



Uruguay One UN Coherence Fund

Annual Project Narrative Progress Report

Reporting Period: 1 January – 31 December 2012

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Country and Thematic Area

Economic Diversification, Natural Resources, Sustainability

MPTF Office Atlas No: 66257

Programme Title:
Institutional strengthening of the Ministry of Industry, Energy and Mining and the Ministry of Housing, Territorial Planning and Environment for responsible mining in Uruguay.

Participating Organization(s):

UNESCO, UNEP and UNDP

Implementing Partners:

Uruguayan Agency for International Cooperation (AUCI)
Ministry of Industry, Energy and Mining (MIEM)
Ministry of Housing, Territorial Planning, and Environment (MVOTMA)

Programme Budget (from the Fund):

UNESCO	147,660
UNEP	149,265
UNDP	307,625
Total:	US\$ 604,550

Programme Duration (in months): 12

Start date¹: 10-Sep-2012

End date: 10-Sep-2013

In accordance with the ToR for the One UN Coherence Fund.

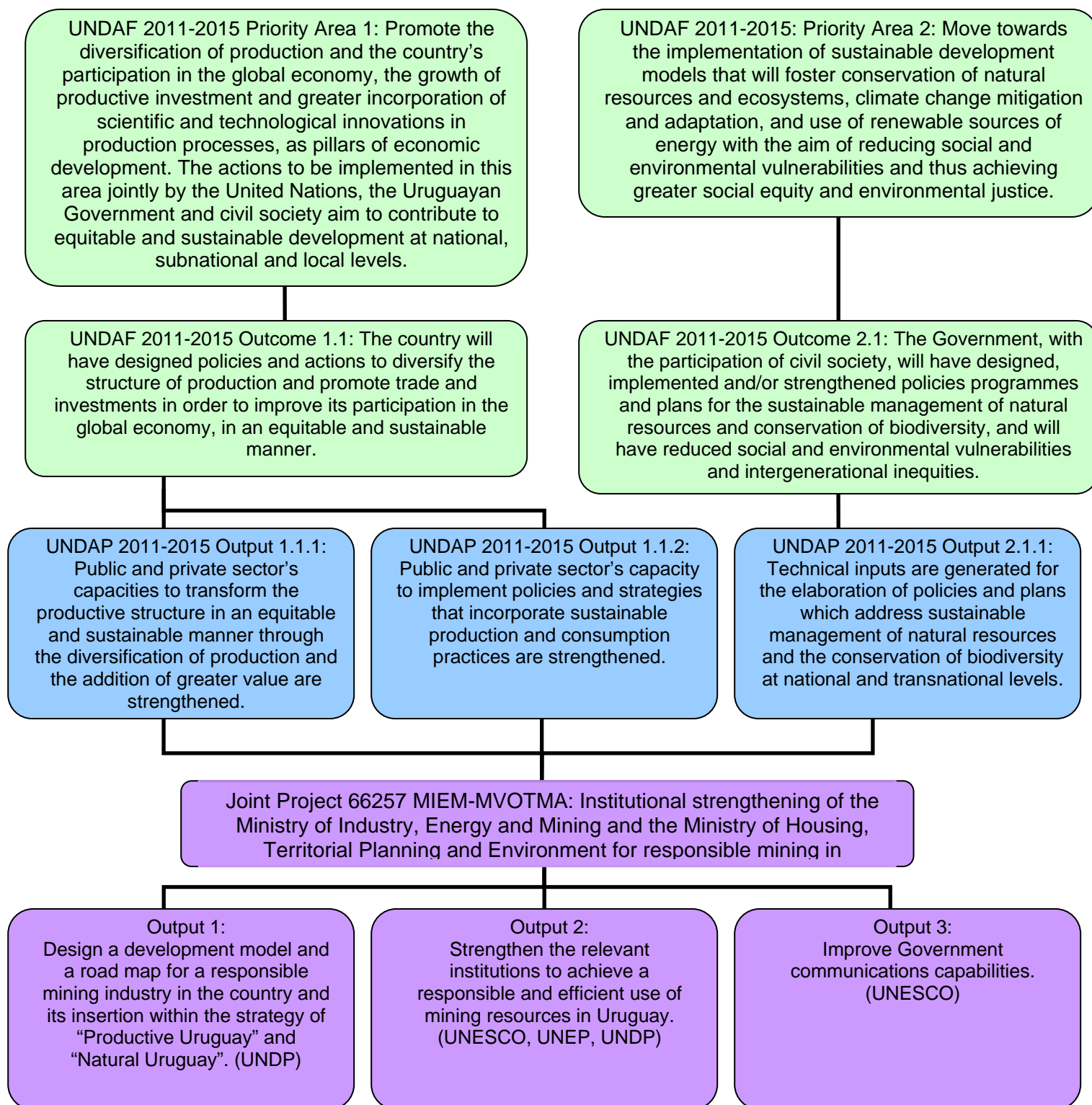
Budget changes: No changes in the budget

¹ The start date is the date of the first transfer of funds from the MPTF Office as Administrative Agent.

