



## Uruguay One UN Coherence Fund Annual Project Narrative Progress Report

Reporting Period: 1 January – 31 December 2009

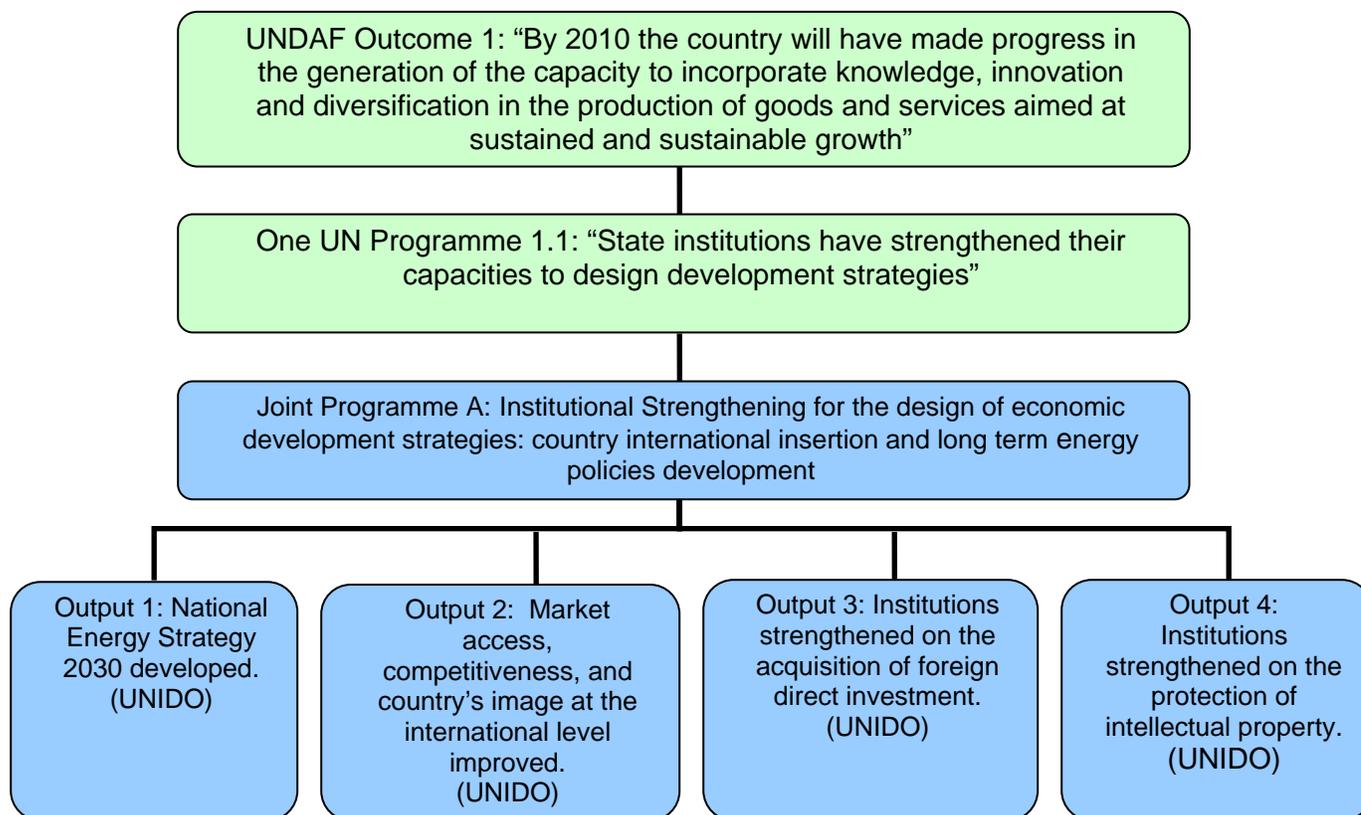
<p><b>Submitted by:</b> Susan McDade, United Nations Resident Coordinator in Uruguay</p> <p>Contact information: susan.mcdade@undp.org</p>	<p><b>Country and Thematic Area</b></p> <p>Uruguay, Sustained and sustainable development</p>
<p><b>Programme No: A</b> <b>MDTF Office Atlas No: 66241</b> Programme Title: Institutional Strengthening for the design of economic development strategies: country international insertion and long term energy policies development</p>	<p><b>Participating Organization(s):</b></p> <p>UNIDO</p>
<p><b>Implementing Partners:</b> Office of Planning and Budget (OPP) Ministry of Industry, Energy and Mining (MIEM) Ministry of Tourism and Sports (MTD) National Agency for Investigation and Innovation (ANII)</p>	<p><b>Programme Budget (from the Fund):</b></p> <p>UNIDO: US\$ 481,500</p>
<p><b>Programme Duration (in months): 24</b> <u>Start date</u><sup>1</sup>: 10-Jul-2008 <u>End date</u>: 10-Jul-2010</p>	

