

UNITED NATIONS DEVELOPMENT PROGRAM

GLOBAL ENVIRONMENT FACILITY

Project of the Uruguayan Government

PROJECT DOCUMENT

Country: URUGUAY

Project No.: URU/00/G31

Title: Enabling Activity for the Preparation of Uruguay's Second National Communication to the UN Framework Convention on Climate Change (UNFCCC).

Estimated starting Date: October 1, 2000

Duration: 3 years

Sector/Subsector: 1030 – Environmental Health

Executing Agency: Ministry of Housing Territorial Regulation and Environment/
Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente (MVOTMA)

Funding: Global Environmental Facility (GEF) / United Nations Development Program (UNDP)

Contribution from the Government in kind: US\$ 289.000

Contribution from the GEF/ UNDP: US\$ 595.800

GEF Focal Area: Climate Change

Brief description:

This project will assist Uruguay with the enabling activities necessary to undertake the third national inventory and to prepare the Second National Communication (SNC) to the Conference of Parties in accordance with guidance of the UNFCCC. In addition, this project will help strengthen Uruguay's capacity to fulfil its commitments to the UNFCCC on a continuing basis.

The project is mainly directed to provide the Government with:

1. The Third National Inventory of Greenhouse Gas (GHG) Emissions and Removals;
2. Collecting and describing the national programs being designed and initiated to abate GHG emissions and to facilitate adaptation to Climate Change. This will involve the description of policies, programs and measures contributing (directly or indirectly) either to the decrease in net GHG emissions or to the attenuation of Climate Change impacts;
3. The SNC, developed under the guidelines contained in Decision 11/CP.2 and amendments that may be passed; and,
4. The strengthening of the interest, awareness and technical-institutional capacity existing at a national level, which may facilitate the attention and the development of the commitments undertaken in the UNFCCC

Submitted by MVOTMA

Date

Approved on behalf of OPP

Date

Approved on behalf of UNDP

Date

A. Background

1. Description of the subsector

The subsector is composed of public and private actors who, in the development of their activities, produce greenhouse gas (GHG) emissions which were quantified by the Climate Change Unit of the Ministry of Housing, Territorial Arrangement and Environment (MVOTMA) in the National Inventories of Net Greenhouse Gas Emissions for the reference years 1990 and 1994. The subsector includes institutions and persons in charge of the identification, planning, assessment and adoption of response measures to Climate Change and its impacts.

2. The Uruguayan strategy

In accordance with the principles and goals of the United Nations Framework Convention on Climate Change (UNFCCC), the Government has undertaken the commitments emerging from the mentioned norm with due responsibility.

Considering the scarce specific institutional development existing in that field, the Government rightly developed an initial strategy consistent with the national reality and with the possibility of obtaining the international assistance foreseen for the application of the UNFCCC. Its main elements are:

- The creation of a mechanism to coordinate studies and research related to Global Change, and of an operation and management Agency for the application of the UNFCCC: the Global Change National Committee (CNCG) and the Climate Change Unit (UCC) respectively;
- The use of the existing development, cooperation and training efforts, mainly within the framework of the Convention, with a double goal of reinforcing the already mentioned institutional capacity and of beginning to fulfil the most important commitments undertaken by our country under the UNFCCC;
- The development of social information and awareness programs about the issue of Climate Change and its impacts;
- Training, stimulation and assistance to production and services sectors, to promote their contribution to the fulfilment of national goals and of the goals of the UNFCCC;
- Promotion, support to the application and dissemination of the advances and progresses in the field of methodology, practice, processes, assessments and studies which enable or facilitate the control, reduction and prevention of GHG of anthropogenic source;
- Development of a process for planning, evaluation and management of general policies and measures for the mitigation and adaptation to Climate Change;
- Promotion, stimulation and protection of activities and investments contributing to the reduction of GHG emissions or to their absorption;
- Facilitation of the establishment and development of project activities within the framework of the Clean Development Mechanism;
- Fostering the active participation of the private sector and non-governmental organisations in the above mentioned activities.

3. Previous or current assistance .

In 1995, Uruguay began the project entitled "Institutional Strengthening and Enabling Activities to Comply with the UN Framework Convention on Climate Change" (URU/95/G31) which culminated in the publication of Uruguay's Initial National Communication in October 1997. This project's total cost was US\$ 980,000, with GEF and the Uruguayan government contributing US\$ 700,000 and US\$ 280,000, respectively. The majority of the activities related to the application of the UNFCCC were organised, managed, and executed by the Climate Change Unit (UCC) that was created in 1994 by the Ministry of Housing, Territorial

Regulation and Environment (MVOTMA) with the purpose of acting as the operational and execution body for the application of the UNFCCC. A summary of the outcomes of the first Enabling Activities is provided below on inventory, mitigation and investment proposals, public awareness, and institutional arrangements.

The first inventory corresponding to the year 1990 was elaborated using the Intergovernmental Panel of Climate Change (IPCC) 1995 methodology, and was published in March 1997. In applying the methodology, there were some minor challenges especially in the Industrial Processes sector due to a lack of appropriate data. Similarly, there were some difficulties in the Waste sector for the non-methane gasses. In the majority of cases, emission factors were taken by default, which lead to a larger uncertainty in the Agriculture, Land Use Change, Forestry and Waste Management sectors. In the Industrial Processes sector, the lack of acceptable default factors limited the use of the methodology. Emissions from solvents were not calculated due to the lack of methodology. In the Energy sector, fugitive emissions were solely calculated for the refinery and storage activities of the oil industry (there is no oil, gas and coal production in Uruguay). In the Agriculture sector, the reported emissions were from the following activities: livestock, rice cultivation, nitrogen fertilization and pastures and crop residues burning.

With the experience acquired during the first inventory elaboration, the UCC produced the 1994 Inventory using the revised IPCC methodology (1996). To compare the GHG emission evolution, the UCC also recalculated the 1990 inventory with the revised methodology. The 1994 Inventory, including its comparison with the 1990 Inventory, was published in November 1998. Again, emission factors were largely taken by default leading to larger uncertainty in the Agriculture, Land Use Change, Forestry and Waste Management sectors. As in the first inventory, emissions from solvents were not calculated due to the lack of methodology. In the Industrial Processes sector, all the relevant sub-sectors were included (i.e., cement, lime, acetylene, paper, food and drinks). Estimates of emissions in the Agriculture sector were practically complete, covering the following activities: livestock, rice cultivation, agricultural soils, pastures and crop residues burning. Agricultural soils include nitrogen fertilisation, nitrogen fixing crops and crops residues. The emissions or sequestration from the change in the use of soil was reported using a 20-year period as indicated in the IPCC methodology. Again, the lack of appropriate data to meet the methodology of the Forestry sector was the reason for not reporting emissions from GHG different from CO₂, whereas N₂O was now reported in the Waste Management sector.

In the First National Communication (FNC), the following sectors were addressed in the Inventory: Energy, Industrial Processes, Agriculture, Land Use Change and Silviculture, Wastes, and Coastal Resources. Additional details on the development of the national inventory are given in Table 1 (a) and (b), which provides a picture of the development of the inventory over the years and identifies specific areas for improvement. Tables 2, 3 and 4 provide summaries of the current GHG inventory by sector.

Given that Uruguay, as a Non-Annex I country, has elaborated its second GHG Inventory the UCC has been helping other professionals in the region to elaborate their First National Inventory and has offered assistance through the Secretariat of the UNFCCC to other non-Annex I countries.

