p>	<ul style="list-style-type: none"> Participation in control of management in maritime areas. 	<ul style="list-style-type: none"> NPAS Law and regulations exclude this agency from the Advisory Commission. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> To include in this NAC—either on a permanent basis or specifically invited when the discussion of a subject justifies so— representative from MTOP (DNA & DNH).
8. Ministry of Industry, Energy and Mining			

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<i>National Mining and Geology Agency (DINAMIGE)</i>	Competence in perforation, mining and prospecting.	<ul style="list-style-type: none"> • Competences in mining exploitation and conservation and geology. • Strategic minerals known to occur in a number of PAs or, in future years, may be discovered in these areas. • Their exploration and exploitation must be carried out in ways that have minimum impact and maximum rehabilitation. • Development of Geological tourism 	<ul style="list-style-type: none"> • Potential conflict with DINAMA for intervention competences in potential mining areas. • Lack of clarity on what is long-term economical re benefits of mining certain minerals versus pristine park (trade offs). <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • To include in the NAC—either on a permanent basis or specifically invited when the discussion of a subject justifies so—representative from MIEM (DINAMIGE). • Efficient sharing of information (e.g. prospecting licenses and conditions), clear standards and joint enforcement. • Good economic assessments as part of EIA on opportunity costs and best options.
9. Ministry of the Interior			
<i>Police</i>	Law enforcement in crimes relative to natural resources.	<ul style="list-style-type: none"> • Participation in control and detection of behaviours threatening to biodiversity in protected areas. • Integrates the SACs 	<ul style="list-style-type: none"> • Difficulty to define homogeneous criteria for action. • Difficult to incorporate knowledge on biodiversity and conservation priorities and objectives. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Incorporate them to demonstration experiences from the onset.
10. Ministry of Economy and Finance			
	Responsibility on financial and budgetary aspects, including the budget allocations to DINAMA for the PAs	<ul style="list-style-type: none"> • NPAS operation, strengthening economic resources of the country. 	<ul style="list-style-type: none"> • Potential conflict due to PA funding mechanisms that imply pressure on scanty or income-constraining budgetary resources. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Establishment of a high level national inter-institutional and multidisciplinary PA financing task force (MVOTMA, MGAP, MINTUR, MEF and OPP), with the assistance of an expert in financial and economic affairs hired by the Project. This strategy will address major elements needing government decisions, including: institutional responsibilities to be defined, revenue retention and allocation, revenue generation mechanisms, staffing, incentive structures, business planning requirements.
11. Legislative Power			
<i>House of Senators</i> Environment Commission	Discussion and legislation on issues relative to the Environment.	<ul style="list-style-type: none"> • Competence to legislate in issues relative to biodiversity and protected areas. 	<p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Direct and indirect communications strategies will be promoted to facilitate the sharing of information on conservation issues, the integration of PAs into local

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<p><i>House of Representatives</i> Housing, Territorial Planning and Environment Commission</p>	<p>Discussion and legislation on issues relative to the environment.</p>	<ul style="list-style-type: none"> Competence to legislate in issues relative to biodiversity and protected areas. 	<p>and national economic development planning, and increase support for PA legislation and policies.</p> <ul style="list-style-type: none"> Other issues also addressed by this Commission are dominant (housing and territorial planning). <u>MITIGATION STRATEGY:</u> Direct and indirect communications strategies will be promoted to facilitate the sharing of information on conservation issues, the integration of PAs into local and national economic development planning, and increase support for PA legislation and policies.
<p>12. Local Governments (Intendencias Municipales)</p>			
<ul style="list-style-type: none"> Local Governments Local Congress Mayors' Congress Aldermen's Congress 	<p>Current and potential management of some protected areas. Law enforcement and control.</p>	<ul style="list-style-type: none"> To help promote coordination and development, create jobs and improve livelihoods. Coordination, monitoring and local management of NPAS (in the SACs). Assist with creating linkages with relevant local organizations; Assistance with information dissemination and sensitization. Contribute financial resources as per municipal budgets; Offer a local meeting point for the coordination of different actors interested in conservation projects. 	<ul style="list-style-type: none"> Lack of capacity to act as control and local coordination bodies for NPAS policy. May wish to have greater role in PAs and be kept better informed. Potential conflict between local planned infrastructure and conservation priorities <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> Support to the strengthening of key municipal divisions through technical assistance to guide institutional organization, information and lesson exchange workshops and activities with other project outputs, particularly in the site demonstrations. Capacity-building activities will be discussed with these stakeholders and round tables will be organized to close agreements for support and follow-up activities. Formally participate in the project planning and implementation through SACs.
<p>13. Academia</p>			
<p><i>University of the Republic</i></p> <ul style="list-style-type: none"> School of Agronomy School of Animal Husbandry School of Sciences School of Architecture School of Social Sciences 	<p>Research and education in environmental, social and economic aspects within and outside protected areas. Collaboration through students and interns. Member of Board of Directors of Probiodes and Ecoplata.</p>	<ul style="list-style-type: none"> Capacity to conduct Research and develop Research activities related to NPAS. Will assist with generating biodiversity research and monitoring activities during the project. Might also be hired to carry out specific pilot studies during project. They can help better teachers training in ecology and biodiversity, channelling inputs from the Project. Agreements with educational 	<ul style="list-style-type: none"> Current information indicates that there are no potential conflicts/issues.

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<p><i>Other private universities and tertiary institutions</i></p> <ul style="list-style-type: none"> - Catholic University - University of Montevideo 	<p>Research and education in environmental, social and economic aspects within and outside protected areas. Collaboration through students and interns.</p>	<p>institutions so as to include subjects relative to PAs in the tertiary level programs.</p> <ul style="list-style-type: none"> • Capacity to conduct research and research activities related to NPAS. • Agreements with educational institutions so as to include subjects relative to PAs in the tertiary level programs. 	<ul style="list-style-type: none"> • Current information indicates that there are no potential conflicts/issues.
14. Research Institutions			
<ul style="list-style-type: none"> • National Agricultural and Farming Research Institute (INIA) • Clemente Estable Biological Research Institute (IIBCE) 	<p>Sustainable production. Possibility to develop inventories and applied Research for management. Monitoring. Socio-economic studies.</p> <p>Basic and applied biological Research. Possibility to develop inventories and applied Research for management. Monitoring. Socio-economic studies.</p>	<ul style="list-style-type: none"> • Capacity to conduct Research and Research activities relative to NPAS. • Interested in participating in Santa Lucia Wetlands experience in the Las Brujas (Canelones) area. • Capacity to conduct Research and Research activities relative to NPAS. 	<ul style="list-style-type: none"> • Current information indicates that there are no potential conflicts/issues. • Current information indicates that there are no potential conflicts/issues.
15. Private agricultural sector			
<ul style="list-style-type: none"> • Rural Association of Uruguay (ARU) 	<p>Influential role in shaping sectoral policies and capacity to negotiate with MGAP. Support and orientation to grass-root associations.</p> <p>Potential allies in managing PAs in private reserve areas, in Category V and VI PAs and buffer zones of all categories. Provide information on traditional land use knowledge and natural resources.</p> <p>Definition of potential incentives for private conservation and the definition of “friendly” agricultural and cattle breeding practices.</p> <p>Representatives in NAC and SACs established by the NPAS Law.</p>	<ul style="list-style-type: none"> • Derive opportunities from the presence of PAs in their area • Assess any incentives provided by PAs for enhanced economic opportunities. • Participation in definition and design of NPAS. 	<ul style="list-style-type: none"> • Short term profit vs. long term sustainability. • Potential disagreement on criteria for conservation and sustainable use of resources in highly productive areas. • Potential conflict may rise due to incompatible use and interruption of income flow due to change in activities. • Profit at expense of biodiversity • Sharing of profit with PAs through “rental” system. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> • Training and technical assistance for developing income-generating initiatives, and implementation of these. • Look at incentives for compatible land uses. • Clear guidelines, “good practices” and legal agreements • Representatives from these organizations should participate in the discussions relative to the NPAS design and in its actual management.
<ul style="list-style-type: none"> • Rural Federation of Uruguay (FRU) 	<p>Support and orientation to grass-root associations.</p> <p>Potential allies in managing PA in private reserve areas in Category V and VI areas and buffer zones in all categories.</p> <p>Provide information relative to traditional knowledge in land use and natural</p>	<ul style="list-style-type: none"> • Derive opportunities from the presence of PAs in their area • Assess any incentives provided by PAs for enhanced economic opportunities. • Participation in definition and design of NPAS. 	<ul style="list-style-type: none"> • Key audience for awareness-creation activities on the benefits of biodiversity conservation to maintain ecological services in production. • Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism, and

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<ul style="list-style-type: none"> National Commission for Rural Development (CNRD) Federate Agrarian Cooperatives (CAF) Association Rice Growers (ACA) National Dairy Farmers Association 	<p>resources. Representatives in NAC and SACs established by the NPAS Law. Influence in the design of sectoral policies and capacity to negotiate with MGAP. Support and orientation to grass-roots organizations. Potential allies in managing PAs in private reserve areas in Category V and VI areas and buffer zones in all categories. Provide information relative to traditional knowledge on use of land and natural resources. Definition of potential incentives for private conservation and definition of “friendly” agricultural and cattle breeding production. Representatives in NAC and SACs established by the NPAS Law.</p>	<ul style="list-style-type: none"> Derive opportunities from the presence of PAs in their area Assess any incentives provided by PAs for enhanced economic opportunities. Participation in definition and design of NPAS. 	<p>businesses).</p> <ul style="list-style-type: none"> Creation of dialogue and mutual understanding through collaborative efforts and strengthened, harmonized regulations combining conservation and sustainable use.
<ul style="list-style-type: none"> National Forestry Producers Association 	<p>It represents the big forest industries interests in the country. Research, technical assistance, fire control, information, forestry policies, contact with authorities, lobbying. Promote and develop forest dissemination. Represent the forest enterprises before the government take part in the discussion of policies.</p>	<ul style="list-style-type: none"> Coordinate the private sector with the public with regards to project initiatives and activities of mutual interest. 	<ul style="list-style-type: none"> This Union could object to some conservation policies or restraints affecting exotic plantations or the exploitation and management of native forests. <u>MITIGATION STRATEGY:</u> Actively assume that the Union and the forestry enterprises will make use of their collaboration with the Project’s objectives to better their public image and obtain publicity effects in external markets. Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism, and businesses).
<p>16. Private industrial sector</p> <ul style="list-style-type: none"> Industry Chamber of Uruguay (CIU) Industries 	<ul style="list-style-type: none"> Profit-based business enterprises. Manage native forest areas concomitantly with forest plantations. 	<ul style="list-style-type: none"> Using the PAs as key promotional material for marketing its products (green labels). Potential participants in NAC and SACs. 	<ul style="list-style-type: none"> Short term profit vs. long term sustainability. Ongoing productive activities may interfere with the demonstration experience. Profit at expense of biodiversity Sharing of profit with PAs through “rental” system. NPAS Law and regulations exclude the Union from the Advisory Commission. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> Actively assume that this sector will make use of their

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<p>17. Private tourist sector</p> <ul style="list-style-type: none"> • ADEATUR (Association of Eco and Agro-tourism operators of Rocha-Eastern Wetlands) • SUTUR (Uruguayan Association for Rural Tourism) • Quebradas de Laureles Development Group • Valle del Lunarejo Group • G.E.O. Group of Treinta y Tres • Colonia Don Bosco • Candela Group of Aiguá 	<p>Organizations of private landowners and business people involved in the development of eco and agro-tourism. Some of them have established conservation areas in their lands. Important information sources on tourist trends, visitors' interest in PAs, as well as potential mechanisms for transfer/dissemination of information on NPAS. Participation in SACs.</p>	<ul style="list-style-type: none"> • Using the PAs as key promotional material for marketing eco and agro-tourism. • Opportunity for business ventures (tourism accommodation, tourism services, related services). • Getting good standards of tourism facilities and services in PAs 	<p>collaboration with the Project's objectives to better their public image and obtain publicity effects in both internal and external markets.</p> <ul style="list-style-type: none"> • Clear guidelines, "good practices" and legal agreements • Incentives that promote triple bottom line • Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism, and businesses). • Involvement in pilot demonstrations. • Representatives from these organizations should participate in discussions relative to NPAS design and its effective management. To include in the NAC — either on a permanent basis or specifically invited when the discussion of a subject justifies so— representative from CIU.
		<ul style="list-style-type: none"> • Short term profit vs. long term sustainability. • Possibility of disagreement on criteria for the conservation and sustainable use of resources in areas with high eco-tourism potential. • Uncertainty and mistrust towards public agencies related to natural resources. • Lack of knowledge of project scope, real benefits and obligations. • Potential loss of motivation due to false expectations or unreal goals within the project. <p><u>MITIGATION STRATEGY:</u></p> <ul style="list-style-type: none"> • Pilot demonstrations concerning the establishment of eco-tourism activities (i.e. Farrapos Wetlands, Quebradas del Norte). • Training and technical assistance for developing income-generating initiatives, and implementation of these. • Awareness building programme for key sectoral stakeholders (agricultural, forestry, tourism, and businesses). • Effective ongoing strategy to keep landowners informed. • Building and strengthening of mutual trust with technical and public agencies. • Policy of real and clear proposals and promises to 	