<sup>1</sup> The start date is the date of the first transfer of funds from the MDTF Office as Administrative Agent.

## I. PURPOSE

<b>Programme Description:</b>	Develop policies that address energy, country image, foreign direct investment, and intellectual property. The project will provide support to achieving sustained and sustainable economic growth. It will also promote the coordination within the executive branch and Government agencies, giving emphasis to the coordination mechanisms to achieve strategies that have a long-term view.
<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 1.1 "State institutions have strengthened their capacities to design development strategies"
<b>Outputs and Key Activities:</b>	<ol style="list-style-type: none"> <li>1. National Energy Strategy 2030 developed.</li> <li>2. Market access, competitiveness, and country's image at the international level improved.</li> <li>3. Institutions strengthened for the acquisition of foreign direct investment.</li> <li>4. Institutions strengthened on the protection of intellectual property.</li> </ol>

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



## II. RESOURCES

Participating UN Organization(s)	Approved Joint Programme Budget	Approved Disbursements		
		2008	SI 2009	SII 2009
UNIDO	481,500	213,385	209,747	47,133
<b>Total:</b>	<b>US\$ 481,500</b>	<b>US\$ 213,385</b>	<b>US\$ 209,747</b>	<b>US\$ 47,133</b>

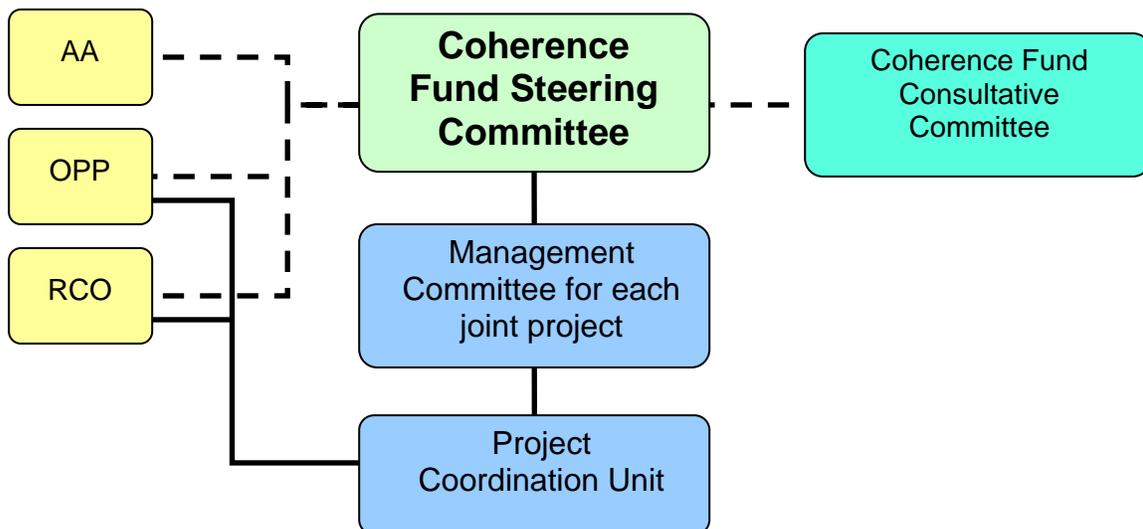
## III. IMPLEMENTATION AND MONITORING ARRANGEMENTS

To support the One UN Programme, 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 One UN Programme.

