



Sistema de las Naciones Unidas en Uruguay  
**UNIDOS EN LA ACCIÓN**

# URUGUAY ONE UN COHERENCE FUND

## Annual Progress Report

Reporting period: July 2008 – December 2008

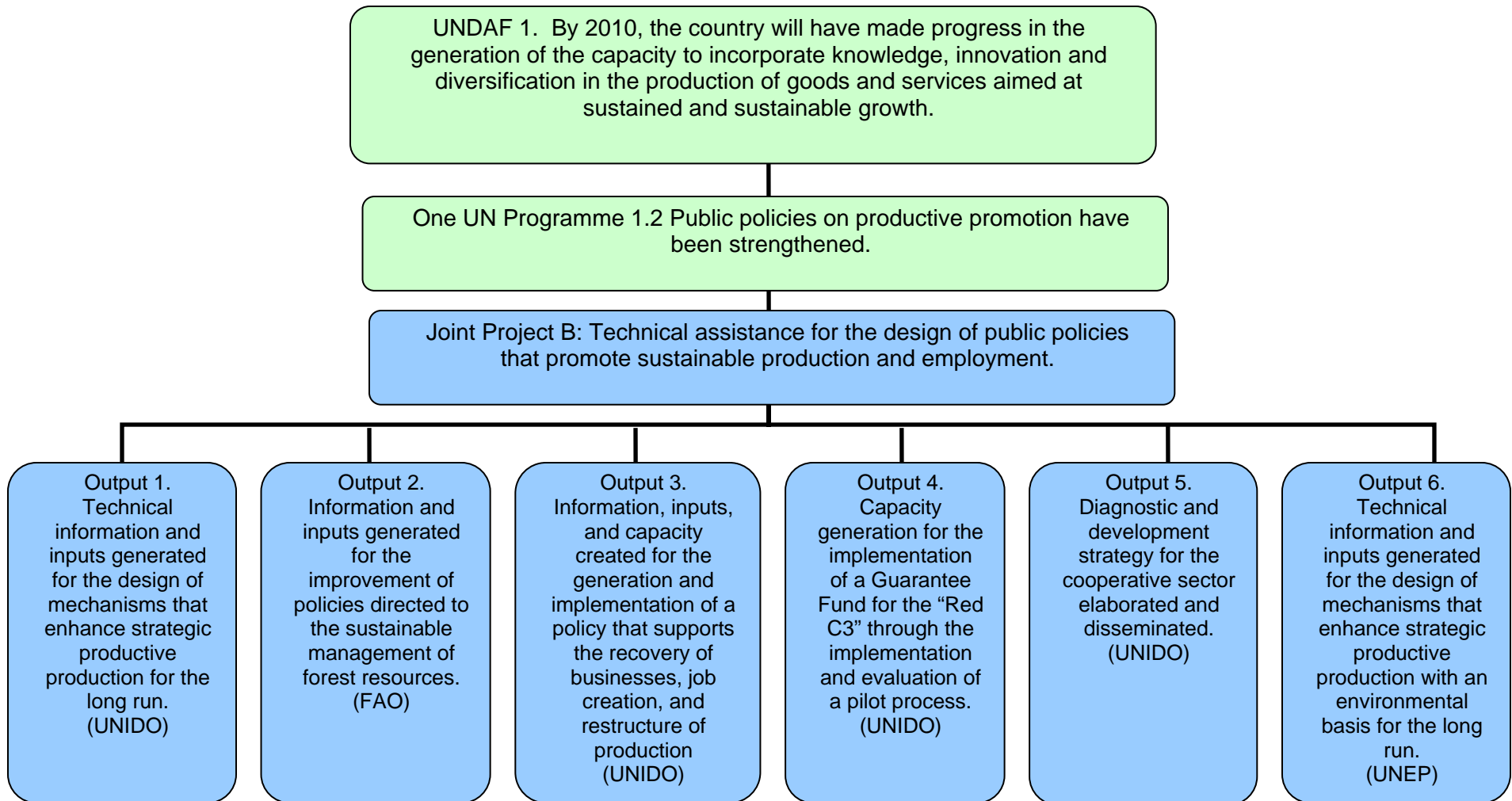
<b>Joint Programme Number:</b>	66242 (Other: B)		
<b>Joint Programme Title:</b>	Technical assistance for the design of public policies that promote sustainable production and employment.		
<b>Participating UN Organization(s):</b>	FAO, UNEP and UNIDO	<b>Cluster / Priority Area:</b>	Sustainable production and development
<b>Implementing Partner(s):</b>	Office of Planning and Budget (OPP) Ministry of Labour and Social Security (MTSS) Ministry of Livestock, Agriculture and Fisheries (MGAP) Ministry of Housing, Land Use Planning and Environment (MVOTMA)		