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18. NGOs and civil society NGOs	Environmental education, research, training, PAs planning, voluntary activities (e.g. monitoring). Will be members of PAs, NAC. Potential co-management of PAs.	<ul style="list-style-type: none"> Integrate the Steering Committee Participation in NAC. Participation in NPAS design. Potential participation in specific commissions of PAs. Potential role as co-executors through direct management of areas. Potential Research role for NPAS. Improved biodiversity conservation and management. Increased PA system to cover presently under-protected species. Improved partnerships and collaboration. 	<ul style="list-style-type: none"> Potential disagreement on NPAS policy guidelines. Potential disagreement on NPAS allocation of resources. Disputes among different NGOs involved. Uncertainty and mistrust towards public agencies related to natural resources. Potential loss of motivation due to false expectations or unreal goals within the project. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> One delegate proposed by the environment NGOs integrates the Steering Committee. Participatory elaboration of the Strategic Plan. Effective ongoing strategy to keep NGOs informed. Building and strengthening of mutual trust with technical and public agencies. Policy of real and clear proposals and promises to ensure they are really take into consideration and not being used.
Local communities inside or near protected areas, including local producers associations, rural women groups, artisanal fishermen, cooperatives, etc.	Co-management of PAs; management of buffer zones; monitoring; concession of services in PAs; members in SACs; jobs as rangers, nature guides, service providers; target audiences for awareness-creation programs and education for conservation. PA users.	<ul style="list-style-type: none"> Improve their life quality. Participate on the benefices from the PA. Social recognition. Protect cultural heritage and increase the income to replace the community's reliance on destructive activities. Potential roles as co-executors. Participants in SACs. 	<ul style="list-style-type: none"> Possibility of low management capacity. Possibility of tension between production and conservation in the areas. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> Involve local communities and consider their socio-economic needs. When local communities are fully incorporated in the decision-making process, PAs are more likely to succeed. Show PAs' benefits through an increased availability of resources, protection of cultural heritage, and tangible economic benefits. Always keep the local leaders well informed of Project's activities. Regional Workshops for the validation of NPAS Strategic Plan. Tailored training and technical assistance to build capacities. Awareness raising activities will be carried out through the media, games, drawing and photography contests, conferences, audiovisual shows, where the issue of the everyday environment will be shared with the

Departments/Divisions identified	Institutional Mandate and Responsibilities	Role/Interest in the Project	Potential Problem and Mitigation
<p>19. Other projects</p> <p>Program for the conservation and sustainable development of the Eastern Wetlands Biosphere Reserve (PROBIDES)</p>	<p>Board of Directors integrated by MVOITMA, Local Governments of Rocha, Lavalleja, Maldonado, Treinta y Tres and Cerro Largo. Implemented the GEF Project in Eastern Wetlands. Prepared the proposal for a Master Plan for the Eastern Wetlands Biosphere Reserve, including the definition of PAs of different categories. Has important data base relative to natural resources and PAs in that region. Broad expertise in environmental education and training relative to PAs (courses for rangers, nature guides, etc.). Co-manages Potrerillo de Santa Teresa.</p>	<ul style="list-style-type: none"> Participation in demonstration experiences carried out in the Eastern Wetlands Biosphere Reserve. Potential participation in dissemination, training activities and involvement in local communities. 	<ul style="list-style-type: none"> Current information indicates that there are no potential conflicts/issues.
<p>Responsible Production Project (PPR) (GEF-WB)</p>	<p>Complementary actions in the surrounding areas of PAS.</p>	<ul style="list-style-type: none"> Invited member of the Steering Committee. Integrates the UEPA. 	<ul style="list-style-type: none"> Potential differences between the criteria on conservation and sustainable use of resources established by NPAS and those used by this Project. <p>MITIGATION STRATEGY:</p> <ul style="list-style-type: none"> Submission of regular Project Progress Reports and Briefings to ensure coordination between the two inter-linked projects.
<p>FREPLATA</p>	<p>Marine PAS Strategy.</p>		<ul style="list-style-type: none"> Current information indicates that there are no potential conflicts/issues.
<p>ECOPLATA</p>	<p>Training and capacity building.</p>		<ul style="list-style-type: none"> Current information indicates that there are no potential conflicts/issues.
<p>TRAIN-SEA-COAST Río de la Plata</p>	<p>Regional Training Unit in coastal and marine issues. <i>Capacity building</i> tool associated to other GEF projects in the region.</p>	<ul style="list-style-type: none"> Offer capacity-building courses by specific training in planning and integrated coastal and marine zones management modalities. 	<ul style="list-style-type: none"> Current information indicates that there are no potential conflicts/issues.

PART IV: Global significance of Uruguay Biodiversity and Protected Areas

A. Uruguay Environmental Context and Global Significance of Biodiversity

1. Uruguay is situated between 30° and 35° Southern latitude and 53.5 and 58.5° Western longitude in the Southern Cone of South America; it limits with Brazil to the North and East, with Argentina to the West, with the Plata River to the South, and with the Atlantic Ocean to the South East. It is the second smallest country in South America after Surinam, with a land area of 176,215 km²⁶⁸ and has a population of 3.241.003⁶⁹. Of this, 91.7% is concentrated in the capital and other urban centres, resulting in extensive rural areas with very low population density, particularly in the North of the territory. Uruguay's climate is temperate, with a mean temperature of 17.5°C, ranging from 20°C in the extreme North up to 16°C in the Atlantic coast. The mean annual rainfall is 1,300 mm, with a minimum of 985 mm in the south and a maximum of 1,600 mm in the NE, but the amount of rain varies markedly from year to year and draught periods can occur in any season. The general character of the land is undulating, with heights that do not surpass 513 meters above sea level and a dense hydrographical network. Soils make up a highly diversified mosaic, which is the result of the variation of geologic materials and topographic situations.

2. Prairies and grasslands predominate in Uruguay's territory, covering 11.7 million hectares (equivalent to 77% of the territory) and forming part of the last extensive temperate grassland ecoregions in South America. This is the *Uruguayan Savannas* that constitutes one of the richest areas in grass species worldwide and includes about 2,000 plant species, with over 400 grass species (Dinerstein et al, 1995; Groombridge 1992: 281). This predominance of grasslands has meant that in the past Uruguay has often been classified phyto-geographically as being similar to that of the Province of Buenos Aires, known as "Pampas" (for example in Cabrera and Willink (1973), and characterized by the absence of trees and predominance of grasses of the genera *Stipa*, *Piptochaetium*, *Aristida*, *Melica*, *Briza*, *Bromus* (Grela, 2004). However, trees and shrub species are widespread in the Uruguayan territory and constitute 10% of the Uruguayan flora. In many cases these form dense communities of native woodlands, especially along the margins of water courses, hilly country and even in plains. Different types of native woodlands, including gallery forests, ravine forests, Serrano forests, "algarrobal"⁷⁰, littoral spiny woodland, "monte parque", cover over 700,000 hectares (approximately 4% of national territory⁷¹). Palm forests, including the *Butia capitata* associations (an endemic species at the regional level) in the east and, the yatay palm (*Butia yatay*) in the northeast, cover another 70,000 hectares.

3. The country is also characterized by its freshwater and marine habitats, including vast wetlands and numerous rivers, streams and interior lagoons. Approximately 3,500 km² are occupied by lakes and lagoons, and a further 4,000 km² by permanent and temporary wetlands. The marine areas of Uruguay consist of the Plata River Estuary (Río de la Plata) and the adjacent shelf and slope, which form part of the Subtropical Convergence Ecosystem where warm, cold, and temperate waters mix. The Plata River, an important international waterway which divides Argentina and Uruguay, is the second largest river basin system in South America (3,170,000 km²). The waters of the Plata River wash 452 km of the

⁶⁸ Territorial sea: 125,057 km²; Jurisdictional waters: Plata River: 15,240 km², Merín Lagoon: 1,031 km², Uruguay River: 528 km²; insular area on the Uruguay River: 105 km². Total area: 318,413. Source: Servicio Geográfico Militar.

⁷² National Institute of Statistics. Census, Phase I, 2004.

⁷⁰ Practically pure stands of *Prosopis algarrobilla* and *Prosopis nigra*, generally associated to alcaloid soils

⁷¹ Even though the climate might give rise to extensive woodland formations, a series of natural factors (wide areas of superficial soils with hardly any capacity for water retention or excessively silty, belated spring frosts) as well as anthropogenic factors (effect of stock raising, excessive logging) have an influence on the conformation and extension of the predominant plant formation the prairie. These conditions are tolerated by the grasses in pastoral formations (with reserving roots or stems) while the plantlets of trees, which in most cases are far more sensitive, prosper in situations where microclimates are favorable (ravines, hilly country) or near water, as is the case of coastal woods (Alonso & Bassagoda 2002)

Uruguayan coast and the Atlantic Ocean covers 228 km of coastline, with an offshore environment covering 133,000 km².

4. In this context Uruguay represents a terrestrial and marine ecotone of significant biodiversity value. Many tropical and subtropical plant and animal species have their southern limit of natural distribution areas in Uruguay. Similarly several Andean and Patagonic species reach Uruguayan territory. This is significant for conservation strategies regarding genetic biodiversity. Uruguay is one of 39 Neotropical fauna dispersal centers. The Uruguay dispersal centre is and defined by the distribution of the amphibian, reptiles and birds species *Pleurodema bibroni*, *Cthonerpeton indistinctum*, *Anops kingii*, *Limnornis curvirostris*, and *Anisolepis undulatus*. The Paraná and la Plata Rivers are the Western and Southern limits of and the Rainforests of Rio Grande do Sul and Santa Catarina Biome " as the northern limit.(Müller (1973). Floristically, based on geographical distribution of a significant number of the country's tree and shrub species, Uruguay is now recognised as forming part of the *Seasonal Tropical Forests Domain (Paranaense Province)*, the south western limit of the transition between the *Paranaense* and *Chaco Provinces*, and strong links with the Cerrado Region of central Brazil (Grela 2004).

5. The coastal, estuary and marine ecosystems of Uruguay are included within the "**Patagonian Shelf**" **Large Marine Ecosystem** (LME) considered as highly productive (Class I). They are also part of the **Subtropical Convergence Ecosystem** where warm, cold, and temperate waters mix. The meeting of the Brazil Current with the Falklands Current forms the subtropical convergence where the up welling conforms an area of high productivity favouring the rich variety of marine life, which includes the feeding area of 11 species of marine birds with serious conservation problems (Venal and Stagi, 2001; Arballo and Cravino, 1999; Calliari et al 2003). These ecosystems supply favorable habitat for the reproduction of anchovies, among other species of bony and cartilaginous fish, which are key species in the trophic organization Bakun, 1993 in Calliari et al, 2003 and essential in the primary and secondary diet of carnivorous species of significant commercial relevance, such as the hake (*Merluccius hubbsi*), the common squid (*Loligo sp.*), and the short fin squid (*Illex argentinus*). The system of coastal lagoons in the East is relevant to local and regional conservation due to its high biodiversity and biological productivity and represents a breeding and feeding area for resident and migratory water fowl which are protected by national decrees and international agreements.