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: Office of Planning and Budget (OPP), Ministry of Industry, Energy and Mining (MIEM), Ministry of Tourism and Sports (MTD), National Agency for Investigation and Innovation (ANII), the Resident Coordinator's Office (RCO), UNIDO and the associated UN Agencies (FAO, WHO, UNDP, UNEP, UNESCO).

### Governance mechanisms for the Uruguay One UN Coherence Fund.



## IV. RESULTS

### Main achievements obtained:

- All the activities and outputs were in line with the project's main outcomes planned for the Joint Project; in general terms, this project seeks to develop a long term strategic development and the generation of inputs for the design of public policies.
- The activities were implemented in close contact with technicians from the national counterparts as a way of ensuring direct involvement and ownership by the National Associates in the implementation of the Project's results.
- Inter-institutional coordination prevented duplication of activities with other national projects financed through different sources. This permanent coordination also assured quality execution.

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

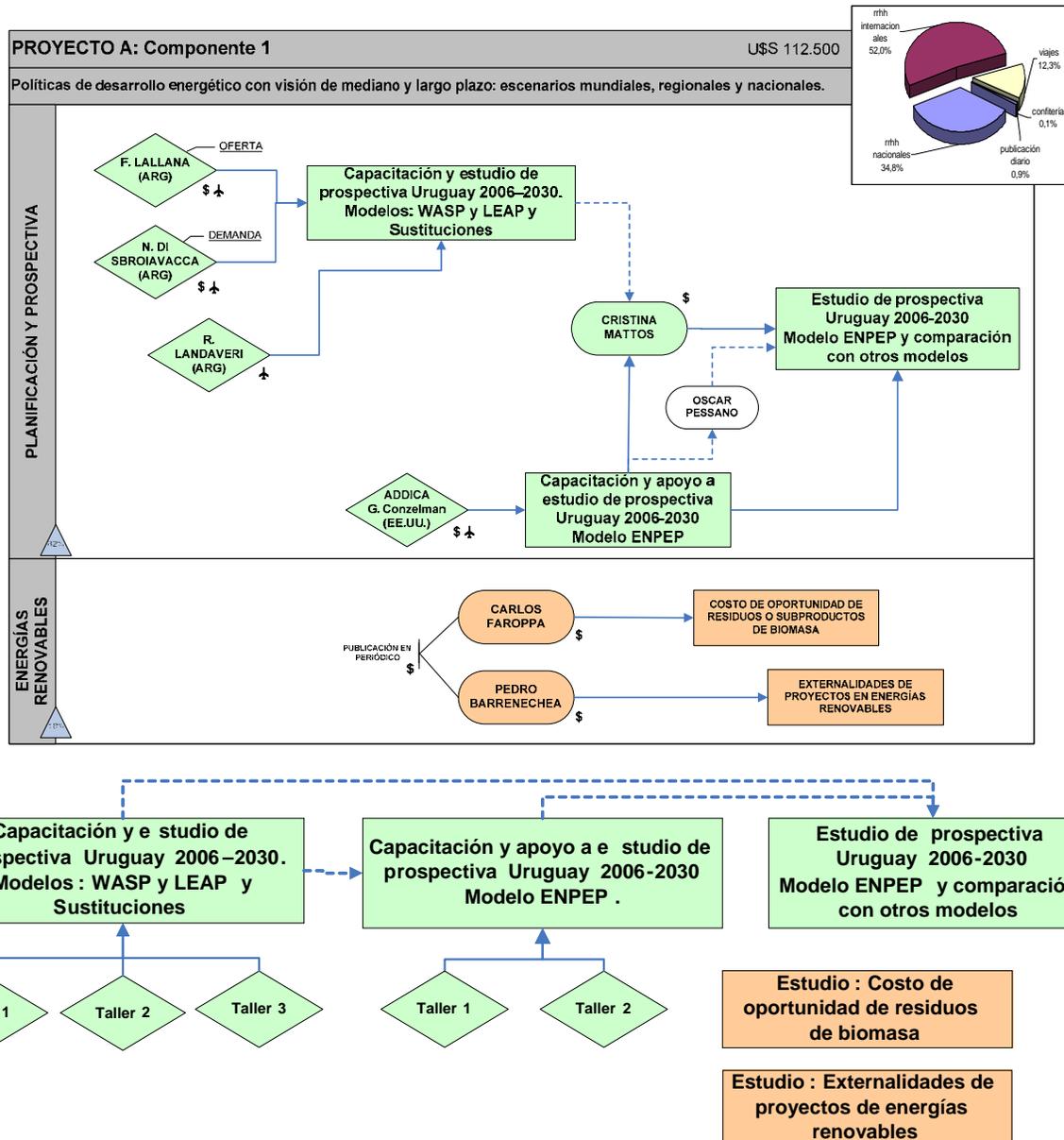
- As a consequence of the long project elaboration process, some of the activities originally foreseen for this Joint Project were implemented by the national counterparts with funds from other sources. For this reason, it was necessary to adapt the work plan during the first semester to generate activities that were complementary and in the spirit of the originally designed project, hence advancing further in the attainment of the stated outcome. It was also necessary to reflect the new priorities stipulated by the national counterparts.
- Certain Government officials responsible for the formulation of the project 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 within the national counterpart.
- Difficulties arose in finding international experts in some technical areas specified in some components.