Table 1 (a): Development of Uruguay's Inventory

Year	Inventory Development	Comments
1996 - 1997	First Inventory: 1990, [National Inventory of GHG Emissions: 1990. published March 1997]	<ul style="list-style-type: none"> • IPCC 1995 methodology • Basic data collected with the cooperation of the respective governmental agencies; industrial sector with the help of private companies; and solid waste with the assistance of municipalities • Minor problems in applying the methodology due to the lack of proper data, especially in the Industrial Processes sector • Emission factors were taken by default in the majority of cases • Emissions from solvents were not calculated due to lack of methodology • Agricultural sector reported emissions from: livestock, rice, nitrogen fertilization and pastures, and crop residues burning <p>Due to lack of data, the Forestry sector reported only CO₂, while the Waste Management sector reported only CH₄</p>

Table 1 (b): Development of Uruguay's Inventory

Year	Inventory Development	Comments
1997 - 1998	Second Inventory: 1994 [National Inventory of GHG Emissions: 1994 and Comparative Study of the Greenhouse Gasses Emissions of the 1990 and 1994 years, published November 1998]	<ul style="list-style-type: none"> • 1994 inventory produced using the revised IPCC methodology (1996) • 1990 inventory recalculated with the revised methodology • Basic data collected with the cooperation of the respective governmental agencies; industrial sector with the help of private companies; and solid waste with the assistance of municipalities • Emission factors taken by default in the majority of cases (Agriculture, Land Use Change, Forestry, Waste Management sectors) • Emissions from solvents were not calculated due to lack of methodology • Agricultural sector reported emissions from: livestock, rice, nitrogen fertilization and pastures, and crop residues burning and agricultural soils. • Due to lack of data, the Forestry sector reported only CO₂, while the Waste Management sector reported CH₄ and N₂O

Table 2: Comparison of net CO₂, CH₄ and N₂O emissions for 1990 and 1994, by sector

Categories of Sources and Sinks	CO ₂ (kton)		CH ₄ (kton)		N ₂ O (kton)	
	1990	1994	1990	1994	1990	1994
Energy ^(a)	3607.98	3930.39	0.71	0.70	0.06	0.08
Industrial processes	229.95	279.11				
Agriculture			612.28	678.16	31.51	32.37
Land Use Change and Silviculture ^(b)	1972.36	-865.21				
Wastes			51.82	58.13	0.22	0.22
Totals	5810.29	3344.29	664.81	736.99	31.79	32.67
Variation 1994-1990 (%)	-42%		11%		3%	

Note:

(a) As noted in the text, 1994 was an atypical year in the Energy Sector in terms of CO₂ and SO₂.

(b) The change in CO₂ reflects the result of a sustainable forestry expansion over the four year period.

Table 3: Comparison of net NO_x, CO, NMVOC and SO₂ emissions for 1990 and 1994, by Sector

Categories of Sources and Sinks	NO _x (kton)		CO (kton)		NMVOC (kton)		SO ₂ (kton)	
	1990	1994	1990	1994	1990	1994	1990	1994
Energy ^(a)	29.03	37.05	281.16	331.19	23.61	31.31	42.04	33.00
Industrial processes	0.03	0.04	0.11	0.15	14.77	15.09	0.26	0.33
Agriculture	1.32	1.48	18.56	21.40				
Land Use Change and Silviculture								
Wastes								
Totals	30.38	38.57	299.84	352.74	38.38	46.40	42.30	33.33
Variation 1994-1990 (%)	27%		18 %		21%		-21%	

Note:

(a) As noted in the text, 1994 was an atypical year in the Energy Sector in terms of CO₂ and SO₂.

Table 4: Relative participation of CO₂ (reference), CH₄ and N₂O in the intensification of GHG effect

Gas	Net emission 1990 (kton)	Net emission 1994 (kton)	Factor in 100 years	GWP in 100 years	
				1990	1994
CO ₂ ^{(a), (b)}	5810	3344	1	5810	3344
CH ₄	665	737	21	13961	15477
N ₂ O	32	33	310	9855	10129
TOTAL (equivalent CO ₂ kton)				29627	28950
Variation 1994-1990 (%)				-2.3%	

Note:

(a) As noted in the text, 1994 was an atypical year in the Energy Sector in terms of CO₂ and SO₂.

(b) The total net CO₂ reflects the result of a sustainable forestry expansion over the four year period.

Published in November 1999, a study on the energy sector in Uruguay was conducted which yielded a comprehensive report on "Identification Study on Mitigation Measures of GHG Emissions in the Energy Sector". Included in this study were sectoral and emission scenarios projected until the year 2013. This study constitutes a first and approximate guideline for the development of a mitigation policy in the Energy sector.

With the cooperation of the Centre of Technological Management of the Chamber of Industries of Uruguay a study was conducted to determine the companies that produce GHG emissions. The results also identified activities and technologies, and were used in the inventory elaboration.

An analysis was made of the possible mitigation options in the Agricultural sector. In a report entitled "Report on Consultancy for Ministry of the Environment, Uruguay", possible mitigation strategies were outlined including: (a) changes in soil management to reduce nitrification and denitrification and reduce emissions of N₂O; and, (b) reduction in methane production from large ruminant livestock by dietary changes. These recommended strategies have since been developed into project proposals.

In the Waste management sector, reports have been prepared on (a) the possibilities for construction of an efficient system to limit the release of methane from municipal organic waste in Uruguay, and (b) the possibility of recovering and use of methane for energy generation. Both of these reports subsequently became the basis of projects.

The publications associated with the Phase I Enabling Activities targeted different segments of the Uruguayan society. Booklets were mainly oriented to primary and secondary schools and technical reports to the professional level. Four technical reports were published and distributed: "The Greenhouse Gases Inventory: 1990"; "The Initial National Communication"; "The Greenhouse Gases Inventory: 1994 - Comparative Study of the Greenhouse Gases Net Emissions: 1990-1994"; and, "Identification Study on Mitigation Measures of Greenhouse Gases Emissions in the Energy Sector".

As part of the first project, with the active co-operation of the environmental non-governmental organisations (NGO) network, a series of one-day workshops were held. Between 1996 and 1999, fifty conferences were held with over 3,500 participants. Therefore, approximately one conference with 70 participants each were held every month, and reaching directly one per thousand of the total population. A third of these conferences was given in Montevideo.

The personnel of the UCC were trained to prepare the first inventory. Regarding mitigation analysis, workshops in Energy and Agriculture sectors were conducted, as were missions of foreign consultants in Industrial Processes and Waste Management. A workshop on cost-benefits and incremental benefits in mitigation projects was held with the assistance of a consultant of UNDP/GEF.

In the sphere of the CNCG, with the assistance of the Country Studies Program of the United States of America, a Study (initial and limited) was conducted on Vulnerability and Adaptation to CC. This study comprised some sectors of Agriculture and Water Resources. During its execution, preventive adaptation measures were identified for those sectors.

As a country that received initial support greater than US\$ 350,000, the achievements of Uruguay's first enabling activities were evaluated in January 2000. The evaluation assessed the project on the basis of the objectives, activities, and outputs as defined in the initial project document. In particular, the evaluation examined the following five issues: inventory, mitigation/investment proposals, public awareness and information, institutional arrangement, and capacity building programmes. Overall, the Independent Evaluation was supportive of the earlier work and endorsed the areas of focus that are taken in this proposal (supplementary information on the Independent Review is available upon request).

4. Institutional Framework

Uruguay ratified the UNFCCC. Such Convention came into force in our country on November 16, 1994.

The MVOTMA was created by Law 16.112 of June 8, 1990. Among its ministerial competencies are: the formulation, execution, supervision and evaluation of national environmental plans and the implementation of national environmental policies; the coordination with other public national and municipal agencies; relationship with international agencies dealing in the same issues; control of the compliance with the environment protection legislation in both public and private activities.

The National Directorate of Environment (DINAMA), depending on the MVOTMA, was created by Law 16.623, of October 1, 1990. Among its competencies are: planning, programming, supervising and implementing environmental policies; coordination with other private and public bodies (national and municipal) in the execution of their duties; the establishment of environmental quality standards and control measures.

The Climate Change Unit (UCC), dependent on the DINAMA, was created by MVOTMA Resolution No. 505/94, of December 29, 1994. Its functions are: to organise, manage and execute the activities emerging from the application of the UNFCCC; to develop international relationships with agencies and institutions belonging to or related to the UNFCCC; to elaborate and update GHG inventories; identify, elaborate and assess policies and measures to respond to Climate Change (CC); to disseminate and promote technologies, practices and

processes for the reduction and prevention of GHG emissions; to promote and develop training, dissemination and public awareness activities in reference to CC.

The UCC has: (a) organised and managed the activities resulting from the participation of Uruguay in the UNFCCC, (b) developed international relationships, (c) elaborated GHG inventories, (d) elaborated and evaluated policies and measures on Climate Change, (e) diffused and promoted technologies to prevent or reduce GHG emissions, (f) promoted and implemented training, and (g) diffused and developed public awareness on Climate Change. The UCC, therefore, has had the key role in the project, as the element in charge of the execution of activities. The UCC has accomplished a great part of the institutional objectives of the Project. It has a well-documented and organised information archive on Climate Change, it developed institutional ties both national and international, and it has prepared the Initial National Communication.

B. Justification for the Project

1. The problem to be addressed; current situation.

As a result of the activities carried out by the MVOTMA, through the CNCG and mainly through the UCC with the assistance of the GEF and of UNDP, the Government has generated a well-developed institutional capacity which has so far enabled it to: a) efficiently attend to Uruguay's initial obligations as Party to the UNFCCC; b) count on a base of information, studies and results which may serve as reference and background for any subsequent development or in-depth analysis; c) generate adequate technical capacity enabling the development of commitments relative to measures, plans and programs to mitigate emissions and increase absorption of GHG, and to facilitate adaptation; and d) plan, manage and execute projects on these fields.