6. Among freshwater systems, the *Guaraní Aquifer*⁷² —one of the largest subterranean water reservoirs in the world— stands out. In Uruguay, it covers 45,000 km² (25% of the country's territory). Among coastal, estuarine and marine ecosystems, the *Patagonian-Southwest Atlantic*, in the Temperate Shelf and Seas Biome of the Marine Realm, is considered "*Vulnerable*" and *one of the 200 priority ecoregions* at a global scale, in WWF's Global 200 Program.⁷³ The *Atlantic Coast Rivers of SE Brazil and Uruguay* in the Small Rivers Biome of the Freshwater Realm, are also considered "*Vulnerable*", and are under review for elevation to Global 200 status based on their biodiversity features and representation value.

7. Several other Uruguayan ecosystems have been recognized by their global importance. Amongst these is the *Bañados del Este Biosphere Reserve* (Eastern Wetlands) that was the first Biosphere Reserve approved in Latin America (1976) and recently classified by Conservation International as one of the *Earth's Last Wild Places* of the wetlands biome⁷⁴ considered a high biodiversity wilderness area. There are also two *RAMSAR sites (Bañados del Este and Esteros de Farrapos)* *17 Important Bird Areas* and

⁷² It covers a total of 1.190,000 km² distributed among Uruguay, Argentina, Brazil and Paraguay, occupying a surface which is larger than the territories of Spain, France and Portugal put together)

⁷³ Global 200: A science-based global ranking of the Earth's most biologically outstanding terrestrial, freshwater and marine habitats. It provides a critical blueprint for biodiversity conservation at a global scale.

⁷⁷ Conservation International. 2003. Wilderness: Earth's Last Wild Places. Robles, P. (Ed.). CI and Sierra Madre. CEMEX.

two Endemic Bird Areas (Bird Life International). Among freshwater systems, the **Guaraní Aquifer**⁷⁵ — one of the largest subterranean water reservoirs in the world— stands out. In Uruguay, it covers 45,000 km² (25% of the country's territory).

8. Among coastal, estuarine and marine ecosystems, the **Patagonian-Southwest Atlantic**, in the Temperate Shelf and Seas Biome of the Marine Realm, is considered “*Vulnerable*” and **one of the 200 priority ecoregions** at a global scale, in WWF's Global 200 Program.⁷⁶ The **Atlantic Coast Rivers of SE Brazil and Uruguay** in the Small Rivers Biome of the Freshwater Realm, are also considered “*Vulnerable*”, and are under review for elevation to Global 200 status based on their biodiversity features and representation value.

9. In terms of the **productivity of ecosystems** (biomass production) according to the world vegetation map of NASA, the productivity in land areas of Uruguay is high while in marine, coastal and estuary areas it attains the highest possible values at global scale.⁷⁷

10. In line with this habitat diversity, Uruguay shows an interesting diversity of species. The country has a rich and diverse flora, in terms of the number of species/square meter, the number of genera/family and the number of species/genus. To date 2,750 higher plant species have been registered, in 140 families, (89 exclusively herbaceous and 27 exclusively ligneous) and more than 800 genera. Among them, Gramineae stand out, with 553 species of grasses (native and naturalized), which make the country one of the richest sites in the world with respect to this family. Uruguayan grasslands are even more important, considering that the ecosystems of the Argentinean Pampas were practically eliminated as from the end of the 19th century. The number of lichens and lichenicolous fungi totals 556 species.

11. In terms of fauna, some 1,300 species of vertebrates have been identified, of which 668 are fish, 43 amphibians, 67 reptiles, 431 birds, and 113 mammals. Birds are particularly important and have given the country its name: *Uruguay*, meaning “*river of the colorful birds*” in the native Guaraní language. Although in absolute terms the total bird diversity in Uruguay does not reach the level of abundance of other countries of the region, in terms of number of species/land surface, the country is one of the richest nations in birds in South America. For example, considering that Uruguay is 16 times smaller than Argentina and 48 times smaller than Brazil, it contains 40% and 25% of the total bird species of those countries respectively (Azpiroz, 2001).

12. Among **endangered species** there are 38 mammals, 37 birds, 5 reptiles, 7 amphibians, 39 fish, one insect, 2 crustaceans, 2 mollusks, and 5 plants (IUCN, 2005). Of all the animal species listed in Appendices I and II of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), 27 and 101 respectively are found in Uruguay. As to plants, 100 species present in Uruguay appear in Appendix II of CITES. Approximately 7 % of the Uruguayan birds show conservation problems at the global scale and some species are endangered, including the Saffron-cowled blackbird (*Xanthopsar flavus*), the Black vulture (*Coragyps atratus*), and the Lesser red-breasted meadowlark (*Sturnella defilippi*). Uruguay is an Endemic Bird Area (EBA) (BirdLife International) with three restricted-range *Sporophila* grass-eater bird species registered: *S. zelichi* (critically endangered), *S. cinnamomea* (vulnerable), and *S. palustris* (endangered). Among **endemic species**, 10 to 14 spiders, 5 opiliones, 3 scorpions, 5 fish, and 4 amphibians have been identified in the country, as well as several plant species.

⁷⁵ It covers a total of 1:190,000 km² distributed among Uruguay, Argentina, Brazil and Paraguay, occupying a surface which is larger than the territories of Spain, France and Portugal put together)

⁷⁶ Global 200: A science-based global ranking of the Earth's most biologically outstanding terrestrial, freshwater and marine habitats. It provides a critical blueprint for biodiversity conservation at a global scale.

⁷⁷ It measures photosynthetic production at world level with information compiled over three years of satellite data. See: <http://www.hcs.ohio-state.edu/hcs300/planet.htm>.

13. About 35% of the country's bird species are *migratory*, with at least three migratory routes, each with different places of origin and permanence in Uruguayan territory. The Eastern Wetlands (Baños del Este), which encompass some of the most important freshwater and coastal ecosystems of the Neotropical region, are under consideration by the Western Hemisphere Shorebird Reserve Network (WHSRN) as a site of Hemispheric Importance for migratory shorebirds. This is significant as it recognizes Baños del Este as a crucial link in the migratory chain of sites of hemispheric importance for species of migratory shorebirds (Rilla, 1992; Blanco 2001).

14. Other migrants include marine turtles (in particular the endangered green turtle *Chelonia mydas* and *Caretta caretta*), cetaceans (such as the Southern right whale *Eubalaena australis*), fish, and at least one species of bats. Uruguay's ecosystems are home to *large or important populations* of various species, like the sea lion (*Otaria flavescens*) with 15,000 individuals and a huge colony of fur seal (*Arctocephalus australis*) with 250,000 specimens, and some of the major nesting colonies of wetland and coastal fowl of southern South America, such as the kelp gull (*Larus dominicanus*) in the Lobos Island and the royal tern (*Sterna maxima*) in Isla Verde of La Coronilla. The straight-billed reedhaunter (*Limnortyx rectirostris*), the saffron-cowled blackbird (*Xanthopsar flavus*), the black-and-white monjita (*Heteroxolmis dominicana*), and several grass-eater birds (*Sporophila spp.*) considered as endangered, have an important part or even a majority portion of their wild populations in this country. In Baños del Este is found the most important population of the Butia palm (*Butia capitata*), a regionally endemic species. In Uruguay butia palm forests cover over 70.000 hectares and have the highest densities of the species in its distribution range. Butia palm groves are the southernmost palm forests in the world and are currently under serious threats due to the lack of regeneration and aging of synchronic individuals (Rivas & Barilani, 2004). In Uruguayan territory there is a unique formation, the Ombú forest (*Phytolacca dioica*), a tree which throughout the rest of its distribution is generally found isolated from all the others.

15. As mentioned previously, many tropical and subtropical species have the southernmost limit of their natural range in Uruguayan territory. Among terrestrial mammals registered in the country, 45 of them (56.2%) have their southernmost distribution limit in Uruguay or in an equivalent latitude in Argentina; the same happens with 85 among the 400 species of continental birds registered in the country. With respect to continental reptiles, 26 out of 63 species registered for the country (41.3%) have their southernmost distribution limit in Uruguay and among the 43 amphibians not less than 22 (51.1%) show a similar pattern. The populations of various species of native trees reach in Uruguayan territory the southernmost and easternmost limit respectively, of their natural distribution, a characteristic which enhances the importance of Uruguayan native forests in conservation programs of genetic resources to be implemented in the Southern Cone. (Brussa & Grela⁷⁸).

16. Finally according to conservation assessments in Latin America and the Caribbean, the terrestrial ecoregion in which the Uruguayan territory lies has been classified as "Vulnerable" (Dinerstein et al. 1995), and the status of its freshwater biodiversity as "Endangered" (Olson et al, 1998)