### Output 1: National Energy Strategy 2030 developed. (UNIDO)

The activities undertaken were geared primarily toward an area that historically was usually scarce on resources especially because its long-term focus did not facilitate short-term planning or availability of resources.

- Training in different types of simulation and modeling of energy scenarios incorporated a broad view and utilized several models: the models of *Fundación Bariloche* (WASP, LEAP and substitutions) as well as Argonne – Chicago (ENPEP).
- For this purpose, three international experts were hired from *Fundación Bariloche* and one from *Argonne-Chicago*; worldwide specialized institutions in this field, to contribute to the design of energy policies in a long term perspective. Technical teams of the National Directorate of Energy and Nuclear Technology (DNETN) and the National Administration of Petroleum, Alcohol and Portland (ANCAP) were trained in managing energy planning tools in order to maintain these practices in time.
- A "Prospective Study of the Demand and Supply of Energy of the Republic of Uruguay" was completed in October 2009. The study utilizes several models provided by the *Fundación Bariloche* to determine the demand and supply of energy up to 2030.

These Actions were coordinated with another project that UNIDO carries out in Uruguay, which addresses the implementation of an Observatory on Renewable Energies. Below is a chart depicting the processes taken in the development of these activities.



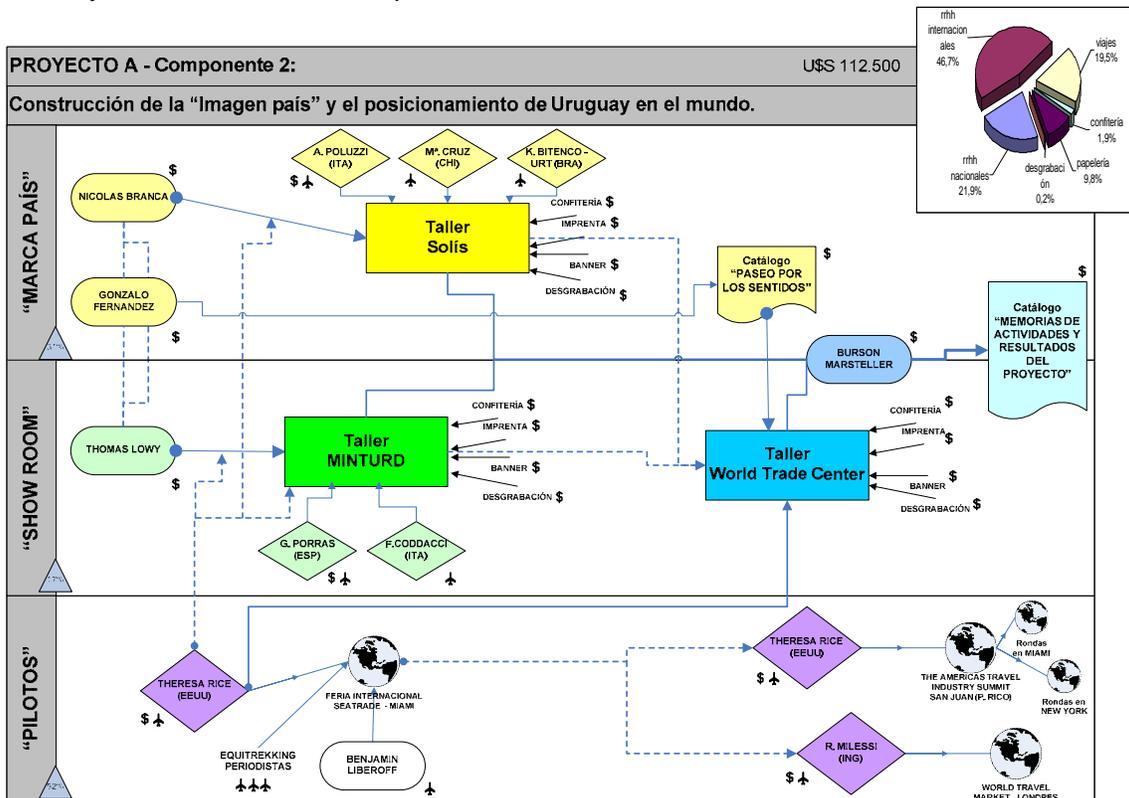
**Output 2: Improve market access, competitiveness, and country's image at the international level. (UNIDO)**

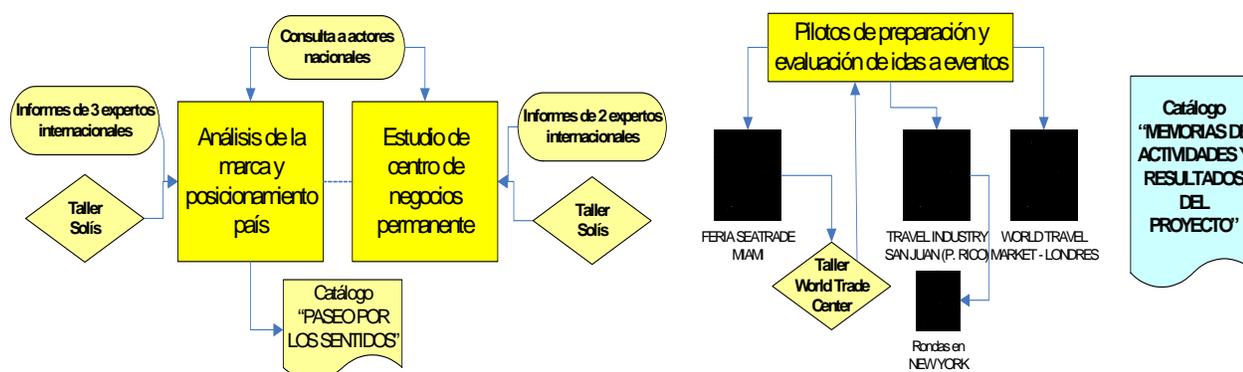
The developed activities were able to make clear the state of affairs in this area, depicting the various opinions on the subject and highlighting the major agreements and next steps to take.

- Three pilot experiences were implemented with an international consultant to evaluate the preparation steps and performance by Uruguayan participation at international promotional events. National counterparts of the Ministry of Tourism, National Port Administration and private stakeholders participated in:
  - "Trade Fair for Cruise Ship Operators in Miami" (Miami, 3/2009).
  - "La Cumbre -- The Americas' Travel Industry Summit" (San Juan, Puerto Rico, 9/2009).
  - "World Travel Market" (London, 11/2009).
- A study titled "Collection and analysis of the background in marketing and promotion of a

country image for increasing investment, exports and tourism, as well as the identification and design of publications" was completed in Jul-2009.