A new assistance effort is foreseen in order to keep and continue developing the institutional technical capacity generated and to execute other activities that emerge from the commitments undertaken under the Convention.

The purpose is: a) to continue and complement the current effort to further progress the application of the UNFCCC, the compliance with the commitments emerging thereof and contribute to attain the goals set forth in such Convention, and b) to take advantage of and strengthen the institutional capacity generated in the framework of the above mentioned project, making use of such capacity in a new and significant undertaking, which is included among the activities whose funding has been foreseen under the financial mechanism of the Convention, according to the complementary guidelines of the Conference of the Parties to the GEF.

In this sense, it is projected to: a) organise, plan and execute a program of general measures for GHG mitigation and to facilitate adaptation to CC; b) make available a legal-institutional instrument for promoting, protecting and stimulating measures, actions and investments to foster the net reduction of GHG emissions and for facilitating the establishment and development of projects within the framework of art. 12 of Kyoto Protocol; c) elaborate a third National Inventory of GHG Emissions and Removals; d) submit the SNC of Uruguay and d) strengthen the interest, awareness and capacity of the Administration and of society to generate responses for the CC and to implement the application of the Convention.

2. Foreseen end of the situation as related to the project.

The following results are expected to have been accomplished by the completion of the project: a) the consolidation of the development of the institutional capacity of the MVOTMA to apply the UNFCCC; b) a set of measures oriented towards the achievement of national aims on net GHG emission reduction; c) the development of a better attitude and responsiveness towards CC issues and to the need of giving adequate and opportune responses; d) consensus in favour of the measures relative to the CC which may contribute

to a sustainable development; e) a national Program of voluntary reduction of net GHG emissions; f) the results of a new GHG National Inventory; g) the submission of the SNC of Uruguay to the Conference of the Parties to the Convention; h) the fulfilment of provisions in literals a) and b) of paragraph 1, art. 4 and of paragraph 1, art. 12 of the UNFCCC.

Likewise, it is expected to promote and foster voluntary activities of projects at the national level which would result in the abatement of net GHG emissions, count on a legal-institutional mechanism for the application and promotion of projects within the framework of the Clean Development Mechanism (art. 12 of Kyoto Protocol) and be able to promote and develop projects and actions within the framework of the application of the Program of General Measures for Mitigation and Adaptation (PMEGEMA).

3. Foreseen Beneficiaries

In view of the characteristics and the scope of the problem and its impacts, the anticipated benefits to the international community include: a) the contributions and outputs which Uruguay will submit through its SNC, both in reference to the information on the GHG national emissions, and the advances made in the definition and setting of policies and measures which contribute to the achievement of the Convention's aim; and, b) the availability of a pattern of management and experience of a non-Annex I country in the application of the Convention, which may be reproduced or taken as reference by other countries in similar conditions.

At the national level, it is anticipated that the community will profit from: a) a greater knowledge of the issues; b) the clarification and identification of goals and objectives to foster sustainable development; c) the contribution of having an institutional structure capable of addressing problems and responding both at a national and international level, in a very specialised and complex subject matter which has significant social, political, economic and financial implications; and d) the experience and knowledge incorporated in the multiple sectors of the national activity as a result of the project's studies, assessments and activities.

4. The Project Strategy and Institutional Agreements

The strategy of the project consists mainly in: a) offering continuity to the process of enhancement and development of the Government institutional capacity devoted to address the problem of Climate Change (CC) through a new undertaking on the subject; and b) profiting from the results of the national and international developments carried out until today to step forward in the application of the UNFCCC in Uruguay and in addressing the commitments arising thereof.

In comparison with the effort required to elaborate policies and mitigation strategies related to the initial Enabling Activities, the formulation of the Phase I Project underestimated the magnitude of the tasks. To formulate sound basic studies and to develop policies, the coordination of the public and private interests to reach the necessary consensus on a national program for mitigation and adaptation to CC was found to be important. To fulfil this objective, it is necessary to identify sectoral and multisectoral measures for mitigation and adaptation to CC, and to assess the needs for a national program of voluntary commitments. By focusing on these two areas, Uruguay's capacity to fulfil its commitments to the UNFCCC on a continuing basis will be strengthened.

The UCC has developed an important capacity to address both the technical activities relative to CC and to the application of the Convention, and those of planning, coordination, development, management and monitoring. Therefore, the UCC plays a key role in the project for the development of execution activities.

During the activities for the preparation of the Initial National Communication, the UCC generated both experience and capacity, key factors for the development of the project. In order to achieve the foreseen results, a detailed schedule of activities has been established. Also, cooperation mechanisms have been considered with the institutions involved, for the

guidance and coordination of task development (see Table 5). Diverse inter-institutional specific work groups (Energy, Water Resources, Health, etc.) and multisectoral work groups (education, technology transfer, etc.) will be created to facilitate a comprehensive development of the activities. These work groups will be composed by technicians of several institutions (public, private, non-governmental organisations, etc.).

In accordance with the existing norms (Article 4, paragraph 1.a of UNFCCC), the GHG National Inventory (GHGNI) of Uruguay needs to be updated to prepare the country's SNC. Uruguay has already published the GHGNI for 1990 and 1994. However, the last inventory showed the behaviour of an atypical year for the energy sector, which represents the majority of the CO₂ emissions and other gases originating from fuel combustion. Through the third GHGNI, Uruguay will establish new and important information for the analysis and elaboration of projections regarding the behaviour of the emissions and national absorption of GHG. This GHGNI will be highly valuable when analysing, evaluating, and subsequently establishing targets for net emissions of GHG.

According to the norms and directives of the previous National Communications, the SNC will take into consideration the following elements:

- National circumstances;
- GHGNI;
- General Description of Steps Taken to Apply the Convention; and,
- Other information.

In the preparation of the national circumstances for the FNC, Uruguay had few difficulties in gathering and preparing the required information. Due to the nature of the national circumstances, however, this information must be updated for the SNC.

Through the elaboration of the GHGNI (1990 and 1994), and the revision of the 1990 Inventory with the IPCC methodology (1996) and the comparative study of national net emissions (1994 - 1990), Uruguay acquired experience in the collection, validation and data processing for the different sectors of national activity. In a few cases, the basic data of some activities were not available and were not included in the inventory. Default emission factors were mainly used and local emission factors were not developed. The development of local emission factors would be especially useful when considering methane (CH₄) originating from livestock fermentation.

Since the FNC was developed and published, the following major changes have taken place: (i) availability of new information and new technologies; (ii) new methodologies (e.g., IPCC, UNEP); (iii) structural changes in important sectors of Uruguay's economy (e.g., introduction of natural gas into Uruguay from Argentina, and support to the process of forestry expansion, etc.); and, (iv) additional capacity and experience acquired by national technical staff in charge of the application of the Convention. It is proposed that the above developments be considered in Uruguay's SNC.

In previous studies and evaluations, important sectors have not been considered before (e.g., biodiversity, fisheries, health and transportation). It is proposed that these new sectors should be addressed and subsequently included in the SNC. According to the approach taken in the FNC, new studies will be planned and executed in an integrated manner, with the participation of all of sectors in order to achieve consensus in the identification and evaluation of policies and measures. These new studies will be important tools in reaching Uruguay's GHG emission targets, and will take into consideration the objectives of the UNFCCC and the process of negotiation that is being developed.

The general description of steps, as they appeared in the FNC, was developed after consideration of Uruguay's experience and that of other institutions that co-operated in this

respect. Although there were no difficulties with developing this section, a need for the adoption of new measures has since been identified. For example, when the FNC was prepared, there was a lack of specific information related to project financing and technology transfer. There was also a lack of information about additional costs and estimated benefits associated with measures or concrete projects for mitigation. Based on this new information, it is recognised that there is a need to develop policies and general measures for the reduction of emissions, and programs for ensuring the sustainability of such policies and general measures. The development of such programs is proposed in this project.

Uruguay is also proposing to establish a normative institutional instrument through incentives (e.g., financial, economic) to foster and facilitate the execution of projects and investments, both national and foreign. The objective is to introduce practical technologies and processes that contribute to the reduction of GHG emissions (e.g., energy efficiency, renewable energy, livestock efficiency) and the increased absorption of GHG. A primary study of the existent norms related to this purpose has been undertaken and will be the base for further development.

Finally, Uruguay has foreseen to continue with the development of public awareness, which has been highly successful in the past few years. In addition to constitute a compromise foreseen by the UNFCCC (Article 6), it is also an important tool to facilitate the development and to assure the success of the whole project and the application of the UNFCCC at the national level.