⁷⁸ "Ecosistemas Forestales Naturales del Uruguay", currently under preparation

B. Existing PAs in Uruguay

Map of existing PAs in Uruguay

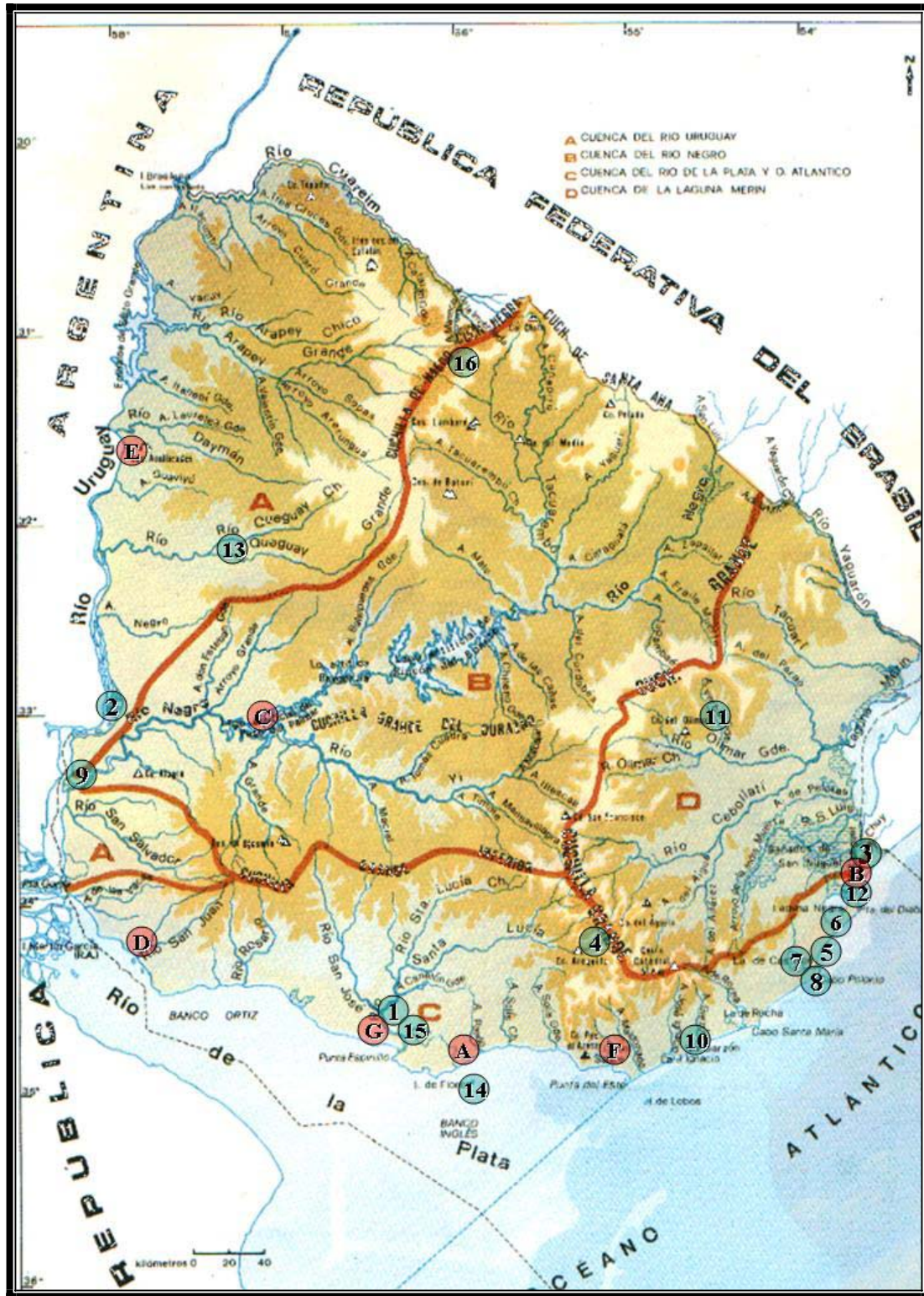


Table 14. Protected areas with outstanding biodiversity elements

Map N°	Name	Year of creation	Legislation	Size (hectares)	Land tenure	Ecosystem and dominant vegetation type	Other comments
1	Río Santa Lucía Fiscal Islands	1921	Decree	550	Public	Islands, wetlands, exotic forest	Managed by DGRNR (MGAP)
2	Río Uruguay Fiscal Islands	1921	Decree	6.600	Public	Riparian forest, wetlands	Managed by DGRNR (MGAP)
3	San Miguel National Park and Historic Monument (1)	1937	Law 9718/937	1.553	Public	Wetlands, Serrano forest	Co-managed by SEPAE, DINAMA & PROBIDES
4	Arequita Park	1954	Law 12096/954	1.000	Public/Private	Serrano forest, exotic forest	Co-managed by DGRNR (MGAP), local government of Lavalleja, private owners
5	Cabo Polonio Dunes, Natural Monument (1)	1966	Decree 266/966	1.000	Public	Atlantic coast, coastal dunes	Managed by DGRNR (MGAP)
6	Atlantic Coast Natural Monument (1).	1966	Decree 266/966	650	Public	Atlantic coast	Managed by DGRNR (MGAP)
7	Laguna de Castillos, Wildlife Refuge (1)	1966	Decree 266/966	8.185	Public	Wetlands, prairies, riparian forest	Managed by DGRNR (MGAP). Part of Proposal in Decree 527/92
8	Cabo Polonio & Aguas Dulces Forest Reserve (1).	1969	Decree 571/969	6.000	Public	Exotic forest	Managed by DGRNR (MGAP) Part of Proposal in Decree 527/92.
9	Río Negro National Forest	1969	National Decree 297/969	1.850	Public	Riparian forest, river coast, exotic forest	Managed by DGRNR (MGAP)
10	National Lake Park and Multiple Use Area, Laguna José Ignacio, Garzón and Rocha (1)	1977	National Decree 260/997	15.250	Public/Private	Lagoons, exotic forests	Managed by DGRNR (MGAP). Part of Proposal in Decree 527/92
11	Quebrada de los Cuervos Natural Protected Area	1986	Resolution IMTT 1824	365	Public	Serrano forest and ravine; prairie	Managed by IMTT.
12	Potrillo de Santa Teresa National Park and Fauna and Flora Reserve (1)	1991	Art. 352 Law 16.320/991	715	Public	Wetlands and riparian forest	Managed by Probedes through agreement with Grupo Palmar (Castillos).
13	Rincón de Pérez-Queguay	1994	Art. 116. Law 16462	10.000	Private	Riparian forest, wetlands, lagoon	No management category assigned. Paper PA.

Map N°	Name	Year of creation	Legislation	Size (hectares)	Land tenure	Ecosystem and dominant vegetation type	Other comments
14	Islas Costeras National Park	1996	National Decree 447/996	70	Public	Islands, river coast, Atlantic coast	Does not include sea zone. Managed by DGRNR (MGAP)
15	Santa Lucía Natural Municipal Park	1999	Municipal Resolution Decree 26986/96 (Art. 3)	2.500	Public/Private	Wetlands, riparian forest, exotic forest	1.000 hectares managed by the Municipality of Montevideo. It's Advisory Commission was created by the Municipality of Montevideo.
16	Valle del Lunarejo Regional Natural Park	2001	Municipal Resolution Decree 10839/01	20.000	Private	Riparian forest, Serrano forest	Mostly Paper PA. No management measures taken after proclamation.

Table 15. Protected areas of historical-cultural and/or recreational interest, with little biodiversity value

Map letter	Name	Year of creation	Legislation	Size (hectares)	Land tenure	Ecosystem and dominant vegetation type	Other comments
A	F. D. Roosevelt National Park	1916	Law	1.492	Public	Exotic forest, wetland	Recreation area. Managed by DGRNR (MGAP)
B	Santa Teresa National Park and Historic Monument	1927	Law 8172/927	1.050	Public	Exotic forest, Atlantic coast	Managed by SEPAE. High historical, landscape and recreational value. Close to areas of high biodiversity value.
C	Bartolomé Hidalgo Park	1946	Law 18801/946	188	Public	Exotic forest, river coast	Recreation area. Managed by DGRNR (MGAP)
D	Anchorena National Park	1978	Law 14817/978	1.370	Public	Exotic forest, river coast, riparian forest	Recreation area. Managed by the Presidency of the Republic.
E	Meseta de Artigas Historic Monument	1979	Resolution M.G.A.P. 2669/979	50	Public	Exotic forest, river coast	Managed by the local government of Paysandú and Ministry of Education and Culture.
F	Laguna del Sauce Protected Landscape	1989	National Decree 367/989	Not determined	Public/Private	Lagoon, exotic forest	Highly intervened.
G	Penino Ecological Beach	1996	Municipal Resolution IMSJ	Not determined	Public	River coast, beach	Highly intervened.

**Table 16. Areas Proposed by Decree 527/92
(Include existing PAs and other proposals involving lagoon-coastal ecosystems)**

Laguna de Rocha Protected Area (1)	1992	Nat. Decree 527/992	16.450	Public/Private	Wetlands, Atlantic coast, coastal lagoon	PROBIDES, local government of Rocha., private conservation areas. Temporary Advisory Commission.
Laguna Garzón Protected Area (2)	1992	Nat. Decree 527/992	4.440	Public/Private	Wetlands, coastal lagoon, Atlantic coast	Mostly paper PA.
Laguna de Castillos Protected Area (3)	1992	Nat. Decree 527/992	30.850	Public/Private	Atlantic coast, coastal dunes, wetlands, prairies, riparian forest, exotic forest	Managed by DGRNR (MGAP)
Laguna Negra Protected Area (4)	1992	Nat. Decree 527/992	38.330	Public/Private	Lagoon, wetlands, riparian forest, Butiá palm forest, exotic forest	Mostly paper PA. 1,050 hectares managed by SEPAE; 715 hectares managed by PROBIDES. Private conservation areas.
Laguna Merín Protected Area (5)	1992	Nat. Decree 527/992	165.000	Public/Private	Lagoon, wetlands, riparian and Serrano forest, Atlantic coast	Mostly paper PA.

(1) and (2) are included in the Laguna José Ignacio, Garzón and Rocha Multi-Purpose Area and National Park

(3) includes the Dunas del Cabo Polonio Natural Monument, the Costa Atlántica Natural Monument, Laguna de Castillos Wildlife Refuge and the Cabo Polonio and Aguas Dulces Forest Reserve.

(4) includes the Fortaleza de Santa Teresa Historic Monument and National Park, the “El Potrerillo de Santa Teresa” National Park and Fauna and Flora Reserve.

(5) includes the Fuerte San Miguel Historic Monument and National Park.
Nat. Decree = National Decree

PART V: Legal and Institutional Context

A. Main norms relative to conservation of biodiversity and PAs

Table 17. Main national regulations on the environment and biodiversity that –either directly or indirectly—determine the legal framework for a NPAS implementation.

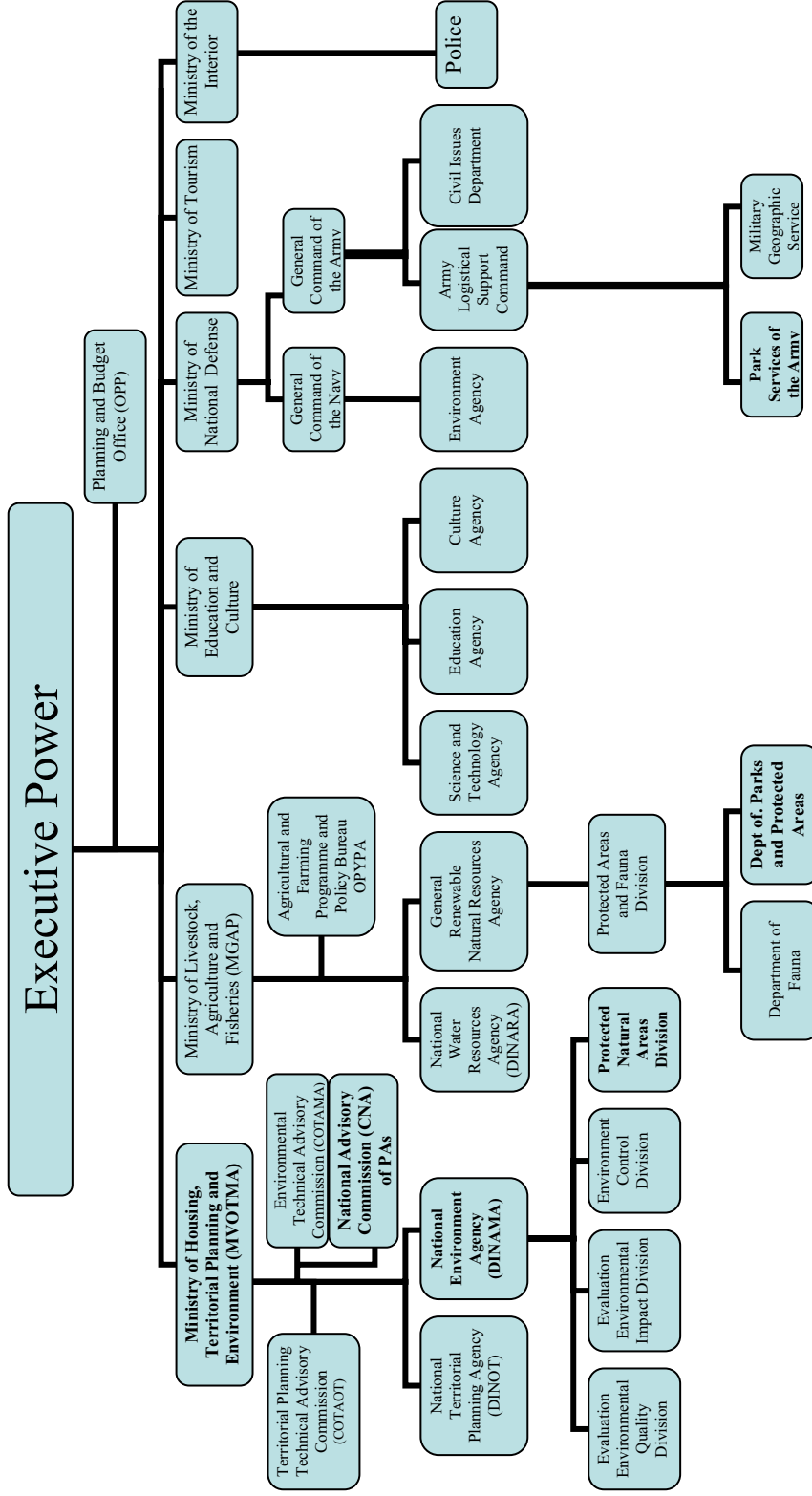
Field	Legislation	Title or subject
General	Constitution of 1997	Art. 47: Declares environmental protection to be of “general interest”
	16.112/990	Creation of MVOTMA
	Decree. 261/993	Creation of COTAMA
	Law 16.466/994	Environmental Impact Assessment Act
	Law 16.519/994	Approves San Salvador Protocol on American Human Rights Convention
	Law 17.283/2000	General Law on Environmental Protection
Soils and waters	Decree-Law 14859/78	Water Code
	Decree 253/979	Water control to prevent environmental pollution
	Decree 579/989 y 195/991	Amendments to Decree 253/79
	Decree-Law 15.239/981 and Decree 284/990	Law on Conservation of Soils and Surface Waters for agricultural and animal farming purposes
	Law 16.858/997	Irrigation Act
Fauna	Law 9.481/935	Protection of National Fauna
	Decree s/n 28/2/947	Regulates Law 9.481/35
	Decree 565/981	Wildlife Fauna Categories
	Decree 12/985	Pampas deer is declared Natural Monument
	Decree 164/996	Wildlife/fauna hunting prohibitions
	Law 16.736/996	Hunting permit regulation
Flora	Law 15.939/987	Forestry Act
	Decree 330/993	Regulates felling of native forests
Protected Natural Areas	Law 15.939/987	Forestry Act
	Law 16.170/990	Article 458: protection and reserve areas
	Decree 81/991	Requires definition of reserve areas
	Decree 183/991	Requires permits for works in reserve areas
	Decree 527/992	Laguna Merín, littoral lagoons and Atlantic coast protection areas
	Law 17.234/2000	Creates the National Protected Area System
	Regulation Decree without number 2005	Regulates Laws 17234 for the Creation of a National Protected Natural Areas System
Biodiversity, Agro-chemicals, Organic agriculture	Law 16.408/993	Approves Convention on Biological Diversity
	Law 13.640/967	Regulations on agro-chemicals
	Law 13.663/968	Standards on fertilizers
	Decree 367/968	Standards on pesticides
	Decree 410/969	Standards on herbicides
	Decree 100/977	Control of use and disposal of pesticides
	Decree 149/977	Controls the sale of pesticides
	Resolution 12/1/977	Prohibits chlorinated pesticides (MGAP)
	Decree 625/981	Fertilizer composition
	Decree 113/990	Regulates sale and use of hazardous pesticides
	Decree 360/992	Regulation, characteristics and labelling of products
Decree 19/993	Products for human consumption are added	
Urbanization	Law 10.723 y 10.866/946	Creation of inhabited sites
	Law 17.292/001 and Decree 323/001	Condominium-type urbanizations
Environmental Impact	Law 16.466/94	Environmental Impact Assessment Act
	Decree 435/994	Environmental Impact Assessment Regulation
Environmental management instruments	Law 16.112/990	Art. 6: fines for infringement of environmental protection regulations
	Law 16.170/990	Art. 453: possibility to adopt urgent measures
	Law 16.466/994	Art. 4: obligation to recover environments that are affected

Source: Adapted from Cousillas, M., Evia, G y Gudynas, E. (2000) and Scarlato (2004).