- Include an analysis of successful international experiences and to evaluate other national precedents concerning country image promotion.
- An international expert was recruited to assist the Ministry of Tourism and Sports in the evaluation of successful international practices regarding the construction of a “country brand” as well as to assess and update the strategy currently used by Uruguay.
- A team of experts (composed by national and international experts) researched the conditions and characteristics that a space for “country promotion” (or a “show room”) would require; this space would act as a permanent business centre in Uruguay, and concluded their research in August 2009. The report includes a benchmark of successful international practices that can be implemented in Uruguay regarding “show room design for country promotion”. It also makes significant contributions in the design of a strategy at the local level.
- The activities carried out in this component involved:
  - Interview with more than 30 public and private sector stakeholders concerned with developing a positive country image.
  - Organize three business seminars/workshops throughout the country to present the advances results, each with approximately 70 public and private sector stakeholders concerned with developing a country image. These seminars/workshops were implemented by seven international experts of different countries (USA, UK, Spain, Italy, Brazil and Chile).
- A national expert was recruited to design and elaborate promotion materials to enhance the country image at the international level. Specifically, a brochure titled “*Uruguay Natural: A walk through the senses,*” was published in June 2009.
- In order to disseminate and provide information on the activities and achievements by the project, an “Analysis of Brand country Uruguay: Construction of the image and position the country in the world” was completed in November 2009.

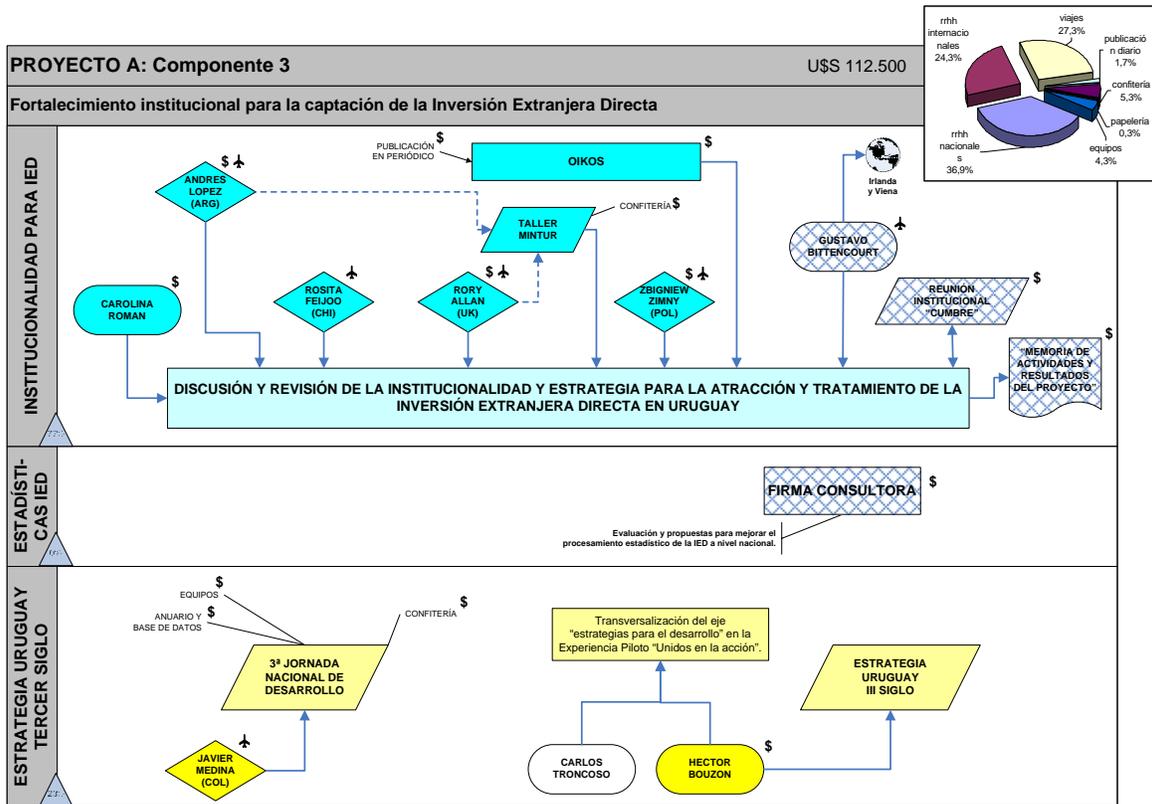




**Output 3: Institutional strengthening for the acquisition of foreign direct investment. (UNIDO)**

The activities implemented sought to generate inputs and simulate debate about the best institutional framework for the collection and monitoring of foreign direct investment (FDI) oriented to the country's long term development. This effort involved the pertinent State institutions and spaces: CIACEX, Uruguay XXI y UNASEP-MEF.