### I. PURPOSE

<b>Programme Description:</b>	<p>This project was developed as one of the objectives of the One UN Programme 2007-2010 “Building Capacities for Development” in Uruguay.</p> <p>This project will support the achievement of human development by improving the capacities to develop public policies through: the design of technical data that support strategic production strategies for the long-run, the generation of forest resources data, the enhancement and strengthening of business recovery policies, support the development of a strategy for cooperative production, and the design of technical environmental data that support strategic production strategies for the long-run.</p>
<b>Development Goal:</b>	UNDAF 1. By 2010, the country will have made progress in the generation of the capacity to incorporate knowledge, innovation and diversification in the production of goods and services aimed at sustained and sustainable growth.
<b>Outcome:</b>	One UN Programme 1.2 “Public policies on productive promotion have been strengthened.”
<b>Outputs and Key Activities:</b>	<ol style="list-style-type: none"> <li>1. Technical information and inputs generated for the design of mechanisms that enhance strategic productive production for the long run.</li> <li>2. Information and inputs generated for the improvement of policies directed to the sustainable management of forest resources.</li> <li>3. Information, inputs, and capacity created for the generation and implementation of a policy that supports the recovery of businesses, job creation, and restructure of production.</li> <li>4. Capacity generation for the implementation of a Guarantee Fund for the “Red C3” through the implementation and evaluation of a pilot process.</li> <li>5. Diagnostic and development strategy for the cooperative sector elaborated and disseminated.</li> <li>6. Technical information and inputs generated for the design of mechanisms that enhance strategic productive production with an environmental basis for the long run.</li> </ol>



### Outputs for the Joint Project B and their relation to the One UN Programme and the UNDAF





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#### II. RESOURCES

Participating UN Organization(s)	Approved Joint Programme Budget	Approved Disbursements (2008)
FAO	352,030	115,357
UNEP	42,051	8,025
UNIDO	772,005	147,606
<b>Total:</b>	<b>US\$ 1,166,086</b>	<b>US\$ 270,988</b>

#### III. RESULTS

##### Main achievements obtained during the first semester of the execution:

- The activities were implemented in close contact with national counterparts' technicians as a way of assuming direct involvement and the National Associates' ownership of the results of the project.
- Inter-institutional coordination prevented duplication of activities with other national projects that are financed through other sources. This permanent coordination also assured quality execution.
- Project Management Committee Meetings were convened and all participants in the project attended. All United Nations System (UNS) Agencies and their country counterparts made a collaborative effort in executing the project.

##### Main difficulties encountered in the project execution were as follows:

- Certain government officials responsible for the project formulation were not fully involved in the implementation phase. This fact slowed the beginning of the planned actions as additional processes had to be conducted to generate ownership of the project by the national counterpart.
- Although the format of the document used for the elaboration of all the projects financed through the Uruguay One UN Coherence Fund is consistent with the format recommended by UNDOCO, it does not coincide with the format utilized by the implementing Agencies (UNIDO in this case). As a consequence, operative difficulties were faced in relation to the approved budget lines (different from the ones that UNIDO applies for Project elaboration).

##### Output 1. Technical information and inputs generated for the design of mechanisms that enhance strategic productive production for the long run. (UNIDO)

- The component is lead by the Office of Planning and Budget (OPP for its acronym in Spanish) and project activities are being coordinated with ministries that address the country's productive development. Among these are the Ministry of Industry, Energy and Mining (MIEM for its acronym in Spanish), the Ministry of Livestock, Agriculture and Fisheries (MGAP for its acronym in Spanish) and the Ministry of Labour and Social Security (MTSS for its acronym in Spanish).



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- Activities for design and implementation of the “Observatory of Enterprise Dynamics” started. The observatory will contribute reliable information on enterprises’ life cycles and their linkage to job cycles; the observatory will provide fundamental inputs for the elaboration of business enterprises policies.
- The component has the support and participation of ECLAC and other technicians of the Argentinean Ministry of Labour. For this purpose two working missions were conducted by ECLAC experts to Uruguay.
- The institutional framework to implement this Observatory was defined. An agreement was reached between OPP and the National Bank for Social Security. A national expert, specialized in handling large volumes of data, was recruited. Specific software (STATA/M10) for processing complex data bases was acquired.
- Within the framework of the Productive Cabinet’s work (Inter-Ministerial Group), began the preparation of a publication which includes the competitive analysis of several productive chains at a national level, among them: Oil Industry, Information and Communication Technologies Industries, Wood Industry, Meat, and Dairy products, Renewable Energies, Pharmaceutical and Automotive Industry. Research will also be conducted on the measures that reduce restrictions to economic growth and that encourage the development of these sectors.