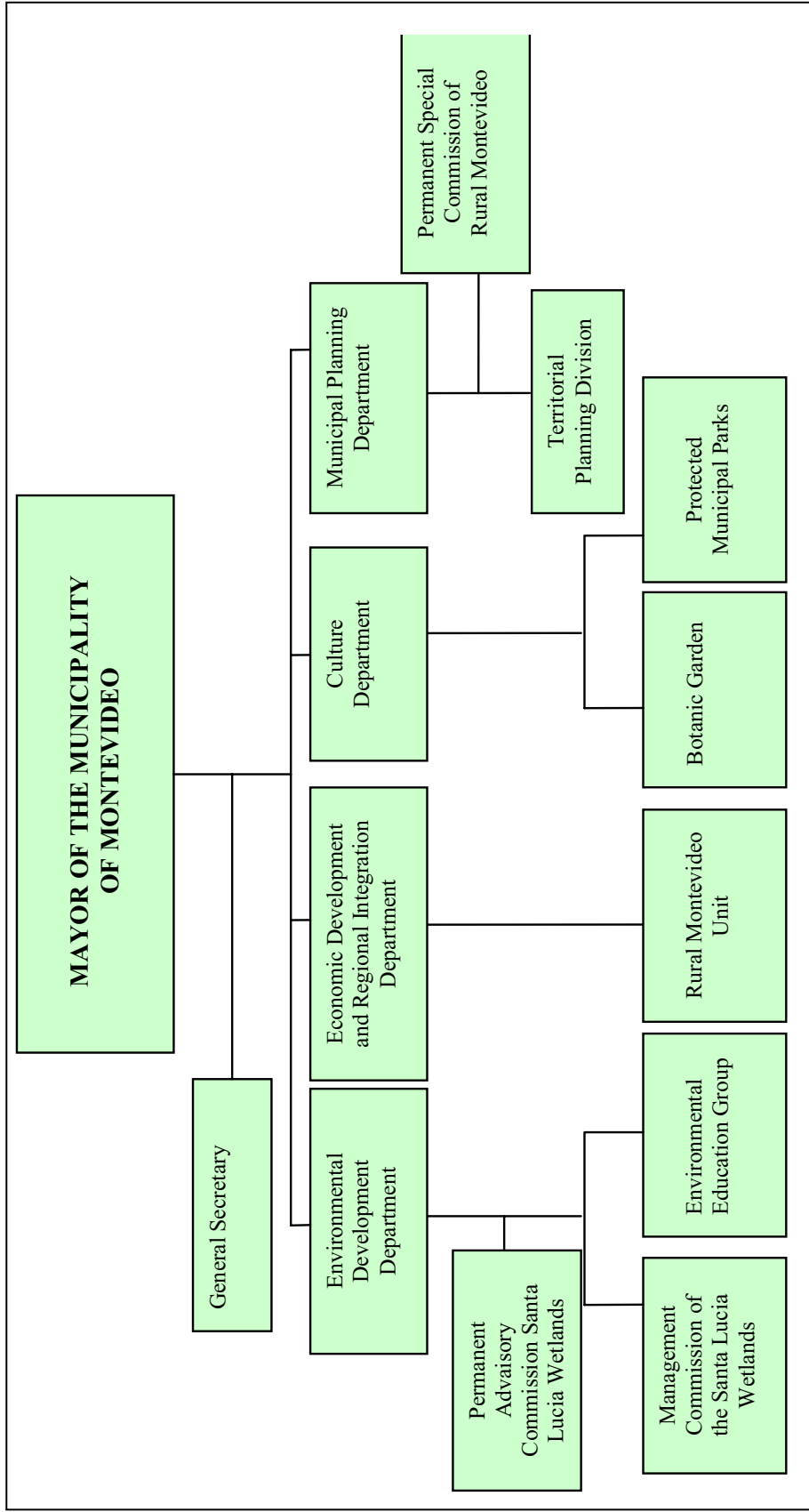
B. Main international commitments assumed by Uruguay in relation to conservation of the biodiversity and PAs

- Convención de Protección de Flora, Fauna y Bellezas Escénicas Naturales de los Países de América (1940): Ley N° 13.776, de 17/10/1969; (*Convention for the Protection of Flora and Fauna and the Natural Scenic Beauties of American Countries (Washington 1940) (Law No. 13,776 of October 17, 1969)*).
- Convención sobre el Comercio Internacional de Especies Amenazadas de Fauna y Flora Silvestres (CITES, 1973): Decreto-ley N° 14.205, de 04/06/1974; (*Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington 1973) (Law No. 14,205 of June 4, 1974)*).
- Enmiendas a la Convención sobre el Comercio Internacional de Especies Amenazadas de Fauna y Flora Silvestres (CITES): Decreto-ley N° 15.626, de 19/09/1984; (*Amendments to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Decree-law N° 15.626, of 19/09/1984*).
- Convenio Internacional relativo a las Zonas Húmedas de Importancia Internacional, especialmente como hábitat de la Fauna Ornitológica (Ramsar, 1971): Decreto-ley N° 15.337, de 29/10/1982; (*International treaty relative to the Wetlands of International Importance, specially like habitat of the Ornithological Fauna (Ramsar, 1971): Decree-law N° 15,337, of 29/10/1982.*)
- Convención sobre la Conservación de las Especies Migratorias de Animales Silvestres (Bonn, 1979): Ley N° 16.062, de 06/10/1989; (*Convention on the Conservation of Migratory Species of Wild Animals (Bonn, 1979) (Law No. 16,062 of October 6, 1989)*).
- Convenio sobre la Diversidad Biológica (Río, 1992): Ley N° 16.408, de 1993; (*Convention on Biological Diversity (Rio, 1992) (Law No. 16,408 of August 27, 1993)*).
- Convención de UNESCO para la Protección del Patrimonio Mundial, Cultural y Natural (París, 1972): Ley N° 15.964, de 28/06/1988; (*UNESCO Convention for the Protection of the World Cultural and Natural Heritage (Paris 1972) (Law No. 15,964 of June 28, 1998)*).
- Protocolo al Tratado Antártico sobre Protección del Medio ambiente y sus Anexos (Washington, 1991): Ley N° 16.818, de 22/07/1994; (*Protocol to the Antarctic Treaty on Protection of the Environment and its Annexes (Washington, 1991) (Law N° 16.818 of 22/07/1994)*).

PART VI: Existing Government Institutional Structure Related to PA Management



Municipality of Montevideo



PART VII: Potential mechanisms to increase financial sustainability of the NPAS

1. This part presents a synthesis of an initial evaluation of potential instruments for revenue generation and distribution undertaken in the PDF B. Some of these instruments are already in use as part of national policies for implementing the NPAS and managing PAs (e.g, entrance fees, collaboration agreements as part of the environmental authorizations given by DINAMA in application of the EIA Law for activities that could have potential negative impacts), but would require further development. Other instruments have a high level of viability in the short term, while others require a longer period for full evaluation and development. Consequently, the project will commission more in-depth studies to determine best approaches for each mechanism in the Uruguayan context and will provide support for lobbying, negotiation and eventual approval (for which purpose a high level national inter-institutional and multidisciplinary PA financing task force will be established). It will also identify amendments of the regulatory framework and policies necessary for their application in the long term.

These instruments are grouped in two broad sets as follows:

- Potential mechanisms for PA resource allocation and distribution (Table 1):
 - National Fund of Protected Areas (Law 17.234).
 - National Budget allocations (through national budget laws approved for a 5-year period, allowing annual adjustments)
 - Municipal Budget allocations (through municipal decrees for a 5-year period, allowing annual adjustments).
 - Recreation and tourism entrance and service fees
 - Tourism based taxes for incoming tourists
 - Hunting and fishing licences, extraction fees, and corresponding fines for non compliance
 - Bio prospecting rights and fees.
 - Environmental services tax on agricultural and farming production
 - Financial contributions from value added activities and products developed in PAs and buffer zones
 - Fees and conservation agreements as part of the environmental authorizations given by DINAMA for activities that could have potential negative impacts (EIA law and municipal).
 - Donations and various external funds
 - Trust funds for conservation
 - Debt-for-nature swaps
- 2) Potential incentive mechanisms for biodiversity conservation activities and PAs, such as (Table
 - Tax exemptions on conservation-friendly agricultural and farming activities in PAs or buffer zones.
 - Tax exemptions on donations for conservation purposes
 - Direct subsidies.

2. These tables show the potential of each instrument, the main barriers and restrictions for their application, the necessary steps to remove these barriers and restrictions, and the priority and feasibility level.

Table 18. Potential mechanisms and sources for PA revenue generation and distribution

Mechanism	Barriers and restrictions to use this type of mechanism	Necessary steps to remove barriers and restrictions	Resource generation potential	Priority level/feasibility level
National Fund for Protected Areas (Note: It is <u>not</u> a trust fund)	The Fund was “created” by Law 17.234, but it has not been capitalised and operational procedures have not been yet defined	<ul style="list-style-type: none"> - Define strategies and mechanisms for capitalisation and replenishment - Define procedures for management and control - Define criteria and procedures for disbursement of funds 	<ul style="list-style-type: none"> - If its capitalisation is strong and its management good, this Fund can play a key role in financial management at the system level. - Since it will be administered by MVOTMA, it could help improve government and PA revenue and accounting systems. 	Very high/Medium
National Budget allocations	<p>In Uruguay the national budget is approved by the Parliament for a five-year period, but it can undergo annual adjustments.</p> <p>Although current Administration has significantly increased PA budget allocations, future increases in the short term might be limited due to:</p> <ul style="list-style-type: none"> - Government priorities focused on social and economic issues - The country has a high foreign debt/GDP ratio compelling the maintenance of a high primary fiscal surplus so as to meet foreign commitments. - Timely and adequate resources availability depends on the real possibility of the Treasury. 	<ul style="list-style-type: none"> - Ability of the country to maintain a rather stable and lasting growth cycle that allows for a greater fiscal flexibility - Raise awareness of broad society and policy and decision makers to increase priority of conservation issues and resource mobilisation for PAs - Strategic communication to show the interrelationship between conservation and development, the value of PAs and their contribution to livelihoods and the local and national economy, opportunities for income generation through PAs 	<ul style="list-style-type: none"> - Given the reduced contribution that was formerly coming from budget allocations, increases that the new Budget Law has included (though modest in absolute terms) represent a substantial rise. PDF-B activities helped leverage an increase in DINAMA’s budget for PAs of more than 700% (from US\$ 28,000/year in 2005 to over US\$ 200,000/year as from 2007). - In addition, an agreement between OPP and MVOTMA, signed during PDF B, sets the stage for partial allocation of funds from government programmes for development of the interior and decentralization to PAs and conservation activities (total amount of these programmes: about USD 210 million for the next 5 years) 	High/ Medium
Municipal Budget allocations	Most municipal governments have weak financial situations.	<ul style="list-style-type: none"> - Improve fiscal balance - Strategic communication to show the value of PAs and their contribution to livelihoods, local economy, opportunities for income generation 	<ul style="list-style-type: none"> - In general terms, limited. 	Medium to high/ Medium
Recreation &	<ul style="list-style-type: none"> - Current legislation allows 	<ul style="list-style-type: none"> - Improvement of the regulatory 	<ul style="list-style-type: none"> - The revenue potential will 	High/High