In order to continue to build the institutional capacity necessary to go beyond the initial priority of the FNC, Uruguay seeks to strengthen the technical-institutional capacity existing at a national level. In particular, this proposal seeks to develop two key programs that deal with mitigation and adaptation measures, and legal-institutional instruments for addressing CC.

To further strengthen the institutional capacity to deal with CC initiatives within Uruguay, it is proposed that the UCC be strengthened so as to act as: a) operational agency in charge of the project activities; b) mechanism of co-ordination management and elaboration of the programs, the GHGNI and the SNC; c) centre for the development of dissemination and public awareness activities; d) element for access to, and dissemination of technologies, practices, processes and know-how supporting the Convention's objectives; and, e) Focal Point Office of the UNFCCC and Operative Focal Point of the GEF in Uruguay.

It is proposed that the technical and institutional capacity of the UCC be strengthened, so as to further develop the course of activities relative to the Convention: a) fulfilment of the commitments emerging from the Convention; b) development of diffusion and public awareness on CC, its impacts and response measures; c) elaboration of policies, strategies, programs and measures to address the issue of CC; d) assessment of needs of technologies, training and other support required to fulfil the commitments undertaken; and, e) formulation, management and project execution for mitigation and adaptation.

Regarding the execution of the project, it is proposed that the UCC be reinforced in order to undertake the following activities involved in producing the GHGNI and developing the national programs:

- Planning, organisation and development of the project activities;
- Organisation, planning and development of the activities of elaboration of the GHGNI, national programs and the SNC of Uruguay;
- Development of relationships with national and international agencies and institutions, as required for the facilitation of the activities of application of the UNFCCC and for the project execution;

- Management, organisation, keeping and updating the technical and supporting documents in reference to CC;
- Management, coordination, setting and organisation of the activities of the Work Groups;
- Provision of technical, administrative and logistic support, and monitoring of the activities of the Work Groups and other inter-institutional bodies (committees, work groups, etc.) which are created within the project execution framework;
- Organisation and provision of the technical, administrative and logistic support required by the various technical and operative activities of the project;
- Individual and group training, as required, in those subjects related to the application of the UNFCCC and the project activities;
- Preparation of the national and international technical and administrative documents and reports as established or required;
- Identification of needs regarding technology, training, information and other supporting activities for the implementation of the programs, measures and projects identified;
- Publication of the GHGNI, national programs and the SNC in the established languages;
- Issuing of the supporting material for public awareness activities; and,
- Development of the technical-administrative capacity in support of the functions of the Operative Focal Point of the GEF in Uruguay and of the Focal Point of the UNFCCC.

5. Reasons for the provision of assistance on the part of the UNDP.

From the first and fourth Conference of the Parties to the United Nations Framework Convention on Climate Change, emerged guidelines for the Global Environmental Facility (GEF), which operates as a financial mechanism of the UNFCCC. As the UNDP is one of the three Executing Agencies which participate in the GEF and considering the antecedents of assistance and support to the activities on CC that the Government is carrying out and of application of the Convention, and the procedures established by the GEF for that purpose, it was considered appropriate to apply to the UNDP for the funding of the intermediate project.

6. Special considerations

This project aims at giving continuity to a logic process which emerges as a result of the natural and positive institutional evolution of the specialised sector of the Government in charge of addressing the problem of CC and the commitments arising from the UNFCCC, which allowed to evolve from an initial state of scarce institutional capacity, activity and participation in the subject, to another stage where there is a technical agency of the Government, able to provide responses to the commitments set forth for non-Annex I countries and to develop new actions addressing such commitments.

It is to be noted that Uruguay submitted the National Inventory of GHG emissions and removals (GHGNI 1990) and the FNC to the Conference of the Parties, in 1997, and in 1998, the Report on the GHGNI 1994, which included the updating of the GHGNI 1990 (with IPCC 1996 methodology) and a Comparative Study of GHG Emissions: 1994-1990.

Special importance will particularly be given to the participation and involvement in the project activities of the private sector, non-governmental organisations and other planning and decision making governmental agencies.

7. Coordination

To facilitate the achievement of the corresponding outputs, a detailed organisation has been foreseen for the tasks of planning, assessing, supporting and monitoring. Also, the development of inter-institutional mechanisms has been considered, for the discussion and

harmonisation of guidelines with respect to the auxiliary technical elements (see **Error! Unknown switch argument.**).

The specific subject matters (e.g., energy, hydro resources, health) and the common ones (e.g., education, technology transfer) will be addressed through the modality of sectoral and multisectoral work groups, respectively. Such work groups will be composed of technicians from the various institutions and sectors involved (e.g., public, private, non-governmental).

Table 5: Institutions Participating in the Development and Implementation of the Project

Institutions	Type of Representation	Form	Main Activities
<ul style="list-style-type: none"> • Ministries and Departments of the National Government • Regional and Municipal Governments • Centres of Research and Education • Non-governmental Organisations • Industrial and Commercial Organisations 	High level	National Advisory Commission	<ul style="list-style-type: none"> • Establishment of planning process
	Technical	Inter-institutional Working Groups (GTI)	<ul style="list-style-type: none"> • Analysis and selection of proposed measures • Identification of needs and resources • Strategies of implementation
		Sectoral and Multisectoral Working Groups (GTS/GTM)	<ul style="list-style-type: none"> • Determination of priorities • Identification of measures • Evaluation of measures • Preparation of proposals

Advantage will be taken of the coordination agreements developed by the UCC with public and private institutions and the Uruguayan network of environmentalist Non-Governmental Organisations (NGOs). Special importance will be given to the participation and involvement in the project activities of the private sector, NGOs and other planning and decision-making governmental agencies.

For developing the tasks and activities emerging from the project execution, the support and cooperation of several national private and public institutions is expected. These institutions have already acted with the MVOTMA, the DINAMA and the UCC on the matter of CC, including: Budgeting and Planning Office, Ministries of Economy and Finance, Livestock, Agriculture and Fishing, Industries, Energy and Mining, Foreign Affairs, Public Health, Transport and Public Works, Tourism, Education and Culture, offices of the mentioned Ministries, Municipal Governments, the University of the Republic, the National Institute of Statistics, the National Institute of Agricultural Research, the Technologic Laboratory of Uruguay, the Chamber of Industries of Uruguay, the Uruguayan Rural Association, the

Uruguayan Rural Federation, Social and Services Non-Governmental Organisations, Education and Professional Training Institutions, the Global Change National Committee, the Environment Commission of the Legislative Chambers, the Division of Environmental Quality of the DINAMA, the Legal Department and the Press and Public Diffusion Department of the MVOTMA.

8. Support capacity of the counter-party.

The DINAMA is an Executive Unit of the MVOTMA. It administers a budget allocated by the Law of National Budget of Wages, Expenses and Resources and extra-budget resources incoming to the Institution. This Institution has staff, facilities and installations that ensure its capability to provide the national inputs required for the normal development of the activities foreseen for the execution of the project. The UCC depends on the DINAMA as the operative executive body of the activities of application of the UNFCCC in the country. The DINAMA has the experience and technical capacity to begin to organise, plan, coordinate and execute the activities foreseen in the project.

C. Development Objective

The development objective of the project is to improve the quality of life of the citizens of Uruguay within the scope of sustainable development, and the compliance with the international commitments subscribed by Uruguay within the framework of the legal instruments to which the nation is a Party. In order to reach these objectives, the following goals have been set forth: a) efficient compliance with the obligations emerging from the application of the UNFCCC; and, b) development of institutional capacity to provide adequate responses to both national and international requirements with respect to the CC and its impacts.

D. Objectives, outputs and activities

Project Objective

This project seeks funds for Uruguay to undertake enabling activities to prepare the country's SNC to the UNFCCC. As defined by the COP, enabling activities are those measures that facilitate the implementation of response measures in accordance with the Conference of the Parties of UNFCCC (Decision 11/CP.2) to prepare the SNC of Uruguay to the Conference of the Parties, in accordance with Article 12 of the UNFCCC, and to continue to build capacity to fulfil its commitments to the Convention. As this project is required for Uruguay to complete its SNC, the full costs represent the incremental costs of the activities.

Outputs

The following outputs are expected from the execution of the project:

1. The Third National Inventory of Greenhouse Gas Emissions and Removals;
2. Programme of General Measures for Mitigation and Adaptation (PMEGEMA)
3. Preparing and presenting the SNC to the Conference of the Parties to the UNFCCC; and,
4. Strengthening the interest, awareness and technical capacity at a national level to respond to the UNFCCC.