#### **Output 2. Information and inputs generated for the improvement of policies directed to the sustainable management of forest resources. (FAO)**

- Progress status.
  - Expected outputs for 2008 were achieved, and their contributions advanced the attainment of the stated outcomes for the project.
  - The Advisory Committee of the National Forest Inventory (IFN for its acronym in Spanish) was created and planned activities for it were carried out.
  - Consultants (Statistics and Information Technologies) to gather and analyze information were recruited.
  - The FAO Technical Officer presented his report.
  - The equipment needed to produce the information and inputs were purchased.
  - Consultants for fieldwork (6 Engineers and 6 technical assistants) were selected.
- Main activities
  - Advisory Committee of the IFN (CCIFN)
    - The Advisory Committee integrated by: the National Institute for Agricultural Investigation (INIA for its acronym in Spanish), the Faculty of Agriculture, the National Directorate for the Environment (DINAMA for its acronym in Spanish), General Directorate for Forests (DGF for its acronym in Spanish), was created.
    - According to the schedule, three meetings of the Commission Advisory were carried out.
    - The topics considered were:
      - \* Presentation on the IFN.
      - \* Exchange of views on methodological aspects of the IFN (gasometrical aspects and other environment variables).
      - \* Definition of the CCIFN activities.

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- \* Assignment of responsibilities to the members.
- \* Preparation of the schedule of CCIFN activities.

- Acquisition of vehicles and equipment.
  - Market consultations on prices of vehicles, measurement equipment and other needed tools were conducted.
  - Vehicles were selected and all the equipment and materials to be purchased were defined.
  - Four vehicles and the equipment needed were purchased.
- Support of the Department of Fauna
  - Support was provided to the Department of Fauna of the General Directorate of Renewable Natural Resources (RENARE- MGAP for its acronym in Spanish) for the development of variables to measure and methodology proposed.
- Recruitment of Consultants
  - The terms of reference for the recruitment of two consultants were prepared, one in statistic design, and the other in computer science. Announcements of these consultancies were published in the various Web sites of the involved institutions. Candidates were interviewed during the week of November 3-7. Background materials were sent to FAO for approval and contracting. Both consultants were contracted (Statistics and Information Technologies), and their work concluded within one month; presentations of their reports is pending.
  - An announcement was made for the recruitment of 12 consultants for field activities; these candidates were selected and will be contracted in 2009.
- Technical support from FAO
  - A Technical Officer of FAO, Mr. Dan Altrell, came to Uruguay in a mission to provide technical support with reference to the methodology proposed to carry out the IFN.
- Lessons Learned
  - The proposed methodology for implementing the IFN was carried out by the DGF. It was a pilot test was conducted in the field with FAO support. The initial methodology proposed for the IFN, was enriched with the contributions made by the contracted consultants and the support provided by the Technical Officer of FAO.
  - The methodology, and the procedures for the implementation in the field, was improved; thus significant progress was made towards achieving the project's stated outcomes.



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#### **Output 3. Information, inputs, and capacity created for the generation and implementation of a policy that supports the recovery of businesses, job creation, and restructure of production. (UNIDO)**

- With the support of the project, the Unit of “Recovered Enterprises” was created in the MTSS; in addition, all the necessary equipment for its functioning was acquired (PC’s, desks, beamer, etc.).
- Two national consultants started making a diagnostic census of 30 recovered enterprises located throughout the country; this activity was coordinated with MVOTMA and UNEP. When the full census is concluded, it will contribute reliable information and a primary diagnosis of these enterprises. It will serve as an input to facilitate policies and programmes to support the sustainability and competitiveness of these enterprises in the medium and long term and will incorporate environmental aspects.

#### **Output 4. Capacity generation for the implementation of a Guarantee Fund for the “Red C3” through the implementation and evaluation of a pilot process. (UNIDO)**

- For the implementation of this component, an agreement was reached between the MTSS, the Directorate for Development Projects of the OPP (DIPRODE for its acronym in Spanish) and the National Development Corporation (CND for its acronym in Spanish). The component has, as main objective, the improvement in credit access and reducing the cost for obtaining guarantees for Small and Medium Enterprises (SMEs).
- A technical team was assigned for the “Transaction Administration Network” and “Guarantee Fund” unit; it is composed by: two coordinators, one technician on information technologies (IT), one administrative assistant and one risk analyst.
- This team worked in the definition of a working plan, operative rules, accounting system and the legal framework required for the transaction network.
- Preliminary agreements were reached, between the Central Bank of Uruguay and certain public companies, to integrate payment procedures and network guarantees namely: National Administration for Electric Plants and Transmissions (UTE for its acronym in Spanish), National Administration of Fuel, Alcohol and Cement (ANCAP for its acronym in Spanish), Social Security Bank (BPS for its acronym in Spanish), State Pension Fund (BSE for its acronym in Spanish) and with the General Tax Directorate (DGI for its acronym in Spanish).
- Communication tools to present and illustrate the above initiative have been designed (Institutional Catalogue, demo CD, Presentation letter, Webpage).