I. PURPOSE

Programme Description:	<p>Within the framework of the Delivering as One Approach and the UNDAF/UNDAP 2011-2015, the Uruguayan Government and the UN System have endorsed the joint programme to strengthen the institutional capacity of the National Government in order to develop the mining industry in the country in a sustainable and responsible manner, taking into account the diverse value added that each UN Agency can provide.</p>
Development Goal:	<p>UNDAF 2011-2015 Priority Area 1: Promote the diversification of production and the country's participation in the global economy, the growth of productive investment and greater incorporation of scientific and technological innovations in production processes, as pillars of economic development. The actions to be implemented in this area jointly by the United Nations, the Uruguayan Government and civil society aim to contribute to equitable and sustainable development at national, subnational and local levels.</p> <p>UNDAF 2011-2015: Priority Area 2: Move towards the implementation of sustainable development models that will foster conservation of natural resources and ecosystems, climate change mitigation and adaptation, and use of renewable sources of energy with the aim of reducing social and environmental vulnerabilities and thus achieving greater social equity and environmental justice.</p>
Outcome:	<p>UNDAF Outcomes:</p> <p>UNDAF 2011-2015 Outcome 1.1: The country will have designed policies and actions to diversify the structure of production and promote trade and investments in order to improve its participation in the global economy, in an equitable and sustainable manner.</p> <p>UNDAF 2011-2015 Outcome 2.1: The Government, with the participation of civil society, will have designed, implemented and/or strengthened policies programmes and plans for the sustainable management of natural resources and conservation of biodiversity, and will have reduced social and environmental vulnerabilities and intergenerational inequities.</p> <p>UNDAP Outputs:</p> <p>UNDAP 2011-2015 Output 1.1.1: Public and private sector's capacities to transform the productive structure in an equitable and sustainable manner through the diversification of production and the addition of greater value are strengthened.</p> <p>UNDAP 2011-2015 Output 1.1.2: Public and private sector's capacity to implement policies and strategies that incorporate sustainable production and consumption practices are strengthened.</p> <p>UNDAP 2011-2015 Output 2.1.1: Technical inputs are generated for the elaboration of policies and plans which address sustainable management of natural resources and the conservation of biodiversity at national and transnational levels.</p>
Outputs and Key Activities:	<ol style="list-style-type: none"> 1. Design a development model and a road map for a responsible mining industry in the country and its insertion within the strategy of "Productive Uruguay" and "Natural Uruguay". 2. Strengthen the relevant institutions to achieve a responsible and efficient use of mining resources in Uruguay. 3. Improve Government communications capabilities.

Outputs for the Joint Project 66257 MIEM-MVOTMA and their relation to UNDAF (2011-2015) and UNDAF Action Plan (UNDAP 2011-2015)



II. RESOURCES

Participating UN Organization(s)	Approved Joint Programme Budget	Approved Transfers to PUNOs (2012)	Expected Transfers to PUNOs (2013)
UNDP	307,625	172,534	135,091
UNESCO	147,660	23,246	124,414
UNEP	149,265	102,720	46,545
Total:	US\$ 604,550	US\$ 298,500	US\$ 306,050