- "Diagnosis of Uruguayan institutions for attracting FDI" was completed in July 2009.
- "Analysis of successful international experience in terms of institutional framework for attracting FDI" was completed in September 2009. Meetings, workshops and reports were developed by the three foreign experts with specific experience on FDI promotion (including two former members of UNCTAD). Recommendations for the improvement of current Uruguayan institutions in the field were made.
- The dissemination and public discussion of a National Development Strategy for Uruguay, in the mid-term and long-term perspectives; strategies at three levels were considered: sector-based, national and in regions within the country, with emphasis on the role of FDI. For this propose an event was organized with the participation of more than 100 participants of public and private sector (Dec-2008).
- The project also assisted in the development of an analysis of the mainstreaming of development strategies for the One UN Delivering as One joint projects as they align with the Government's development strategy.

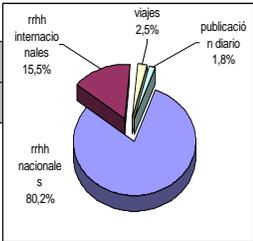
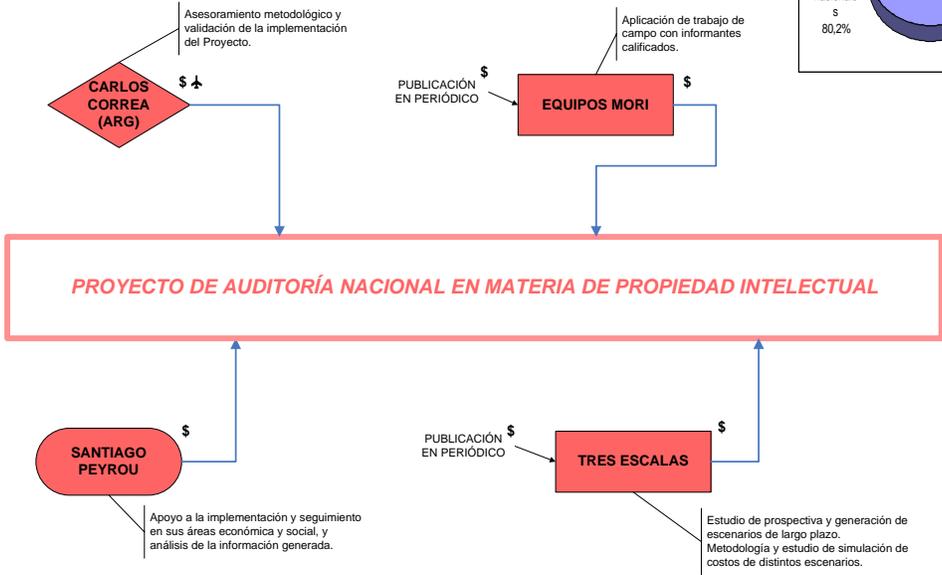


**Output 4: Institutional strengthening for the protection of intellectual property. (UNIDO)**

This component is targeted at fostering an activity that had been considered of importance but which had not been implemented at the country level, a national audit project on Intellectual Property (IP) driven by WIPO worldwide which implements a comprehensive assessment system for IP in the country.

- In coordination with the National Agency for Investigation and Innovation (ANII) a project for a national assessment of intellectual property is being implemented.
  - National survey was undertaken: "Research on intellectual property in Uruguay" where 100 qualified respondents participated. The study was completed in October 2009.
  - Prospective study implemented: "Prospective analysis of intellectual property in Uruguay: trajectories and scenarios to 2030" was completed in November 2009.