Also, some other specially significant goals are aimed at, in order to improve the scope of the outputs of the projects: a) the consolidation of the institutional capacity of the MVOTMA to apply the UNFCCC; b) a set of measures oriented towards the achievement of national aims on net GHG emission reduction; c) development of an improved responsiveness towards Climate Change issues and to the need for giving adequate and opportune responses; d)

consensus in favour of the measures relative to Climate Change which may contribute to sustainable development; e) a national program of voluntary reduction of net GHG emissions; f) the results of a new GHGNI; g) the submission of the SNC of Uruguay to the Conference of the Parties to the Convention; h) the fulfilment of provisions in literals a) and b) of paragraph 1, art. 4 and of paragraph 1, art. 12 of the UNFCCC.

The main components of the project are described below, and include:

- Updating Uruguay's GHGNI;
- Description of national efforts to abate GHG emissions, adapt to climate change, and development of a framework for reducing GHG emissions; and
- Preparation of Uruguay's SNC.

Output 1: Third Greenhouse Gas National Inventory (GHGNI)

Using the experience and institutional capacity generated in the UCC of the National Directorate of Environment, a new calculation will be made of net GHG emissions using the reference year nearest to the preparation of the National Communication. The inventory will be based on the information available with respect to all national activities of the following sectors: Energy, Industrial Processes, Agriculture, Land Use Change and Silviculture, Wastes and Solvents. The methodology approved by the Convention and the guidelines elaborated by the IPCC will be used. A report will be prepared and published. The results of the GHGNI will be part of the SNC of Uruguay to the Conference of the Parties to the UNFCCC.

Specifically, the GHGNI will take into account the national activities which produce emission or absorption of the following gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), nitrogen oxides (NO_x), carbon monoxide (CO), non-methane volatile organic components (NMVOC), sulphur dioxide (SO₂). If possible, hydro-fluorocarbons (HFCs), per-fluorocarbons (PFCs), and sulphur hexafluoride (SF₆) will be included.

It is proposed that the following activities will be pursued in the preparation of the GHGNI:

- a) Review and study by the UCC of the latest IPCC methodology in force for the preparation of inventories, and training of the UCC technical staff who will participate in the elaboration of the GHGNI;
- b) Organisation of the tasks of data collection, validation and treatment in the UCC;
- c) Reactivation of the Information Management System of the GHGNI;
- d) Collection of national data corresponding to the sectors: Energy, Industrial Processes, Agriculture, Land Use Change and Silviculture Solvents, Wastes and Solvents;
- e) Gathering, validating, entering and elaborating of data through the use of electronic tables standardised by the IPCC;
- f) Analysis of sectoral results in reference to those previously obtained (GHGNI 90 and GHGNI 94);
- g) Elaboration of summary tables and auxiliary tables in IPCC formats; and,
- h) Elaboration, translation, publication, and distribution of the report on the GHGNI results (in both Spanish and English versions).

Output 2: Programme of General Measures for Mitigation and Adaptation (PMEGEMA)

The Government of Uruguay has ratified the UNFCCC and is currently evaluating the establishment of a goal covering mitigation of GHG emissions, increasing absorption by sinks, and facilitating adaptation to CC within Uruguay. In order to pursue this goal, the Government (through the MVOTMA) is establishing a set of measures oriented to: a) the preparation of policies, programs and measures contributing directly, or indirectly, to decreasing net GHG emissions or attenuating CC impacts; b) achievement of consensus on

mitigation and adaptation measures which contribute to sustainable development; and, c) provide support to voluntary reductions of GHG emissions.

The development of the tasks corresponding to the objectives as described above, covers a wide range of inter-institutional and inter-sectoral activities requiring joint management and coordination. Also, an appropriate organisation of mechanisms and instances for their planning, assessment and support is required. Consequently, the definition of this national program will require the development of the best process possible, which should be accepted by all the institutions and parties involved. The project will help define this program as well as describing it for the SNC.

Most of the activities will be carried out by the National Environmental Directorate (through the UCC), which will be assisted by planning and advisory agencies that will be created. The UCC will also be in charge of activities aimed at generating awareness on the subject and support for program development, including public awareness. The project will strengthen the planning process by finding ways to incorporate climate change concerns; identify feasible sectoral and cross-sectoral measures; select measures and strategies from within these options; assess institutional strengthening needed for a national program of voluntary commitments; and preparation of a summary report on these general steps being taken to implement the Convention.

(i) Strengthening of the Planning Process

The first area of activity is the establishment of a planning process. This process will involve a general review of studies and projects performed or under implementation in reference to the matters of CC, development, energy and environment. The public and private institutions and non-governmental organisations that should participate in the planning process will be identified.

An initial workshop will be held with representatives of agencies and non-governmental organisations to set main objectives and priorities of the plan, and identify the main sectors and interests of the population to whom the Program will be directed.

Work groups (WG) that function as planning and advisory bodies will be organised and implemented. A working plan targeted at the national and sectoral levels will be defined.

Guidelines will be identified, assessed and established for the development of the program, including: the inter-institutional mechanisms; time periods for the implementation and completion of the planning process; procedures for the integration of the sectors; and modes of participation of key people of the Government and NGOs in the process.

On the basis of the studies, research and activities related to CC or to the UNFCCC, an additional planning process will be designed to establish a combination of measures to abate GHG emissions and to respond to the possible impacts of CC. Relative to the mitigation of emissions, important antecedents are encountered in the Energy and Transportation sectors. Reviews of existing evaluations will be undertaken for these sectors and analyses will be developed for the remaining sectors (e.g., Agriculture, Forestry, and Wastes). Regarding the response measures to CC, there also exist antecedents for studies of impacts and vulnerability to climate change and preventive measure of adaptation. These studies have been limited in scope and have been undertaken only with reference to two sectors of national activity: Agriculture and Coastal Resources. As such, it is necessary to complement these studies and evaluations of the sectors referred to above. At the same time, studies and evaluations will be undertaken for those sectors that still have not been addressed (i.e., Energy, Biodiversity, Water Resources, Fishery and Health), and will focus on: the impact of climate change; vulnerability; and the identification and evaluation of preventive measures,

practices and processes that will permit the minimisation of risks through avoiding damages and losses.

(ii) Preliminary Identification of Sectoral and Multisectoral Measures

The identification of sectoral and multisectoral measures will be performed through the WGs as established through the planning process. The sectors and types of measures to first be considered are those outlined in **Error! Unknown switch argument.**. The following subject matters have been established for the first stage of discussion: education and public awareness; technological development and technology transfer; institutional strengthening; economic, social and environmental impacts of the measures; and, research and systematic observation.

Table 6: Sectors and Types of Measures To Be Considered

Sectors	MEASURES	
	Mitigation	Adaptation
Energy	x	x
Transportation	x	
Agriculture *	x	x
Biodiversity	x	x
Wastes	x	
Water res.		x
Coastal res.		x
Fishery		x
Health		x

(*) Includes Land Use Change and Silviculture

A priority analysis will be carried out on the various sub-sectors, regions, and systems. Measures for mitigation or adaptation will be identified and assessed, including: regulations, institutional measures, voluntary programs, economic and financial incentives, pilot projects, and educational programs. Analysis of the measures will be identified through instruments such as cost-benefit or cost-efficiency analyses.

An intersectoral analysis and assessment of the measures and their impacts will be conducted, and recommended measures will be selected. The identified measures will be proposed in a report for review.

(iii) Selection of Measures and Strategies

With the assistance of the WGs, the proposed measures will be further analysed in order to ultimately select those that should be targeted. The degree of feasibility of the measures, according to the sectoral and intersectoral resources, will be considered. Likewise, in devising an implementation strategy the limiting factors and conditions influencing implementation will be analysed and assessed (e.g., resources and measures required for the implementation, potential barriers to implementation). The purpose of this analysis is to ensure that the selection of measures is consistent with priorities and available resources, thereby increasing the feasibility of their application.

An assessment of uncertainties, limitations, conditions and risks involved in the national program will be made. An implementation schedule will be prepared, including the identification and description of stages. The process of monitoring and assessment of the activities will be established and included in the schedule.

(iv) National Programme for Greenhouse Gas Emissions Reduction (PRONAVEN)

In order to respond adequately to both national and international requirements with respect to CC and its impacts, Uruguay seeks to develop a legal-institutional instrument for the promotion and protection of the adoption of measures, productive activities and investments which may contribute to: a) the reduction of anthropogenic GHG emissions in the various national sectors and sources, and b) increased GHG absorption. The purpose of this national program is to foster, facilitate and protect investments and the adoption of technologies, practices and processes that contribute to reducing net GHG emissions by decreasing emissions and increasing absorption in the various national sectors and sources. Credit assistance and tax benefits or exemptions will be among those measures examined. Economic and social impacts of these measures will be assessed, as well as their implementation feasibility. The possible interference of these new measures with the application and development of the legal provisions in force will be taken into account, particularly with reference to industrial promotion, declaration of national interest, investment promotion and protection, and the forest industry.