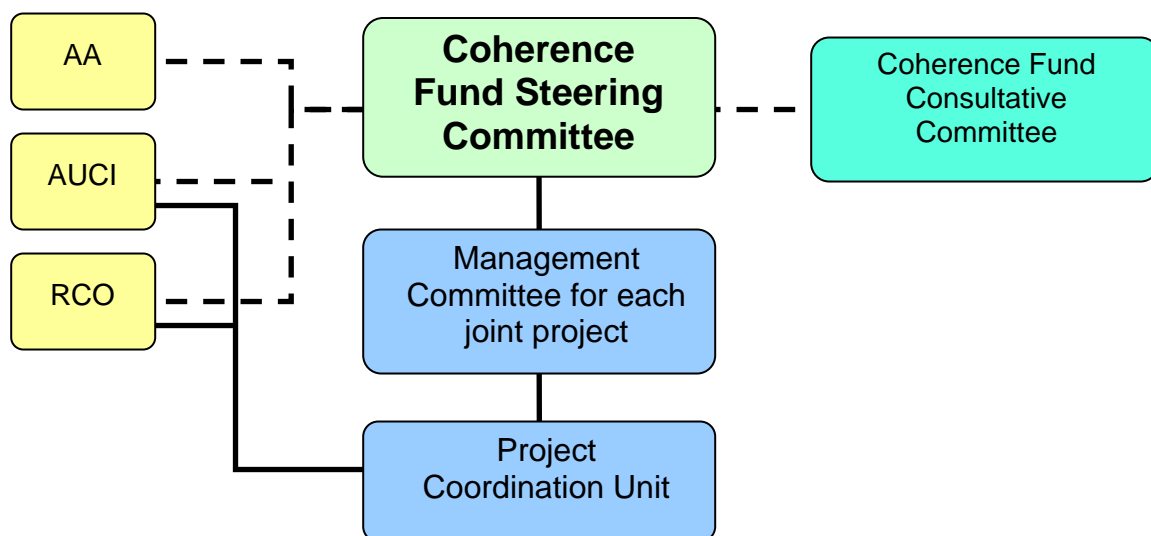
III. IMPLEMENTATION AND MONITORING ARRANGEMENTS

To support the implementation of the UNDAF (2011-2015), the Government and the UNS in Uruguay agreed to establish the Uruguay One UN Coherence Fund; a common, un-earmarked, development fund, under the leadership of the Resident Coordinator. The Uruguay One UN Coherence Fund supports the coordinated resource mobilization, allocation and disbursement of donor-contributed resources for the unfunded elements of the UNDAF/UNDAP.

The Uruguay One UN Coherence Fund has several governance mechanisms to ensure proper management of funds, supervision of project execution, and monitoring of results. The mechanisms are: The Coherence Fund Steering Committee, The Coherence Fund Consultative Committee, The Management Committees, and the Administrative Agent (AA).

The members of the Management Committee are: Presidency of the Republic, Office of Planning and Budget (OPP)², Ministry of Industry, Energy and Mining (MIEM), the Ministry of Housing, Territorial Planning and Environment (MVOTMA); the executing UN Agencies (UNDP, UNESCO, and UNEP) and the associated UN Agencies (IOM, ILO, UNWomen).

Governance mechanisms for the Uruguay One UN Coherence Fund.



² The Uruguayan Agency for International Cooperation participates in the Steering Committee.

IV. RESULTS

Within the framework of the Delivering as One Approach and the UNDAF/UNDAP 2011-2015, the Uruguayan Government and the UN System have endorsed the joint programme to strengthen the institutional capacity of the National Government in order to develop the mining industry in the country in a sustainable and responsible manner, taking into account the diverse value added that each UN Agency can provide.

Output 1: Design a development model and a road map for a responsible mining industry in the country and its insertion within the strategy of “Productive Uruguay” and “Natural Uruguay”. (UNDP)

- a) **Stakeholder dialogues about responsible mining (1.2):** In December 2012, an exploratory mission performed by the UNDP’s Democratic Dialogues Regional Project participated in the national diagnosis and pre-design of a multi-stakeholder dialogue process to generate guidelines and principles for responsible mining in Uruguay. This, mission produced a final report that is being discussed by the national counterparts of the project to determine the next steps. This report has been very useful to the national counterparts because it provides an in-depth diagnosis of the social situation about the new big mining projects recently presented to Uruguayan authorities.

- b) **International Seminar for the approach of good practices in mining at the global and regional level:** National counterparts and UNDP (along with the other UN implementing Agencies) have elaborated a first draft of the seminar’s programme, to be validated by the Management Committee. The seminar will be held in May or June 2013 and will include national and international lecturers that will provide information and case studies focusing on good practices and lessons learned from the region and the globe. The purpose of the seminar is to provide decision makers and the general public with a holistic approach to the matter with diverse perspectives and analyses, with special center of attention to economic, environmental and social topics.

The Management Committee has developed the ToRs for the development model and the road map for a sustainable mining industry within the Uruguayan productive matrix. It was determined that the development model and road map should be buttressed on the inputs from main project events, such as the International Seminar for the approach of good practices in mining at the global and regional level, the multi-stakeholder dialogues, the training courses, the communication activities, *inter alia*.

Output 2: Strengthen the relevant institutions to achieve a responsible and efficient use of mining resources in Uruguay. (UNDP, UNESCO, UNEP)

- a) **Integral training in mining (2.1):** two courses have been designed:
 - Mining training courses: A consulting company has been contracted to conduct the training. The training courses will be held in June 2013. The remaining funds allocated to this activity will be assigned to complement other elements from the Joint Programme.
 - Environmental training courses: UNEP will implement this training in July 2013. The activity will be implemented through the Regional Centre of the Basel Convention located in Montevideo.