PROYECTO DE AUDITORIA NACIONAL EN PROPIEDAD INTELECTUAL



## V. FUTURE WORK PLAN

### Output 1: National Energy Strategy 2030 developed. (UNIDO)

- Study of modeling and simulation of the Uruguayan case scenarios to 2030 in ENPEP model, comparing and crossing information with the *Fundación Bariloche* model (estimated completion in Apr-2010).
- Two studies on the national energy matrix placing special emphasis in the development of renewable energies:
  - "Assessing the availability of biomass waste or by-products at national level" (estimated completion in Mar 2010).
  - "Economic Evaluation of the externalities associated with the projects of electricity generation from unconventional renewable energy sources" (estimated completion in Mar 2010).

### Output 2: Improve market access, competitiveness, and country image at the international level. (UNIDO)

- The activities and funding of this component successfully completed.

### Output 3: Institutional strengthening for the acquisition of foreign direct investment. (UNIDO)

- Complete the field survey about the perception of the top 100 transnational corporations on the treatment of foreign investment in Uruguay (estimated completion in Feb-2010).
- Develop materials to disseminate and improve access to the results of activities undertaken around the institutions for FDI:
- Perform three studies linking FDI and its strategic orientation in relation to the country strategy (estimated completion in May 2010):
  - Analysis of the contribution of FDI inflows to finance external sector and the impact of TNCs on the export pattern of the Uruguayan economy in the long term.
  - Analysis of the effects and determinants of attracting FDI on local development, including a case study in the field of cellulose.
  - Analysis of the effects and determinants of FDI attraction on the development of a specific economic sector: a case study the meat packing industry.

### Output 4: Institutional strengthening for the protection of intellectual property. (UNIDO)

- Conclude the national assessment of intellectual property, that includes:
  - Simulation study and cost analysis of two contrasting scenarios for the country in terms of protecting Intellectual Property in key sectors (estimated completion in Mar 2010).
  - Final report by the National Agency of Investigation and Innovation (ANII) about the Project of National assessment of intellectual property (estimated completion in April 2010).

## VI. MONITORING REPORT

Expected results	Indicators	Status/measure
Output 1: National Energy Strategy 2030 developed.	• Availability of a Prospective Study of the Demand and Supply of Energy of the Republic of Uruguay.	Completed
	• Studies on the national energy matrix placing special emphasis in the development of renewable energies	3 pending
Output 2: Market access, competitiveness, and country's image at the international level improved.	• Pilot Experiences implemented.	3 completed
	• Collection and analysis of the background in marketing and promotion of a country image for increasing investment, exports and tourism, as well as the identification and design of publications.	Completed
Output 3: Institutions strengthened on the acquisition of foreign direct investment.	• Field survey on FDI perception by corporate leaders.	Pending
	• Studies linking FDI to the country's development strategy.	2 - completed 3 - pending
	• Seminar on the National Development Strategy for Uruguay	Completed
Output 4: Institutions strengthened on the protection of intellectual property.	• Survey of stakeholders on intellectual property.	Completed
	• Prospective analysis of intellectual property in Uruguay	Completed
	• Simulation and cost analysis for protection Intellectual Property	Pending
	• Report on the national assessment of intellectual property	Pending

## VII. ABBREVIATIONS AND ACRONYMS

AA	Administrative Agent
ANII	National Agency of Investigation and Innovation
CFCC	Coherence Fund Consultative Committee
CFSC	Coherence Fund Steering Committee
CIACEX	Commission on International Trade
DaO	Delivering as One
DNETN	National Directorate of Energy and Nuclear Technology
ENPEP	Energy and Power Evaluation Program
FDI	Foreign Direct Investment
INE	National Institute of Statistics
LEAP	Long range Energy Alternatives Planning
MIEM	Ministry of Industry, Energy, and Mining
MTD	Ministry of Tourism and Sports
OPP	Office of Planning and Budget
PUNO	Participating United Nations Organization
UNASEP-MEF	Private Sector Support Unit – Ministry of Economics and Finance
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
UNS	United Nations System
WASP	Wien Automatic System Planning Package
WIPO	World Intellectual Property Organization