Under this activity, it is proposed that the following activities be carried out:

- a) Collection and analysis of legal antecedents and previous studies on the subject;
- b) Identification, preparation, and analysis (e.g., impact assessment, feasibility studies) of measures and legal provisions sustaining and regulating the development of the Program and the accomplishment of the program-specific goals;
- c) Definition of a mechanism which: i) ensures the program operation and sustainability; ii) performs the project studies and assessments; and, iii) verifies and certifies the abatement of GHG emissions; and
- d) Identification and management of the national and international financial and technical assistance required for ensuring and facilitating the program's continuity after the completion of the project execution.

(v) Preparing of report for the SNC

Once the measures have been selected and the requirements for implementation, monitoring and assessment have been established, a document describing the project will be prepared. This document will circulate for review, comments, and ultimate approval. It will be made public within the institutions and sectors involved, and will be disseminated among the general public.

Additionally, a Summary table will be prepared, in which the priority mitigation measures identified in the project will be shown, supported with sectoral data (trends or projections) and reference figures, in appropriate language, comprehensible to persons unfamiliar with the situation but involved in the policies and measures.

A workshop, for presentation and discussion of the draft, will be conducted. The governmental institutions involved will revise the draft. The final version will be prepared, translated, published and distributed.

Output 3: Preparing and presenting the Uruguay's Second National Communication (SNC) to the Conference of the Parties to the UNFCCC

Taking into account the latest GHG National Inventory (GHGNI), the national programs identified above, and the experience and technical capacity generated in the UCC on the subjects, a SNC will be prepared in accordance with the provisions in articles 4.1.a, 4.1.b and 12.1 of the UNFCCC and with the Guidelines in force of the Conference of the Parties to such Convention (Annex to Decision 10/CP.2).

In order to prepare the SNC, it is proposed that the following activities be conducted:

- a) Collection of updated data with respect to: territory, population, socio-cultural characteristics, climatic, economic institutional and other conditions relative to the national circumstances of Uruguay;
- b) Elaboration of the following sections of the National Communication (NC):
 - National Circumstances
 - GHGNI
 - General description of steps (mitigation and adaptation)
 - Financial and technological needs and limitations
 - Other data
- c) Integration of a unified draft of the SNC, and review of this draft by the competent authorities;
- d) Elaboration, translation, and publication of the final version, in both Spanish and English versions; and,
- e) Distribution of the SNC pursuant to the procedures of the UNFCCC and complementary norms set forth by the Conference of the Parties to such Convention.

Output 4: Strengthening the interest, awareness and technical capacity at a national level to respond to the UNFCCC

The following outputs have are expected as a result of the development of the different components of the project:

- a) The reinforcement of the interest, awareness and the participation of the Administration and different actors of society in the generation of responses to CC and in the undertaking of activities and projects compatible with sustainable development and the objective of the Convention, and
- b) The diffusion and generation of knowledge and information on the following issues: i) opportunities of cooperation and development of joint activities, ii) needs, priorities, sources and modalities relative to the transfer of environmentally sound technologies and specialised knowledge, within the framework of the Convention, and iii) the programs of: general measures for mitigation and adaptation, and of voluntary abatement of net GHG emissions (supra); and ,
- c) The strengthening of the technical capacity, both at national and sectoral levels (MVOTMA), relative to the application of the UNFCCC and the execution of the project, ensuring normal and sustained development of the corresponding activities.

Complementing the activities of public awareness and diffusion during the project URU/95/G31, efforts will be made to improve the degree of interest, awareness and involvement of governmental and non-governmental decision making, planning and administration levels, respect to CC, impacts and response measures.

Likewise, the UCC will be strengthened so as to enable it to play the following roles: a) operative execution agency for the project activities, b) mechanism of coordination, management and elaboration of programs and projects, c) centre of the development of diffusion and awareness activities, d) element of access to dissemination of information relative to technologies, practices and processes (know-how) supporting the objective of the Convention, and e) Focal Point Office of the UNFCCC.

To these effects, the following activities have been scheduled:

- a) Preparation of material for mass diffusion.
- b) Preparation of material for selective diffusion.
- c) Issuing of the supporting material for the Dissemination and Public Awareness activities.
- d) Organisation and development of diffusion and promotion campaigns.
- e) Participation in formal and non-formal education sessions.
- f) Organisation of Workshops both for dissemination and public awareness.
- g) Organisation of Workshops in support of the PMEGEMA and PRONAVEN.

- h) Individual and group training, as required, in those subjects related to the application of the UNFCCC and the project activities.
- i) Organisation and provision of the technical, administrative and logistic support required by the various technical and operative activities of the project.
- j) Development of the activity support of the functions of the Operative Focus Point of the GEF in Uruguay and of the Focus Point of the UNFCCC.
- k) Development of relationships with national and international agencies and institutions, as required for the facilitation of the activities of application of the UNFCCC and for the project execution.

E. Inputs

1. Inputs provided by the Government

1.1. Fungible supply and equipment:

Stationery and other office supplies for the UCC.

1.2. Non-fungible equipment:

Furniture and other office equipment to be used in the UCC.

1.3. Facilities:

An office intended for the operation of the UCC, including communication equipment and other facilities.

1.4. Miscellaneous:

1.4.1. Electricity, clean water, telephone services, maintenance and cleaning of UCC's office and related services.

1.4.2. Facilitation of trips within the national territory, transport, freight and insurance requested by the project activities.

1.4.3. Provision of leaflets, press calls and use of the media to back-up the activities of promotion, dissemination, generation of public awareness, training sessions and workshops.

1.4.4. Wages and hiring of local services and experts

2. Inputs provided by the UNDP

2.1. Staff

2.1.1. PMEHEMA:

- a) An international Consultant to directly assist the UCC, through the development of two missions in the country: first, at the beginning of the execution to assist in design, promotion and setting out of the planning process of the PMEHEMA, and to carry out a Workshop; second, during the third quarter of the execution to assist in the analysis and assessment of the measures identified by the various work groups;
- b) Eleven national Consultants to assist and carry out the activities foreseen for the various sectoral and multisectoral groups (identification, selection, development, analysis and assessment of measures), and to prepare the corresponding reports and advise the UCC and other bodies of the PMEHEMA in the subject matter of their expertise.

2.1.2. PRONAVEN:

Three national Consultants for the identification, study, elaboration and in-depth consideration of the PRONAVEN norms and measures for the implementation of a planning, management and control mechanism of the programme and for its promotion and development.

2.1.3. GHGNI:

Two national Consultants to collect and elaborate data, obtain and analyse results and then make the standardised reports and tables, and the reports corresponding to the GHGNI sections, Agriculture, Land Use Change and Silviculture, Industrial Processes and Wastes.

2.1.4. A UCC Technical Coordinator to organise, direct and supervise technical and administrative activities as well as project support activities, and to manage contracts with experts and consultants as well as training and public diffusion activities.

2.1.5. A UCC Technical Advisor who will cooperate with the Project Technical Coordinator in tasks regarding the application of the UNFCCC, will assist in the organisation, planning and execution of the ongoing project activities and in the identification of needs, initiatives and opportunities of application and management of technical assistance to facilitate the achievement of the project's goals.

2.1.6. Two UCC Technicians who will participate in and develop technical activities relative to the elaboration, support and execution of the PMEGEMA, the PRONAVEN, the GHGNI and the SNC, to the organisation and control of the project activities and in reference to training, diffusion and public awareness.

2.1.7. Support staff:

An Administrative Clerk to cover the needs of general administrative and logistic support to the UCC and to assist in the organisation and carrying out of Workshops, training and diffusion activities;

2.2. Travel in service duties: includes the expenses corresponding to travelling of national and international consultants and experts during the project execution.

2.3. Logistic of Workshops, diffusion and promotion activities and work groups: includes supplies and supports required for the normal development of the mentioned tasks and for the operation of the collective bodies of the project.

2.4. Diffusion and information material, publications and reports: comprises the material prepared by the project with diffusion and informative aims relative to the application of the UNFCCC, the Climate Change and response measures (mitigation and adaptation); the elaboration of the project's publications and the UCC reports.

2.5. Office and communications equipment: furniture and communications equipment intended to complement the existing ones, aiming to ensure the normal operation of the work groups and the development of technical and administrative activities of both the UCC and the project, during the project execution period.