Both training components will include officers of the National Directorate for the Environment

(DINAMA) from MVOTMA and the National Directorate for Mining and Geology (DINAMIGE) from MIEM, this should create informal links between both institutions and the ministries they represent. For some components, such as health care, labor issues, etc. staff from other ministries will be invited, such as the Public Health Ministry, the Labour and Social Development Ministry, etc.

Because of the lack of big mining background in the country, this training course will present ways to strengthen the capabilities of the national counterparts involved in the project (and other related ministries, such as the Public Health Ministry and the Labour and Social Safety Ministry), by training their technical staff in monitoring, controlling and evaluating mining projects in productive, social, economic and environmental issues.

- b) Exchange of Technical missions abroad:** Both national counterparts were consulted about their needs on the matter.
- c) Early actions to a first institutional strengthening (2.3):**
- Data collection and review of mechanisms and protocols for the management of mineral resources in the country. Review, update and draft new mining regulations began. This represents a very important activity for DINAMIGE since mining regulations are outdated.
 - MIEM is developing the TORs for the good practices guide for responsible mining in Uruguay, which will be sent to UNEP shortly. This activity will include productive aspects including productive, environmental, health and safety aspects.

Output 3: Improve Government communications capabilities. (UNESCO)

A communications guide is being developed by MVOTMA, MIEM, and UNESCO and will soon be approved by the management committee. This guide will determine the communication priorities, especially those referred towards whom are directed the communications, what is the message, and how to perform the communication process.

Delays in implementation, challenges, lessons learned & best practices:

The collaborative work carried out by the three implementing UN Agencies (UNDP, UNEP, UNESCO) and the three associated UN Agencies (ILO, IOM, UN Women) has proven to be extremely fruitful by not only enhancing the existing rapport among the Agencies but also increase their. In addition the joint programme has facilitated delivering more and better results for the targeted populations. Nevertheless, it is necessary to mention that the different rules and procedures from each of the Agencies have sometimes created practical bottlenecks when managing specific areas of the programme.

Dollar depreciation was noted as a risk during the development of the project; however, since the onset of the project, the risk has been minimal and the US Dollar has been stable against the Uruguayan Peso.

Qualitative assessment:

The program activities are being implemented according to the plan and specifications stated in the Programme Document. A good interaction is observed among national counterparts and UN Agencies. Due to the relative great amount of participants at the Management Committee, the Coordination Unit must perform an active facilitation and coordination work.

Several cross-cutting issues can be settled and observed, such as the interaction between UNESCO and UNEP in the training activities to avoid repeated contents and to promote synergies between both training courses. In some key activities of the project, such as the elaboration of a development model and a road map for responsible mining in Uruguay, the whole Management Committee spent a whole session in discussing the ToRs of the activity.

The UN Resident Coordinator's Office facilitated the interaction between executing and associated agencies with the Coordination Unit; it has generated good synergies and excellent results for the project.

V. FUTURE PLAN

Output 1: Design a development model and a road map for a responsible mining industry in the country and its insertion within the strategy of "Productive Uruguay" and "Natural Uruguay". (UNDP)

- a) **Multi-stakeholder dialogues about responsible mining (1.2):** MIEM and MVOTMA will produce a proposal based on the final report of the Mission of the UNDP's Regional Project for Democratic Dialogues. This could involve local dialogues in the zones affected by large-size mining projects, the possibility of a national dialogue, etc.
- b) **Development Model and a road map for responsible mining in Uruguay (1.3):** final report will be produced to include a proposal for a Development Model and a Road Map. This will be produced based on international experiences and mainly from the output of the International Seminar and the multi-stakeholder dialogues.
- c) **International Seminar for the approach of good practices in mining at the global and regional level:** Will be held in May or June 2013, the Seminar will include international and national lecturers organized in different panels that will be moderated by professors of the Universidad de la República Oriental del Uruguay and by officers of the UNDP's Regional Project for Democratic Dialogues.

Output 2: Strengthen the relevant institutions to achieve a responsible and efficient use of mining resources in Uruguay. (UNDP, UNESCO, UNEP)

- a) **Integral training in mining (2.1):** To be conducted between June and July. About 30 technical officers from MVOTMA and MIEM will be trained jointly; for special modules of the training, other technical officers from ministries related to health care and labour will be also trained.
- b) **Exchange of Technical missions abroad (2.2):** MVOTMA and MIEM technical staff will participate in abroad exchanges, according to the Pro Doc. In addition, contacts are being made with AUCI's South-South Cooperation Program to increase the cooperation in mining issues with Bolivia. That was not initially stated in the Pro Doc, so it represents an additional benefit to the programme objectives.
- c) **Early actions to a first institutional strengthening (2.3):** Review of existing regulations on mining will be concluded and proposal of updated mining regulations will be developed. This will be a joint effort between UNESCO and UNDP.