Mechanism	Barriers and restrictions to use this type of mechanism	Necessary steps to remove barriers and restrictions	Resource generation potential	Priority level/ feasibility level
<p>tourism entrance and service fees</p>	<p>tourism fee collection in PAs but there are imperfections that hamper retention of revenues by DINAMA or the PA Fund</p> <ul style="list-style-type: none"> - Decisions must be based on market information - There is no agreed-upon methodology to determine fees - A certain degree of initial reluctance can be expected on the part of users, as in many cases there is no tradition to pay fees to access public PAs - Vulnerable to external events. - Start up costs for new fees - Capital investment needs for visitor infrastructure 	<p>framework to ensure that resources are not “lost” in the National Treasury.</p> <ul style="list-style-type: none"> - Economic valuation studies and market research. - Implement effective fee collection, management and administration systems. - Equity concerns should be considered - Provide flexibility so that agencies can determine the most appropriate types of recreation fees; establish fee levels; determine the most effective modes of fee collection; and evaluate the relative effectiveness of various approaches. - Requires partnerships/ cross sectoral collaboration - Targeted training - Communications strategies 	<p>depend on the number of PAs where the fee system is applied, the number of visitors each PA receives, and the admission policy applied.</p> <ul style="list-style-type: none"> - According to information available, some PAs could finance by far their current operational costs –on the basis of income derived from tourism. - In a conservative hypothesis (assuming the fee system is applied in 2 to 4 PAs, that some improvements are made regarding the regulatory framework, and slightly low fees are applied), an annual gross collection of about 100-150,000 US\$ could be estimated. 	
<p>Tourism based taxes for incoming tourists</p>	<ul style="list-style-type: none"> - Whether its application is compatible with agreements on the free circulation of people within MERCOSUR is arguable and this is extremely relevant as the extended MERCOSUR countries account for 95% of incoming tourist markets. - Vulnerable to external events 	<ul style="list-style-type: none"> - Requires top-level political decisions that involve the Presidency of the Republic, the Ministry of Tourism, MVOTMA, Ministry of Finances, and Ministry of Foreign Affairs. - Tourism based taxes should be also negotiated in the corresponding technical and political quarters of MERCOSUR 	<ul style="list-style-type: none"> - The historical average annual inflow of tourists is of about 2 million people, with an increasing trend. With such a broad income basis, even if relatively low taxes were to be applied (0.75 US\$ -1 US\$ per person, so as not to discourage the inflow of tourists) the gross levels of collection would be remarkable and in the order of 1:5 - 2:0 US\$/year. - If the taxes were to be applied only to extra regional tourists, the collection would drop drastically. 	<p>High/Medium</p>
<p>Hunting and fishing licences,</p>	<p>Potential damage to the values of the PA</p>	<ul style="list-style-type: none"> - Improve regulatory framework (clear definition of responsibilities of each 	<p>Not a major funding source. However, fees reflect the value of</p>	<p>High/Medium</p>

Mechanism	Barriers and restrictions to use this type of mechanism	Necessary steps to remove barriers and restrictions	Resource generation potential	Priority level/ feasibility level
extraction fees, and corresponding fines for non compliance		<ul style="list-style-type: none"> - public organization and inter-institutional coordination; this implies high- level political decision-making. - Increase staff numbers for enforcement and control. - Improve staff capacities and equipment. - Impacts should be predicted prior to any activity being undertaken and then monitored on an ongoing basis. - Define quotas or permits to maintain activities within sustainable limits. 	resources to users and could be used as a tool to manage the scale of use.	
Bio prospecting rights and fees	There is no regulatory framework.	<ul style="list-style-type: none"> - Definition of an appropriate regulatory framework. - Develop terms for scientific research in PAs - Implies high-level political definitions. 	Difficult to forecast, probably little contribution in the short and medium term. However, conceptually it seems to be a relevant component of PA and conservation policies	High/Low
Environmental taxes on agricultural production to finance PAs	<ul style="list-style-type: none"> - Considering the low level of the current fiscal pressure (5% of GDP, about 10% of the aggregate gross income of the whole sector) and the broad base that could undergo taxation, slight increases could generate a significant amount of resources for the State. - The main tax paid by producers is the Tax on the Sale of agricultural and farming goods (IMEBA) whose maximum rates are set by law and are currently set at their maximum for almost all products. - Resistance to an increase of the tax burden. - Lack of valuation studies 	<ul style="list-style-type: none"> - Valuation studies - Requires top-level political decisions that involve the Presidency of the Republic, MGAP, MVOTMA and MEF. - Need for legislation to increase the IMEBA tax and allocate revenues to the NPAS. - Levy differential tax rates so as to enable producers to generate more income from conservation-friendly activities (e.g. allow relatively lower tax rates or tax exemption on sustainable land and resource uses). 	<ul style="list-style-type: none"> - In 2004, the net IMEBA and ancillary collections was estimated at US\$35.6 million, about 1.57 % of the gross value of total agricultural and farming production. - The creation of an additional IMEBA (earmarked to NPAS) of around 0.005% of the value of the first purchase/sale transaction would allow the generation of annual resources of about 1.1 million US\$ (which in turn implies increasing tax collection from the agricultural and farming sector by 1.3% and increasing the tax burden by less than 1 per thousand of its GDP). 	High/Medium to low
Financial contributions from value added	<ul style="list-style-type: none"> - Insufficient market research - Lack of valuation studies 	<ul style="list-style-type: none"> - Development of local capacity to prospect, generate and implement successful business plans. 	High potential in PAs with tourism components. Less potential and feasibility in PAs and buffer	High/ Medium to low

Mechanism	Barriers and restrictions to use this type of mechanism	Necessary steps to remove barriers and restrictions	Resource generation potential	Priority level/ feasibility level
<p>activities and products developed in PAs and buffer zones</p>		<ul style="list-style-type: none"> - Economic valuation studies and market research - Requires partnerships/ cross sectoral collaboration - Targeted training 	<p>zones with agricultural and livestock activities.</p>	
<p>Fees and conservation agreements as part of the environmental authorizations given by DINAMA for activities with potential negative impacts.</p>	<ul style="list-style-type: none"> - Although the general framework is provided by the EIA Law, there are no specific criteria/procedures for this type of agreements. - Two recent antecedents include the requirement to establish and support recurrent costs of a PA outside the region of influence of a large multinational industry, and support to a PA in the same municipality for a medium size mining company. 	<p>Define specific criteria and procedures (amount of fees, time frame of conservation agreements, etc.).</p>	<p>Variable, depending on required financial contribution and type of conservation agreement</p>	<p>High/Medium to high</p>
<p>Donations and various external funds.</p>	<ul style="list-style-type: none"> - Due to Uruguay's development indicators and lack of mega biodiversity, the country does not receive significant funds from international donors and NGOs. - Low awareness on the importance of conservation and PAs determines low interest of businesses and other entities to make donations for this purpose - Weak capacities of public institutions, NGOs and other organizations of the civil society for fundraising and project development to channel funding from external sources. 	<ul style="list-style-type: none"> - Development of the NPAS institutional image - Targeted communication strategies to seek business support for conservation as part of their social responsibilities towards sustainable development - Capacity building for project development and fundraising - Improve access to relevant information regarding funding sources - Promote information regarding opportunities for public-private-community partnerships in protected area management. - Tax exemptions on donations for conservation purposes 	<p>Can play a significant role in PA financing.</p>	<p>High/Medium</p>
<p>Trust Funds for conservation</p>	<ul style="list-style-type: none"> - There is little development of this instrument with strictly commercial and/or productive purposes (legal framework dated 2004). 	<ul style="list-style-type: none"> - Review regulatory framework so it can be applied to fund PAs with flexibility. - The State has numberless physical 	<p>If its capitalisation is strong and its management good, they can be a significant financing source for the system and site level.</p>	<p>High in the medium-long term/Medium</p>

Mechanism	Barriers and restrictions to use this type of mechanism	Necessary steps to remove barriers and restrictions	Resource generation potential	Priority level/ feasibility level
	<ul style="list-style-type: none"> - The fixed overhead to manage, control, etc. determines that this instrument may not make this activity possible unless it applies to large amounts of resources, in some cases of at least 500,000 US dollars. 	<p>assets that it could contribute (without losing ownership) to create trust funds or at least support the launching of such trust funds.</p> <ul style="list-style-type: none"> - Awareness raising activities should ensure that all types of donation (coming from companies or individuals) are handled through this kind of instrument. 		
Debt- for-nature swaps	<ul style="list-style-type: none"> - The use this type of operation is limited as the largest part of the Uruguayan public debt is of a “non sovereign” nature, that is, debt contracted with multilateral credit organizations under certain restrictions to be applied in domestic policies. - Possibilities of action would be limited to the so-called government-to-government debts (whether established with governments themselves or with cooperation agencies or third country banks where their respective governments have a relevant participation). 	<ul style="list-style-type: none"> - Requires top-level political decisions - Accurate identification of the amounts that could be managed within this scheme and specific negotiations are needed. - Communication strategies to persuade the potential parties to such transactions that protected areas are more worthy beneficiaries than other sectors of society and the economy. 	<ul style="list-style-type: none"> - The preliminary identification conducted in this study reveals that there are no relevant amounts of debt owed by the Uruguayan government to other governments. - The total debt that the Central Government (excluding public utilities) maintains with foundations or banks where other governments participate is of fewer than US\$115 million. Of this total, the amounts managed by cooperation agencies is of about US\$ 65 million (63 million with the Spanish Cooperation that would be almost completely involved in exchange or interest write off) and US\$ 2 million in credit left from the 1970’s with USAID. - The rest corresponds to banks (Exchange Bank of Japan US\$17 million; Eximbank of Japan US\$19 million; and US\$ 7million with the German Kreditanstalt) 	<p>Low and linked to very punctual operations in the short and medium terms.</p> <p>Almost non-existent in the long term.</p>

Table 2. Incentive mechanisms for biodiversity conservation activities and PAs

Mechanism	Barriers and restrictions to use this type of mechanism	Necessary steps to remove barriers and restrictions	Resource generation potential	Priority level/ feasibility level
Tax exemptions on conservation-friendly agricultural and farming activities in PAs or buffer zones	<ul style="list-style-type: none"> - The low level of the current fiscal pressure on the agricultural sector (5% of the GDP, around 10% of the aggregate gross income of the whole sector) leaves little margin for rebates. - The majority of companies contribute indirectly through a tax on their gross sales and not on net income (as is the case with the majority of industry and commerce businesses). - A quite significant part of the duties collected goes to municipal governments. Therefore, eventual exemptions would require political consensus on municipal financing. - A significant portion of the current tax regime is based on indirect taxes (on inputs and products) that are unlikely to be managed in an exemption scheme related to environmental policies. 	<p>Closely linked to political decision-making relative to Tax Reform that the new Administration is currently studying, which entails:</p> <ul style="list-style-type: none"> - Transition to a system with higher burden on direct taxes; - Defining the level of fiscal pressure to be applied on the agricultural and farming sector and through which type of tax. <p>At National level, implies top political level decisions.</p> <p>At municipal level there are some antecedents of exemptions on the Land Tax (<i>Contribución Inmobiliaria</i>), as an incentive for participation of private landowners in PAs.</p>	<p>In this case, rather than generating resources, they become instruments that consume resources.</p> <p>For example, the total gross tax collection from the agricultural and farming sector in 2004 was of around 110 million US dollars; therefore, every point reduced, in percentage terms, in this collection would represent an annual cost of over 1 million US\$.</p>	Medium.
Tax exemptions on donations for conservation purposes	<ul style="list-style-type: none"> - There is a regulatory framework that allows businesses to deduct the value of qualified charitable donations from their annual taxable income. Currently, does not include conservation purposes. 	<ul style="list-style-type: none"> - Improve regulatory framework to include conservation. - Requires top-level political decisions that involve the Presidency of the Republic, MGAP, MVO-TMA and MEF. - Acceptance of a “politically tolerable” slump in tax collection specifically geared to NPAS. - Communications strategies to increase awareness and willingness to donate to support conservation activities and PAs. 	<ul style="list-style-type: none"> - The total internal revenue collection is of around 2.2 billion US\$ a year. Of this, approximately 10% corresponds to corporate income tax (industry, commerce and agricultural and farming activities). Supposing a reduction of 0.5% in tax collection, to channel tax relieves on corporate income taxes for PAs, the funds available would be of around 700,000 US\$/year. - The new personal income tax (IRPF) to be implemented during this Administration, could supply 	Very high priority in the short term.