2.6. Study Trips: comprises training activities and improving of professional training aiming at upgrading the technical capacity of the UCC in developing, organising and managing the different activities of the project; in particular, those referred to the application of the UNFCCC, GHGNI, PMEGEMA and PRONAVEN.

2.7. Miscellaneous: includes hiring of services (photocopies, e-mail, equipment maintenance service, etc), international mail, information required for mitigation and adaptation assessment and the elaboration of the GHG emission calculations, the SNC, inputs required by the work groups and for the development of Workshops and training, promotion and other activities.

2.8. Other inputs: to assist the audit and the project's administration expenses.

F. Risks

Some of the critical situations that may arise and impact the project, by delaying the overall project implementation or resulting in incomplete attainment of an output, have been identified and are elaborated below.

Difficulties in the integration and operation of the various work groups (inter-institutional, sectoral, multisectoral) may arise in reference to the following critical issues: (i) to gather regularly and keep a critical mass of experts interested, and (ii) to achieve an adequate degree of representation and ability. As a result of these potential difficulties, the normal operation of the group could be delayed and the institutional involvement in the activities could be hampered, thereby impacting the achievement of an acceptable level of quality in the identification, evaluation and election of adaptation and mitigation measures. Given the importance of the outputs of the work groups in the process of elaboration of the adaptation and mitigation measures, should any of the mentioned difficulties arise, rapid action will be taken so that the foreseen output is not hampered in any of the areas or sectors affected.

This project has strong national support, in particular from the MVOTMA and the UCC. The MVOTMA will continue to provide all necessary support for the implementation of this project and its programs. While through the recent presidential elections the government of Uruguay has changed and the new authorities are already in place, the interest and support for the execution of the project exists and is expected to continue strongly through the duration of the project. The government will also make sure that the project's programs will be sustained after the execution of this project. Because Uruguay is part of the UNFCCC, it is foreseen that the Ministry of External Relations will keep its role regarding the international commitments to CC. Climate Change also has strong support from the general public, mainly due to the ongoing public awareness campaigns.

G. Previous obligations and requirements.

The Republic of Uruguay is party to the UNFCCC. Uruguay approved such Convention by Law 16.517, of July 22, 1994, which came into force on November 16, 1994.

Uruguay has also fulfilled the provisions of arts 4.1. and 12 of this Convention for non-Annex I countries, having submitted its FNC to the Conference of the Parties to the UNFCCC, in 1997.

Thus, the nation is able to request and receive technical assistance as foreseen under the guidelines of such Convention, through Decision 11/CP.1, of the First Conference of the Parties and more specifically by literals (d), (e), (f) and (g) of the Decision contained in document FCCC/1998/L.22, of the Fourth Conference of the Parties (Buenos Aires, Argentina, November 2-13, 1998).

For the purpose of exercising its competence in reference to CC, enhancing the national capacity of application of this Convention and complying with the commitments emerging therein, the MVOTMA created the Climate Change Unit in the sphere of the National

Directorate of Environment, with the functions stated in Resolution 505/94, of December 29, 1994.

The UCC counts with a significant critical mass, experience and capability which enables it to address and develop new objectives on behalf of the Government, in reference to the commitments and application of the UNFCCC.

The UNDP will sign the project document and will provide assistance to the project if the previous obligations mentioned supra, have been fulfilled at its complete satisfaction.

H. Presentation of reports and evaluations related to the project examination

The project will be subject to a tri-partite review (TPR) (i.e., the Planning and Budgeting Office, the MVOTMA, and the UNDP) at least once every twelve months. The first meeting will take place within the first twelve months after the project activities begin. The National Coordinator of the project or the Chief Executive Officer of the UN executing agency will prepare and submit a report on the assessment of the implementation of the project at every meeting of the TPR. During the execution of the project, if necessary, other reports of that type may also be requested.

A final report will be prepared for consideration at the TPR. The draft of this report will be prepared with enough time for the executing entity to consider and adjust its technical aspects, at least four months before examination is due.

I. Legal Context

This Project Document will be the instrument mentioned in article 1 of the *Basic Agreement of Assistance between the Government of the Republic of Uruguay and the UNDP, signed by the parties on December 12, 1985.

The following types of review of the present Document may take place under the single signature of the UNDP Resident Representative, provided such Representative bears no doubt that the signing parties do not hold objections to the changes proposed:

- a) Reviews of any of the Annexes of the Project Document or addenda thereto;
- b) Reviews which do not imply significant changes in the immediate objectives, outputs or activities of a project, which are due to a redistribution of the previously agreed inputs or increments in costs; and
- c) Obligatory annual reviews for recording of the actual expenses incurred by the project during a calendar year and transfer resources to following years to finance expenses previously agreed on.

J. Budget

The project budget is estimated at US \$595,800 with additional contribution from the Government of Uruguay (in kind) of US \$289,000. The details of the budget covering the Government of Uruguay's contribution and the UNDP-GEF contribution are given in 1. and 2. infra, respectively.

1. Budgeting of inputs in kind provided by the Government.
 - 1.1. Fungible supplies and equipment:

Stationery, and other elements of current use in the UCC office: US\$ 12.000.

1.2. Non-fungible equipment:

Furniture and office equipment to be used by the UCC: US\$ 60.000

1.3. Facilities:

A premise for the operation of the UCC, including installations and basic services (energy, communications, sanitary, etc.): US\$ 18.000.

1.4. Miscellaneous:

1.4.1. Expenses corresponding to electricity and water consumption, telephone expenses, maintenance and cleaning of the UCC office and other services: US\$ 36.000.

1.4.2. Expenses corresponding to national trips, transport, freights and insurance required by the project activities: US\$ 36.000.

1.4.3. Expenses for leaflets, press calls, and use of the media in support of activities of dissemination and public awareness, of workshops and other training activities: US\$ 27.000.

1.5. Wages and hiring of local services and experts: US\$ 100.000.

TOTAL: US\$ 289.000

2. Budget of UNPD contribution (thousand USA dollars)

Description	Total	Years		
		1	2	3
11.01 Intern. Consultant PM.	16.0	8.0	8.0	--
13.01 Administrative Clerk.	26.4	7.2	9.6	9.6
15.01 Consultant trips	9.0	3.0	3.0	3.0
17.01 UCC Technical Coordinator	93.0	21.0	36.0	36.0
17.02 UCC Technical Advisor	18.9	6.3	6.3	6.3
17.03 UCC Technician	51.2	12.8	19.2	19.2
17.04 UCC Technical Assistant	43.2	14.4	14.4	14.4
17.05 Econ. Cons. PR.	7.0	---	7.0	---
17.06 Legal Cons. PR.	7.0	---	7.0	---
17.07 Eng. Cons. IN. (Agric./LUCS)	5.6	5.6	---	---
17.08 Eng. Cons. IN. (IIPP/Wastes)	5.6	5.6	---	---
17.09 Energy Cons. PM.	8.4	5.6	2.8	---
17.10 Transport Cons. PM.	7.0	4.2	2.8	---
17.11 Agricultural Cons. PM.	11.2	7.0	4.2	---
17.12 Biodiversity Cons. PM.	7.0	4.2	2.8	---
17.13 Water Resources Cons. PM.	7.0	4.2	2.8	---
17.14 Coastal Resources Cons. PM.	7.0	4.2	2.8	---
17.15 Fishery Cons. PM.	7.0	4.2	2.8	---
17.16 Health Cons. PM.	7.0	4.2	2.8	---
17.17 Wastes Cons. PM.	7.0	4.2	2.8	---
17.18 Economist Cons. PM.	16.8	8.4	8.4	---
17.19 Vuln./Adap. Cons. PM.	25.2	12.6	12.6	---
31.01 Study travels	45.0	15.0	15.0	15.0
32.01 Workshops logistic	13.0	4.0	4.0	5.0
32.02 Dissemination/Promotion Logistic	12.0	3.0	4.0	5.0
32.03 WWGG Logistic	12.0	6.0	6.0	--
45.01 Computer and Communication Equipment	6.0	4.0	2.0	--
45.02 Office Equipment	3.0	3.0	--	--
51.01 Miscellaneous (Photo./mail/equip. Maintenance)	25.0	8.0	8.0	9.0
51.02 Audit Expenses	14.5	4.8	4.8	4.9
52.01 UCC reports	16.8	5.6	5.6	5.6
52.02 Dissemination/informative material	10.0	2.0	3.0	5.0
52.03 Publications	25.0	8.0	8.0	9.0
53.01 Miscellaneous (infor.:NI./PM./PR.)	10.0	4.0	3.0	3.0
53.02 Miscellaneous (Workshops/WWGG)	10.0	4.0	3.0	3.0
Totals:	595.8	219.0	225.5	151.3

References:

PM: PMEGEMA; PR: PRONAVEN; NI: GHGNI; WWGG: Work Groups; UCC: Climate Change Unit; IIPP: Industrial Processes; LUCS: Land Use Change and Silviculture

K. Annexes

I. Working Plan

The schedule for the activities corresponding to each output is shown in the annexed pages.