Output 3: Improve Government communications capabilities. (UNESCO)

Communication guide developed for addressing the needs of the national counterparts: The guide will be elaborated in close coordination with the communication units from MVOTMA, MIEM and UNESCO.

VI. MONITORING

Expected results	Indicators	Status/measure
<p>Output 1: Design a development model and a road map for a responsible mining industry in the country and its insertion within the strategy of “Productive Uruguay” and “Natural Uruguay”. (UNDP)</p>	<ul style="list-style-type: none"> Implementation of international seminar for the approach of good practices in mining at the global and regional level. 	To be held in May or June 2013
	<ul style="list-style-type: none"> Number of experts from other countries that participated in the seminar. 	n.a.
	<ul style="list-style-type: none"> Number of participants 	n.a.
	<ul style="list-style-type: none"> Participation by national actors related to the topic. 	n.a.
	<ul style="list-style-type: none"> Number of specialists and researchers dedicated to the subject matter that participated in the seminar. 	n.a.
	<ul style="list-style-type: none"> Number of workshops with affected communities. 	The Mission of Democratic Dialogue in early December 2012. 26 meetings with political, economic and social actors Field work.
	<ul style="list-style-type: none"> Number of participants in the workshops. 	More than 50 stakeholders were interviewed during the Democratic Dialogue Mission.
	<ul style="list-style-type: none"> Number of discussion round-tables to draft a roadmap that have taken place. 	The national consultant for the roadmap elaboration is in the process of being hired.
	<ul style="list-style-type: none"> Number of participants in the round-tables. 	n.a.
<ul style="list-style-type: none"> Forecast analysis that includes multiple scenarios for the insertion of mining in “Natural Uruguay” and “Productive Uruguay”. 	n.a.	
<p>Output 2: Strengthen the relevant institutions to achieve a responsible and efficient use of mining resources in Uruguay. (UNDP, UNESCO, UNEP)</p>	<ul style="list-style-type: none"> Number of participants in the training courses. 	n.a.
	<ul style="list-style-type: none"> Number of international exchanges conducted 	n.a..
	<ul style="list-style-type: none"> Number or people that participated in the international exchanges 	n.a.

Expected results	Indicators	Status/measure
	<ul style="list-style-type: none"> Report on the country's current mechanisms and protocols for the management of mining resources. 	n.a. The process for hiring the National Consultant is finalizing.
	<ul style="list-style-type: none"> Report on the revision and update of the Mining Policy. 	n.a The International Consultant is being selected.
	<ul style="list-style-type: none"> Good practices guide on mining that includes production, environment, health and safety. 	n.a. The ToR for the International Consultant are being elaborated.
	<ul style="list-style-type: none"> Number of licenses / projects supervised by MIEM's technical personnel through the new information tools. 	n.a.
Output 3: Improve Government communications capabilities. (UNESCO)	<ul style="list-style-type: none"> Number of participants involved in the development of the communications guide. 	n.a The ToR for the National Consultant are being elaborated. Both MIEM and MVOTMA's Communication Units are involved.
	<ul style="list-style-type: none"> Communications guide developed and validated by participants. 	n.a.
	<ul style="list-style-type: none"> Number of communicators trained in the use of the guide. 	n.a.
	<ul style="list-style-type: none"> Number of institutions involved in the training sessions on the use of the guide. 	n.a.

VII. ABBREVIATIONS AND ACRONYMS

AA	Administrative Agent
AUCI	Uruguayan Agency for International Cooperation
CFCC	Coherence Fund Consultative Committee
CFSC	Coherence Fund Steering Committee
DaO	Delivering as One
ILO	International Labour Organization
IOM	International Organization for Migration
DINAMA	National Environment Directorate
DINAMIGE	National Mining and Geology Directorate
MIEM	Ministry of Industry, Energy, and Mining
MVOTMA	Ministry of Housing, Territorial Planning, Environment
MPTF	Multi-Partner Trust Fund
OPP	Office of Planning and Budget
PUNO	Participating United Nations Organization
RCO	United Nations Resident Coordinator's Office
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Framework Action Plan
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEP	United Nations Environment Programme
UNRC	United Nations Resident Coordinator
UNS	United Nations System
UNWomen	United Nations Entity for Gender Equality and the Empowerment of Women