Mechanism	Barriers and restrictions to use this type of mechanism	Necessary steps to remove barriers and restrictions	Resource generation potential	Priority level/ feasibility level
Direct subsidies	The already mentioned fiscal restrictions strongly limit the use of these instruments.	They are included and funded in the PPR and though it refers to other environmental issues (not exclusively biodiversity conservation) and other geographical areas (not only PAs) it may provide a possibility to coordinate strategies and activities, especially in the buffer or transition zones. Implies strong articulation between MGAP-MVOTMA.	significant additional resources.	High priority in the short term.

NOTE: In order to adequately reflect the dimension of figures handled in this report, one must bear in mind that total National Budget in 2005 was about USD 3.000 million; the executed budget for the whole of MVOTMA represented 43:7 US\$; of this total, 3:2 corresponded to operational expenses and the rest to investment. In addition, from the total amount, only 1:2 US\$ corresponded to DINAMA as a whole.

Table 19. Main features of each site

ESTEROS DE FARRAPOS & ISLAS DEL RÍO URUGUAY	
Demonstration	Management of PA on publicly owned land by national government with the participation of and benefit sharing with local communities
PA management category (assigned or proposed)	National Park (IUCN Category II) Proposed
Land tenure	<ul style="list-style-type: none"> Public (DINAMA, DGRNR)
Size	Total: 17,496 hectares: Wetlands: 6,327 hectares (owned by MVOTMA). Islands: 7,562 hectares (owned by MGAP). Water surface: 3,607 hectares (Uruguay River).
Main ecosystems/habitat types	Permanent freshwater marshes/pools. Permanent rivers/streams. Native forests (gallery & park forests)
Biodiversity values	Breeding area for IUCN red-listed species of birds (<i>Xanthopsar flavus</i> , <i>Sporophila palustris</i> , <i>S. cinnamomea</i> , <i>S. zelichi</i>). An important stop-over, resting- and wintering area for migratory birds. Important biological corridor. Presence of IUCN red-listed mammal <i>Chrysocyon brachyurus</i> .
Key stakeholders	<ul style="list-style-type: none"> DINAMA RENARE Local stakeholders from the communities of San Javier and Nuevo Berlín Local RAMSAR Committee actively working. Municipal Government of Rio Negro (IMRN), and local governments Juntas Locales de San Javier, Nuevo Berlín y Young. PNN IN San Javier's port
Socioeconomic & demographic context	<ul style="list-style-type: none"> Colonia San Javier: little-medium size farmers. Nuevo Berlín: 2.438 residents (2004). San Javier: 1.680 residents (2004).
Threats	Illegal fishing has increased slightly in the past 5 years (27/64) Poaching and charcoal production in the islands (12/64). IAS: <i>Gleditsia triacanthos</i> (16/64). Illegal grazing (8/64).
Conservation status	Ramsar Site The area is under consideration by the NAC to be incorporated to the NPAS in its first phase.
Current management context	Management authorities: DINAMA (land) and RENARE (islands) No field staff Weak enforcement, control Abundant studies on the area's resources
PAs or sites of biodiversity importance where lessons learned could be replicated	Islas del Río Uruguay; Arequita, San Miguel

CERRO VERDE & ISLAS DE LA CORONILLA	
Demonstration	Management of a PA for protection of a coastal-marine habitat on publicly owned land by national government institutions and NGOs
PA management category (assigned or proposed)	Habitat/species management area (IUCN Category IV) Proposed
Land tenure	Public (MGAP, MSP, MDN)
Size	Total: 9.000 hectares. Land: 2,000 hectares. Ocean: 7.000 hectares.
Main ecosystems/habitat types	Rocky shores, near-shore islands, sandy beaches, psammophyte shrubs, summer vegetation grasses
Biodiversity values	Staging, breeding and resting area for numerous threatened, endemic or special interest species. (<i>Chelonia mydas</i> , <i>Eubalena australis</i> , <i>Tursipos truncatus</i> , <i>Otaria flavescens</i> , <i>Sterna maxima</i> , <i>Mesodesma mactroides</i>). Relics of psammophyte vegetation associations.
Key stakeholders	<ul style="list-style-type: none"> • DINAMA • DINARA • SEPAE • NGOs (CID/Karumbé, Averaves, Cetáceos Uruguay, etc.) • PNN • Local stakeholders from the community of La Coronilla
Socioeconomic & demographic context	The area is used eventually by artisan fishermen from nearby communities (Punta del Diablo, La Coronilla). Adjacent to Santa Teresa Fortress and Park, a popular summer campground, and close to La Coronilla, a summer resort 241 residents.
Threats	IAS (plants)
Conservation status	The area is under consideration by the NAC to be incorporated to the NPAS in its first phase. It is included in Bañados del Este Biosphere Reserve ⁷⁹ .
Current management context	Land: administered by SEPAE, Research and educational activities by NGO CID/Karumbé, Averaves y Cetáceos del Uruguay. Good law enforcement and control Lack of rangers, field staff Numerous studies on the area's resources FREPLATA: in its Nacional Strategy for Biodiversity Conservation identified the area as proritary for a PA constitution.
PAs or sites of biodiversity importance where lessons learned could be replicated	Isla de lobos, other marine-coastal areas to be created

⁷⁹ Although it is included in Bañados del Este Biosphere Reserve, Cerro Verde was not a beneficiary of former GEF funding through PROBIDES.

LAGUNA DE ROCHA	
Demonstration	Management of a multi use PA on private and public lands by medium private landowners, local communities and national and municipal governments
PA management category (assigned or proposed)	Protected landscape/seascape (IUCN Category V) Proposed
Land tenure	Public-private
Size	Total: 25.000 hectares. Land: 16,000 hectares land (private). Lagoon: 9,000 hectares (public).
Main ecosystems/habitat types	Coastal lagoon, freshwater lagoon, grasslands, saline wetlands, sand shores, sandbars,
Biodiversity values	Staging area for nearctic migratory waterbird species. Breeding area for numerous species of bird, fish and crustaceans. One of the largest populations of Black-necked swans in southern South America. Endemic amphibian species: <i>Melanophryniscus montevidensis</i>
Key stakeholders	Provisional Specific Advisory Commission including representatives from DINAMA, DINARA, DINOT, PNN, IM Rocha, local communities, private landowners, fishermen association (APALCO), local NGOs.
Socioeconomic & demographic context	Extensive cattle grazing; In the sandbar area there is a community of artisan fishermen (50 people, about 19 families), with high rates of unsatisfied basic needs. Close to a popular beach town (La Paloma) 3.202 residents
Threats	Extensive cattle grazing (18/64) Uncontrolled tourism (18/64) Uncontrolled fishing (18/64) IAS: <i>Cyprinus carpio</i> , <i>Pinus pinaster</i> (16/64) There are plans to grow potatoes in the northern part of the lagoon (/64)
Conservation status	Part of the area is included in Bañados del Este Ramsar Site and Biosphere Reserve ⁸⁰ . Laguna de Rocha is one of the proposed conservation areas of the Decree 527/92
Current management context	Provisional Advisory Commission working since 2003. Lacks a management structure. One park ranger co-financed between a private landowner and Municipal Government of Rocha (IMR). Abundant studies on the area's resource. Private landowners are highly involved in the protection of the area (philosophical viewpoints to the search of commercial opportunities through differentiation and value addition of goods and services produced in a protected area).
PAs or sites of biodiversity importance where lessons learned could be replicated	Laguna Garzón, Laguna José Ignacio, Laguna Castillos.

⁸⁰ Although it is included in Bañados del Este Biosphere Reserve, Laguna de Rocha was not a beneficiary of former GEF funding through PROBIDES.

QUEBRADAS DEL NORTE	
Demonstration	Management and benefit sharing of a multi-use PA on private land by small scale private landowners
PA management category (assigned or proposed)	Protected landscape (IUCN Category V) Assigned
Land tenure	Private
Size	Lunarejo Natural Regional Park: 20,000 hectares. Laureles River Basin: 40,000 hectares.
Main ecosystems/habitat types	Ravine forests, grasslands, serrano forests, gallery forests,
Biodiversity values	Extensive primary ravine forests. The Quebradas del Norte Region is a significant biological corridor for numerous species of subtropical distribution. Endemic amphibian species (<i>Bufo achavali</i> , <i>Melanophryniscus spp</i>); threatened and endangered species of mammals, reptiles, birds. Outstanding scenic values.
Key stakeholders	<ul style="list-style-type: none"> • Valle del Lunarejo Natural Regional Park Commission • Quebradas de Laureles Local Development Group • Municipal Government of Tacuarembó (IMT), Municipal Government of Rivera (IMR) • DINAMA, Ministry of Tourism • NGOs: CLAEH- Regional Noreste, CID
Socioeconomic & demographic context	<p>Low population densities (3-9 people/Km²) High rates of unsatisfied basic needs. Small and medium sized ranch properties (300 ha average) of medium to low productivity per hectare. 190 ranchers in the Lunarejo basin Towns in the region: Tranqueras: 7.248 residents, Masoller: 261 residents, Estación Laureles: 66 residents. (Censo 2004) Local residents in the Quebradas del Norte Region have a cohesive identity, with shared values, and have developed some capacity and institutional structures for collective action. Local residents in Valle del Lunarejo, organized for an ecotouristic entrepreneurship.</p>
Threats	<p>Overgrazing & uncontrolled burning (18/64) Poaching (36/64) Forestry with exotic species (mainly <i>Pinus spp</i>) is displacing traditional cattle raising model (36/64) IAS: European wild boar <i>Sus scroffa</i> (4/64)</p>
Conservation status	<p>Valle del Lunarejo Natural Regional Park designated by Resolution of the Municipality of Rivera. Ravine forests in the whole region are protected by law.</p>
Current management context	<p>Lunarejo Natural Regional Park has a management plan from 2000, but remains a “paper park”: lacks a management structure, field staff, and infrastructure. A multistakeholder commission was created for the area, but is not working. Local Development Group in the Laureles Basin formulated a community-based ecotourism strategy, but lacks resources to fully implement it.</p>
PAs or sites of biodiversity importance where lessons learned could be replicated	Paso Centurión y Sierra de Ríos, Sierras Maldonado y Lavalleja

Table 20. Threats on proposed demonstration sites

Threats	Esteros de Farrapos	Cerro Verde	Laguna de Rocha	Quebradas del Norte
Expansion of invasive alien species	16/64	12/64	16/64	4/64
Illegal hunting	12/64	0	12/64	36/64
Unplanned tourism	4/64	4/64	18/64	1/64
Pollution	4/64	1/64	0	0
Civil works and infrastructure	6/64	16/64	0	0
Inadequate livestock management	8/64	0	18/64	18/64
Illegal fisheries	27/64	0	18/64	0
Forestry with exotic species	0	0	18/64	36/64

PART IX: Plan for Monitoring and Evaluating the Impact of the Project

1. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Logical Framework Matrix in the main project document provides performance and impact indicators for project implementation along with their corresponding means of verification. These will form the basis on which the project's Monitoring and Evaluation system will be built.

2. The following sections outline the principal components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. Emphasis is placed on harmonising, to the fullest extent possible, the project's M&E activities with routine M&E activities of the MVOTMA/DINAMA. Adaptive management will be an essential ingredient in PA management plans as well as in the PA and individual performance evaluation systems that will be instituted through the project. This will increase the chance of M&E results being fed back and implemented on the ground. The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Monitoring and Reporting

Project Inception Phase

3. A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate.

4. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual workplan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

5. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF *expanded team* which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis a vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings.

- The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all each parties responsibilities during the project's implementation phase.