II: Description of functions: experts and consultants

1. Functions corresponding to budget line 11: PMEHEMA International Consultant

1.1 First mission in the country (5 working days) in the first quarter of the project execution:

- Get in touch with local UCC technicians.
- Assist in the organisation and definition of the planning process of the PMEHEMA.
- Participate in the first Workshop of the PMEHEMA.
- Advise on the elaboration of guidelines for the various work groups.
- Collaborate in the definition of work schedules for the planning and advisory bodies.

1.2. Second mission in the country (5 working days) in the fourth quarter of the project execution:

- Collaborate in the analysis of the measures proposed by the work groups.
- Assist in the definition of criteria for stating priorities.
- Advise the identification of the technology and training needs.
- Collaborate in the activities for the refinement of the selected measures.
- Assist in the identification of the funding sources and in the definition of strategies.

2. Functions corresponding to budget line 13: National Consultants

2.1. Budget Line 13.01: UCC Administrative Clerk

- Administrative support to the activities of the project
- Administrative support to the project national consultants and experts
- Conduction of purchases and payments as specified
- Operation of equipment and communication systems
- Maintenance of updated files (physical and electronic files)
- Logistic support to activities and Training and Public Awareness Workshops
- Organisation of agendas and coordination of activities and missions for the international experts

3. Functions corresponding to budget line 17: National Consultants

3.1. Budget Line 17.01: UCC Technical Coordinator

- Coordination of project technical activities
- Organisation, coordination and supervision of technical and operative activities of the UCC
- Planning, promotion and management of activities emerging from the application of the UNFCCC
- Coordination of the formulation, management and execution of activities relative to CC
- Following of the negotiation process of the UNFCCC Conference of the Parties and corresponding Decisions
- Planning, coordination and direction of training activities intended for the staff of the UCC
- Elaboration of the terms of reference for the project consultants
- Manage contracts with project experts and consultants
- Supervision of the activities of national and international project consultants
- General administrative supervision of project activities
- Technical advise and assistance to public and private institutions and government authorities.
- Development of the UCC national and international relationships.

3.2. Budget Line 17.02: UCC Technical Advisor

- Advise on the identification and implementation of the actions required for the application of the UNFCCC.
- Process both technical and support information on CC and review studies and projects, which are background for the project activities.
- Participate in the organisation, planning and development of the activities of definition and elaboration of the PMEHEMA, the GHGNI and the Second National Communication of Uruguay to the Conference of the Parties to the UNFCCC.
- Advise and collaborate in the creation, organisation, coordination, back-up and monitoring of the activities of the PMEHEMA work groups.
- Advise in environmental matters during the formulation, management, promotion and implementation of the PRONAVEN.
- Provide technical support to the various activities of training, promotion, dissemination and public awareness relative to CC.
- Analyse, assess and participate in the elaboration of reports and national and international communications on the subject.

3.3. Budget Lines 17.03 and 17.04: UCC Technician and Technical Assistant.

- Assist in the organisation, planning and development of the activities corresponding to the PMEHEMA, the GHGNI and the PRONAVEN.
- Collaborate with the organisation and development of the activities of application of the Convention.
- Carry out technical studies and assessments in support of the activities of the UCC and the project.
- Provide technical support during the various phases of the elaboration of the PMEHEMA.
- Assist in the management, organisation and development of the PRONAVEN.
- Provide technical support in environmental issues for the PRONAVEN implementation.
- Collaborate with the organisation and elaboration of the GHG National Inventory and its report.
- Assist in the organisation, monitoring and support of the PMEHEMA work groups and collaborate in the activities of elaboration of sectoral and multisectoral reports of the PMEHEMA.
- Collaborate in the preparation, analysis and assessment activities of the Second National Communication.
- Prepare reports and assessments relative to the furthering of the annual plan of activities of the UCC and the project.
- Collaborate in the activities of dissemination, public awareness and promotion.

3.4. Budget Line 17.05: PRONAVEN Economist Consultant.

- Analyse the existing background in reference to economic and financial legal provisions including tax, accounting and institutional aspects of similar nature or related to the programme aims.
- Propose fostering measures, including -among others- credit assistance, tax benefits or exemptions.
- Propose ways of using the identified mechanisms.
- Establish the general characteristics of the measures to be implemented.
- Propose management and funding mechanisms for the measures suggested.
- Assess the proposal impacts.
- Determine the degree of feasibility of the proposals.

- Identify management instruments for the measures.
- Elaborate a report with proposals and recommendations.
- Assist the UCC in the subject matter of expertise.

3.5. Budget Line 17.06: PRONAVEN Legal Consultant.

- Analyse the legal background related to the subject matter.
- Identify and elaborate proposals of norms and measures for the promotion and support of the voluntary GHG emission reduction.
- Determine the scope and applicability of the proposals.
- Analyse their impacts from a legal perspective, in reference to the legal structure in force in Uruguay.
- Analyse and assess the proposals together with the Economist Consultant of PRONAVEN in order to determine their degree of feasibility.
- Categorise the proposed norms.
- In coordination with the PRONAVEN Economist Consultant, propose a mechanism for the program management.
- Elaborate a report with the measures and norms proposed.
- Advise the UCC in the subject matter of expertise.

3.6. Budget Line 17.07 and 17.08: GHGNI Engineer Consultants.

- Be updated on the methodology recommended by the Intergovernmental Panel on Climate Change (IPCC), for the sectors of the GHGNI under their responsibility.
- Collect all data and information required for their elaboration, for the reference year stated by the UCC.
- Validate and elaborate such data.
- Obtain sectoral results by means of standardised tables.
- Analyse the results obtained with reference to the other sectors of the GHGNI and to the results of previous Inventories (1990 y 1994).
- Detect uncertainties.
- Elaborate summary and auxiliary tables with IPCC formats.
- Elaborate the corresponding GHGNI sectoral reports.
- Advise the UCC in the subject matter of expertise.

3.7. Budget Lines 17.09 to 17.17: PMEGEMA National Consultants.

- Coordinate and conduct the activities corresponding to the PMEGEMA Work Group.
- Identify sectoral and intersectoral priorities.
- Identify sectoral and intersectoral mitigation or adaptation measures, as corresponds.
- Annexes, assess and formulate measures.
- Assess the impacts of the measures.
- Select and recommend response measures.
- Elaborate the corresponding report to the WGs under his/her responsibility.
- Advise the UCC in the subject matter of expertise.

3.8. Budget line 17.18: PMEGEMA Economist Consultant.

- Make the initial economic and financial analysis of the mitigation or adaptation measures identified by the various work groups.
- Elaborate the analysis (cost-benefit, cost-efficiency, etc.) for the identified measures and their impacts, as foreseen in the project.
- Collaborate in the identification of priorities in the various WGs.

- Advise in reference to the identification of the human, technological and financial resources required.
- Assist in the assessment of uncertainties, limitations, conditions and risks of the PMEGEMA measures.
- Advise the UCC in the subject matter of expertise.

1.7. Budget Line 17.19: PMEGEMA Consultant on Vulnerability/Adaptation.

- Analyse the background in reference to previous studies on adaptation and vulnerability.
- Determine the needs and priorities for action, taking into account the result of the above analysis.
- Advise the UCC on the composition and organisation of the WGs addressing vulnerability and adaptation matters.
- Assist the work groups and the UCC in the identification and assessment of the vulnerability to CC of the various sectors.
- Collaborate with the WGs in the identification and assessment of adaptation measures.
- Analyse the measures identified by the WGs and their impacts.
- Determine merits, barriers and costs for their implementation.
- Collaborate in the identification of priorities.
- Assist in the definition of needs and resources.
- Collaborate in determining measures to support the PMEGEMA.
- Collaborate in the elaboration of the WGs' reports.
- Assist in the elaboration of the PMEGEMA draft.

III. Needs of equipment and furniture

- a. 3 Personal Computers: US\$ 4.000
- b. 3 Laser Prints: US\$ 1.000
- c. 1 Scanner: US\$ 500
- d. 1 Fax: US\$ 500
- e. Furniture:
 - 3 Computer desks
 - 1 Meeting Table
 - 12 Chairs
 - 1 Desk
 - 3 open filers
 - 3 closed filers

Total Cost: US\$: 3.000

All equipment mentioned above will be used by the UCC.