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#### **Output 5. Diagnostic and development strategy for the cooperative sector elaborated and disseminated. (UNIDO)**

- An agreement was signed between OPP, the Honorary Commission and the National Statistic Institute (INE for its acronym in Spanish) for the realization of the National Census of Cooperatives.
- A technical unit was created to conduct the census composed by: Census Coordinator, pollsters, and an IT consultant (for the elaboration of an electronic questionnaire).
- The census will reach 1,400 cooperatives. It was defined that 475 interviews will be personally conducted and the remaining 925 cases will be made in a virtual way through an auto-administrated form that will be available through the internet. About 100 cooperatives were interviewed in 2008.

#### **Output 6. Technical information and inputs generated for the design of mechanisms that enhance strategic productive production with an environmental basis for the long run. (PNUMA)**

- During this period, the work plan for development of activities was defined and agreed to, and the methodology for the assessment of the environment in selected priority sectors, by the Production Cabinet, was formulated. Regarding the component of business recovery, a series of meetings were held with the MTSS to enhance the strategies and methodologies of evaluation of business recovery. The basic questions were designed from an environmental point of view, and will be incorporated into the survey that the MTSS will develop on this sector. In addition, the prioritization of businesses was agreed.
- However, not all activities planned for the semester were undertaken due to some delays in the institutional arrangement needed for hiring consultants. Since this component supports and complements activities and objectives of other components –mainly outputs 1 and 3- there is a need of improving coordination mechanisms within the project to allow the timely contribution of this component.

## IV. FUTURE WORK PLAN

#### **Output 1. Technical information and inputs generated for the design of mechanisms that enhance strategic productive production for the long run. (UNIDO)**

- Continue the implementation of the “Observatory of Enterprise Dynamics”, hire consultants at a national level, conduct training and coaching with ECLAC experts.
- Acquire additional necessary equipment for its operations.
- Generate information and diffusion materials (Web Page, printing materials).
- Organize workshops and present intermediate results obtained.  
Support the activities of the Productive Inter-ministerial Cabinet.

#### **Output 2. Information and inputs generated for the improvement of policies directed to the sustainable management of forest resources. (FAO)**



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- The activities to be undertaken in the second semester of the Project (March-August 2009) are concentrated in field tasks. Three field teams will be created, and the training of the field procedure will be carried out, starting with the installation of permanent plots measuring, and monitoring will be conducted for all field tasks.
- According to the schedule of project activities, these tasks will begin in March 2009.
- A 15-day extension for the computer consultant contract was considered necessary, so as to adjust the proposed database for entering and processing data from the survey field.

#### **Output 3. Information, inputs, and capacity created for the generation and implementation of a policy that supports the recovery of businesses, job creation, and restructure of production. (UNIDO)**

- Recruit specialists in business administration as well as legal, marketing and environmental management issues to assist the “recovered enterprises” in the instrumentation of their business plans that will allow for their sustainability.

#### **Output 4. Capacity generation for the implementation of a Guarantee Fund for the “Red C3” through the implementation and evaluation of a pilot process. (UNIDO)**

- Continue the implementation of the pilot experience of the transaction network and guarantee fund.

#### **Output 5. Diagnostic and development strategy for the cooperative sector elaborated and disseminated. (UNIDO)**

- Recruit five pollsters to finalize the census in the months of March-April.
- Recruit a national consultant to prepare the “Cooperative Development Plan”.

#### **Output 6. Technical information and inputs generated for the design of mechanisms that enhance strategic productive production with an environmental basis for the long run. (PNUMA)**

- At the time of approving the work plan, a conservative approach was taken for this project, and the Steering Committee opted for restricting this product due to the unpredictability of funds; therefore, the work plan shows no activities for the next semester. Nonetheless, activities related and considered necessary by the DINAMA are being drafted to secure funds for the component. The plan of work for the second semester of 2009 has had no significant changes from the one signed in joint project document.
- A strong coordination with other components of this project is the basis for this programme to succeed. Better coordination mechanisms regarding rates of implementation need to be secured in the coming semesters for the rest of the project to completely benefit from the inputs that can be provided by this component.