Monitoring Responsibilities and Events

6. A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews,

Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

Day to Day Monitoring

7. Day to day monitoring of implementation progress will be the responsibility of the Project Coordinator based on the project's Annual Workplan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

8. The Project Coordinator will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit.. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Workplan. The local implementing agencies will also take part in the Inception Workshop in which a common vision of overall project goals will be established. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

9. Measurement of impact indicators related to global benefits will occur according to the schedules defined in the Inception Workshop and tentatively outlined in the indicative Impact Measurement Template at the end of this Part. The measurement, of these will be undertaken through subcontracts or retainers with relevant institutions or through specific studies that are to form part of the projects activities.

Periodic Monitoring

10. Periodic Monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

11. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report / Annual Workplan. to assess first hand project progress. Any other member of the Steering Committee can also accompany, as decided by the SC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all SC members, and UNDP-GEF.

Annual Monitoring

12. Annual Monitoring will occur through the ***Tripartite Review (TPR)***. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments.

13. The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

Terminal Tripartite Review (TTR)

14. The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's

Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation.

Project Monitoring Reporting

15. The Project Coordinator in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. In the following list, items (a) through (e) are mandatory and strictly related to monitoring, while (f) through (g) have a broader function and the frequency and nature is project specific to be defined throughout implementation.

a) Inception Report (IR)

16. A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

17. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation.

18. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

b) Annual Project Report (APR)

19. The APR is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self -assessment report by project management to the CO and provides input to the country office reporting process and the ROAR, as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work.

20. The format of the APR is flexible but should include the following:

- An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome
- The constraints experienced in the progress towards results and the reasons for these
- The three (at most) major constraints to achievement of results
- AWP, SAC and other expenditure reports (ERP generated)
- Lessons learned
- Clear recommendations for future orientation in addressing key problems in lack of progress

c) Project Implementation Review (PIR)

21. The PIR is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project. The PIR can be prepared any time during the year (July-June) and ideally prior to the TPR. The PIR should then be discussed in the TPR so that the result would be a PIR that has been agreed upon by the project, the executing agency, UNDP CO and the concerned RC.

22. The individual PIRs are collected, reviewed and analysed by the RCs prior to sending them to the focal area clusters at the UNDP/GEF headquarters. The focal area clusters supported by the UNDP/GEF M&E Unit analyse the PIRs by focal area, theme and region for common issues/results and lessons. The TAs and PTAs play a key role in this consolidating analysis.

23. The focal area PIRs are then discussed in the GEF Interagency Focal Area Task Forces in or around November each year and consolidated reports by focal area are collated by the GEF Independent M&E Unit based on the Task Force findings.

Quarterly Progress Reports

24. Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team.

d) Periodic Thematic Reports

25. As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

e) Project Terminal Report

26. During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

f) Technical Reports

27. Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

g) Project Publications

28. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These

publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent Evaluation

29. The project will be subjected to at least two independent external evaluations as follows:-

Mid-term Evaluation

30. An independent Mid-Term Evaluation will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Final Evaluation

31. An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

- An annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals will be conducted. The Audit will be conducted by a commercial auditor engaged by the Government.

Table 21. Monitoring and Evaluation Work plan and Corresponding Budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
Inception Workshop	<ul style="list-style-type: none"> ▪ Project Coordinator ▪ UNDP CO ▪ UNDP GEF 	5,000	Within first two months of project start up
Inception Report	<ul style="list-style-type: none"> ▪ Project Team ▪ UNDP CO 	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	<ul style="list-style-type: none"> ▪ Project Coordinator will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members 	To be finalized in Inception Phase and Workshop. Indicative cost: 5,000	Start, mid and end of project
Measurement of Means of Verification for Project Progress and	<ul style="list-style-type: none"> ▪ Oversight by Project GEF Technical Advisor and Project Coordinator 	To be determined as part of the Annual Work Plan's	Annually prior to APR/PIR and to the definition of annual work plans

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
Performance (measured on an annual basis)	<ul style="list-style-type: none"> ▪ Measurements by regional field officers and local IAs 	preparation. Indicative cost: 50,000	
APR and PIR	<ul style="list-style-type: none"> ▪ Project Team ▪ UNDP-CO ▪ UNDP-GEF 	None	Annually
TPR and TPR report	<ul style="list-style-type: none"> ▪ Government Counterparts ▪ UNDP CO ▪ Project team ▪ UNDP-GEF Regional Coordinating Unit 	None	Every year, upon receipt of APR
Project Management Group Meetings	<ul style="list-style-type: none"> ▪ Project Coordinator ▪ UNDP CO 	None	Following Project IW and subsequently at least every quarter
Periodic status reports	<ul style="list-style-type: none"> ▪ Project team 	None	To be determined by Project team and UNDP CO
Technical reports	<ul style="list-style-type: none"> ▪ Project team ▪ Hired consultants as needed 	10,000	To be determined by Project Team and UNDP-CO
Mid-term External Evaluation	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP- CO ▪ External Consultants (i.e. evaluation team) 	25,000	At the mid-point of project implementation.
Final External Evaluation	<ul style="list-style-type: none"> ▪ Project team, ▪ UNDP-CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team) 	60,000	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP-CO ▪ External Consultant 	None	At least one month before the end of the project
Lessons learned	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc) 	20,000	Yearly
Audit	<ul style="list-style-type: none"> ▪ UNDP-CO ▪ Project team 	20,000	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	<ul style="list-style-type: none"> • UNDP Country Office • UNDP-GEF Regional Coordinating Unit (as appropriate) • Government representatives 	20,000	Yearly
TOTAL INDICATIVE COST <i>Excluding project team staff time and UNDP staff and travel expenses</i>		US\$ 215,000	

PART X: Lessons learned

1. The project has been designed based on a careful evaluation of lessons learned from a wide range of sources, ranging from other relevant project progress reports and similar reviews (in particular PROBIDES, which was a UNDP/GEF funded project that has now become institutionalised as a permanent government programme) to the recommendations of the V World Parks Congress (Durban, 2003), as well as from practices and activities of the own preparatory phase. This section presents those lessons that were critical in guiding the Project design and represented ground for consultation during workshops held throughout the Preparatory Phase.

2. **A system approach improves the probability of substantial progress in conservation.** It also promotes a truly integrated approach to linking conservation with other human endeavours. It also helps to target the selection of areas and additions to the PA estate in a more rational manner than *ad hoc* approaches. A plan cannot create an effective protected area system overnight, nor can it produce immediate change in factors which may be compromising conservation status or management performance. It is, however, a potentially powerful tool and an essential step in achieving these ends (Davey & Phillips, 1998). A number of factors might lead to an ineffective or unworkable system plan, including: not specifying clear assumptions, rationale and criteria; not addressing key issues; failure to involve stakeholders, including local people; failure to raise political support for protected areas as a worthwhile concern; poor dissemination; overambitious and ignorance of budget constraints; and over reliance on external support and/or funding. The project promotes a systemic approach, including the development of a Strategic Plan to assist and promote the development of a representative NPAS and for the planning and orientation of a system that reflects the new political, management and environmental trends in the country as well as the advances in the state of the art for PA systems worldwide (Output 1.1).

3. **Evaluation of management effectiveness is a vital component of responsive, proactive protected area management.** Through evaluation, every success and failure can be used as an opportunity for learning, and continual improvement can be combined with anticipation of future threats and opportunities (Barber et al. 2004). For this purpose, evaluation will be systematically built into overall PA management planning process. The WB/WWF *Management Effectiveness Tracking Tool* has been slightly adapted by the project team and PA managers, so as to render it more adequate to the context and terminology used in the country, and forms a critical element of project monitoring and progress assessment. A long term evaluation plan, with an effective monitoring programme will be established for the NPAS and its constituent PAs (See Output 1.5 and Part II, M & E). Special care will be given to ensure that all stakeholders have an opportunity to express their viewpoints in M & E activities, and for timely reporting of evaluation findings.

4. **Establishing comprehensive and effective protected area systems requires improved governance.** More attention must be paid to broadening the spectrum of governance models and mechanisms beyond the centralized, state-managed parks that currently dominate protected areas practice (Barber et al, 2004). This is particularly relevant in a country like Uruguay, with high percentage of privately owned lands. The project focuses on two elements which contribute to improved governance: emphasis on capacity building to improve the government's ability to 'govern', and sharing power through co-management systems, by testing different governance models suitable to different scenarios to promote participation of key stakeholders and equitable sharing of the costs and benefits of establishing and managing PAs (See Outcome 4 for details).

5. **Effective and genuinely inclusive stakeholder participation is a key ingredient for success in protected area planning, design and management.** Without the support of those upon whom the project impacts, progress will be slow and unsatisfactory to all involved. Effectively involving stakeholders will ensure long-term success of conservation at a national level because of the relevant knowledge and experience incorporated by them. From the outset, throughout the planning and project design phases, extensive use has been made of input provided by government ministries, local governments, NGOs working in the field, private landowners and representatives of local communities. The project planning

phase successfully helped strengthen “horizontal” links and for engaging with realistic stakeholder support. See the Stakeholder Involvement Plan (Section IV Part III) for full details of proposed participation mechanisms.

6. **Focus on capacity building.** Conservation will only succeed if we can build institutions, organizations, and networks and enable conservation practitioners to identify and solve their own problems and take advantage of opportunities. In particular, we need to empower all stakeholders to fulfill their role in protected area management (World Parks Congress Recommendation 5.01). With a strong emphasis on capacity building, the project will strengthen key capacities to design and set up a NPAS and effectively manage PAs, at the systemic, institutional, and individual level. This includes developing a supportive legal and policy frameworks (Outcome 1), strengthening institutional capacities (Output 1.4), and strengthening individual skills and capacities (Outputs 2.1 and 2.2).

7. **Financial sustainability.** Many projects fail to maintain their impacts due to not giving appropriate consideration to financial sustainability. There is a need to account for financial sustainability at the outset, with a clear strategy for ensuring that recurrent costs can be absorbed. Also, as stressed at the fifth World Parks Congress in Durban (2003), inadequate financial resources for protected areas – particularly long-term resources – remain a fundamental barrier to achieving biodiversity conservation goals. For these reasons, project design considers financial issues as a cross cutting element. Output 1.2 will develop a system wide financial strategy and business plan, with a diversified set of funding sources. Output 1.3 will test specific tourism based resource generating mechanisms. The selection of pilot sites for field demonstrations considered, among a number of criteria, their potential for revenue generation to increase sustainability of project interventions and sharing of benefits with local stakeholders. Economic valuation and evaluation studies will determine the values of resources provided by PAs and the opportunity costs for different types of landowners that may wish to implement private reserves. Output 2.2 is aimed at developing individual capacities to ensure sustainable financing.

8. **Information, education and awareness building.** Improving the functioning of a NPAS involves the active involvement of a wide range of stakeholders with different levels of technical expertise and local knowledge. Strengthening communication and information exchange among protected area managers and other stakeholders is also critically important. Participation needs to be informed, and this requires the provision of adequate and timely information to stakeholders. The Preparatory Phase allowed the identification of knowledge gaps and, in particular, a difficulty to access the abundant and valuable existing information. To contribute to the collection, systematization, analysis and dissemination of the data related to PA management and as an input for adaptive management (see Output 1.5). By investing in awareness raising and education, the project will build new constituencies for conservation amongst the public at large, which will also be crucial for sustainability (see Outcome 3).

PART XI: List of documents produced during the Preparatory Phase

Table 22. List of documents produced during the PDF-B

N°	Title
1	Global importance of biodiversity in Uruguay.
2	Analysis of value, pressures and threats to biodiversity in the country.
3	Biodiversity in Protected Areas.
4	Pressures and threats to biodiversity in PAs.
5	Management efficiency assessment in protected areas of Uruguay.
6	Current economic and financial situation and long-term scenarios for the National Protected Area System.
7	Economic valuation of environmental goods and services. Its conceptual framework and history in Uruguay.
8	Financing strategies and instruments for PAs on an individual scale and as a system.
9	Assessment of national capacity to implement the National Protected Area System. Document for diagnosis.
10	Assessment of national capacity to implement the National Protected Area System. Document on proposed activities.
11	Diagnosis of situation and prospects in terms of public awareness relative to biodiversity and protected areas.
12	Public opinion surveys on the environment, biodiversity and Protected Areas.
13	Report on regional workshops on project strategy
14	Report on regional workshops on project draft
15	Report on participation.
16	Assessment of capacities of PAs staff
17	Assessment of invasive alien species

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