

Uruguay Country Report – Final

Mid Term Review of the UNDP-UNEP Poverty- Environment Initiative (PEI) Scale-Up

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LIST OF ACRONYMS

CEPRE	Executive Committee for State Reform
CPD	Country Programme Document
DGRNR	General Directorate of Renewable Natural Resources
DIEA	Department of Agricultural Statistics – MGAP
DINACIS	National Directorate for Critical Assistance and Social Inclusion – MIDES
DINAMA	National Environment Directorate – MVOTMA
DINARA	National Aquatic Resources Directorate – MGAP
DIPRODE	Directorate for Development Projects – OPP
GDP	Gross Domestic Product
IDB	Inter American Development Bank
IMM	Municipality of Montevideo
INE	National Statistics Institute
MDGs	Millennium Development Goals
MEF	Ministry of the Economy and Finance
MGAP	Ministry of Livestock, Agriculture and Fisheries
MIDES	Ministry of Social Development
MVOTMA	Ministry of Housing, Land Use Planning and the Environment
NDP	National Development Plan
NHDR	National Human Development Report
OPP	Planning and Budget Office
PEI	Poverty-Environment Initiative
PPR	Project Progress Report
SPD	Strategic Planning Day
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme

List of contents

Main findings.....	3
Main recommendations.....	3
Lessons learned.....	3
Introduction.....	3
Questions asked.....	4
The reviewed intervention.....	4
Findings.....	6
Progress on results.....	6
Relevance.....	6
Efficiency.....	8
Effectiveness.....	10
Impact.....	11
Sustainability.....	12
Conclusion.....	13
Recommendations.....	14
Lessons learned.....	14
Annexes.....	15
Annex 1 Progress on implementation of activities.....	15
Annex 2 Methodology for data collection and analysis.....	20
Annex 3 List of persons met and mission itinerary.....	21
Annex 4 References consulted in the MTR for Uruguay.....	22
Annex 5 Brief poverty and environment background to Uruguay.....	23

Main findings

The Uruguay Poverty and Environment Initiative (PEI) is relevant to Uruguayan government policies in poverty reduction and environmental protection. In tandem with other development partners which are also assisting Uruguay to reduce income- and non-income poverty and improve its environmental record, particularly the Inter American Development Bank (IDB) and World Bank, PEI is assisting key policy making agencies to further poverty/environment (PE) concerns in a concerted way in national development planning. PEI is not only operating in Uruguay at the policy level. It is simultaneously assisting government to understand better urban poverty and will soon produce new data on rural PE problems that promise to help formulate policies to improve the situation of those living in poverty in rural areas, and which may help government in the future change policies in the agriculture sector (as related to leasing of land, land tenure arrangements, organic versus non organic production) for agriculture and agribusinesses, policies which have a detrimental effect on the Uruguayan natural resources (NR) base and, consequently, on rural and urban poverty and employment.

The combination of high-level work with work in the communities is a model potential for application in other Latin American countries, which have rapid urbanization and urban poverty problems. Countries that could profitably be considered are, e.g.: Ecuador (where OPP – with PEI support- is already looking at Uruguay-Ecuador South-South cooperation modalities on PE concerns); Peru, Bolivia, Dominican Republic, and Guatemala. In the latter two cases, full Project Documents for a PEI project have already been designed.

Main recommendations

- A six month no-cost extension (efficiency has not been optimal) to run after the end of the 6 month extension already approved by the Steering Group in Uruguay
- As soon as the data results from the soon-to-be-started rural poverty environment baseline study (under Result 1) are ready, these data must be discussed with MGAP using PEI and OPP as the facilitators (impact and sustainability to be sustained, and to promote ownership of Agriculture, MGAP must be included in rural poverty work)
- A future phase of PEI is strongly recommended to study the poverty environment nexus in relation to rural urban migration (50% of Montevideo's population were born outside of Montevideo).
- Consider increasing consultant resources in OPP to help along the capacity building and training of civil servants in PE concerns (efficiency concern)
- Gender and ethnicity to be included in the new PRODOC (monitoring of progress and fulfilment of UN poverty reduction criteria: include gender and vulnerable criteria / parameters in development)
- The new PRODOC is recommended to more specifically mention important programmes of other development partners, especially of IDB and World Bank which are working in PE areas in a significant way

Lessons learned

Using national consultants is cost effective and highly relevant in Uruguay where human resources capacity is high. Given the fact that it takes time to start up a PEI type programme in a new country, Uruguay's scoping and preparatory phase, which lasted roughly a year, was an essential measure that permitted the creation and consolidation of government ownership for PEI Uruguay. Nevertheless, this preparatory phase did not deter the delays in implementation.

Introduction

The overall purpose of this review of the PEI is i) “serve as a monitoring tool focusing on how the programme is operating and if any major changes are required (Annex 6, TOR p. 5)”; ii) the specific

objectives are: a) Assess the current value added of the PEI and whether changes in the wider policy environment, i.e. opportunities and challenges in view of the climate change agenda, green economy, and consideration of other-related initiatives or actors that have emerged since 2002 have implications for how PEI operates to 2012 (relevance); b) Assess the progress to date of PEI and its implementation against the results and resources framework of the Scale-up joint programme and identify its strengths and weaknesses. In this sense, emphasis should be put on the analysis of results obtained compared to the “targeted results” that were expected taking into account the actual inputs, outputs and outcomes (effectiveness and efficiency); iii) Provide findings, conclusions and recommendations to improve implementation and delivery. These should focus on: a. The global joint PEI design and arrangements (including the PEF, PEI governance and operational and technical support from UNDP and UNEP); b. the PEI regional team in Panama City; c. PEI country programme design and implementation. As far as possible, the reviewer has endeavoured to make “findings, conclusions and recommendations to improve implementation and delivery” of PEI within the constraints of a one-person, four-day mission.

Questions asked

The main questions the reviewer made refer to: eliciting opinions from stakeholders about the PEI’s **relevance** to national policies, in particular concerning the links between the overall PRODOC result framework and the Uruguay PRODOC; and the strategy’s relevance and realism for meeting the implementation challenge on time. **Effectiveness**: i) adequacy of advice and inputs by the PEF and the Panama regional team delivered to the PEI on PE mainstreaming, including internal and external communication management; and ii) institutional connectedness- whether PEI is effective at linking the OPP with other ministries covering social and environmental protection, and at enhancing collaboration between ministries with environment and poverty related mandates. **Efficiency**: i) assessment of completion of key activities and achieving programme outputs: assessment of progress towards achieving targets and expected outcomes vis-à-vis each result area; ii) review PEI execution modalities, i.e. the management and institutional set-up (membership and profiles, cost-effectiveness, lead agency, national ownership including the role of the national management; the operational efficiency of the technical committee when designing the annual work plans (AWP) and quality controlling project products such as consultancy reports/studies). **Preparing for impact and sustainability**: i) assessment of changes in the degree to which pro poor environmental sustainability is included and operationalised in national, sector and sub-national development plans and budgets; ii) the likelihood of the outputs and outcomes that PEI is producing bringing about durable change and ensuring that environment and poverty concerns are embedded in institutional development planning processes used by different sectors of the government; iii) what outcomes and processes have already taken place (such as training, capacity-building, and the production of enhanced guidelines for pro poor environmental management.

The reviewed intervention

Uruguay is one of the eight UN pilot countries chosen for reforming the UN. Uruguay is the only Latin American country with PEI. PEI is a useful programme for facilitating ONE-UN because it combines expertise and joint management arrangements of UNDP and UNEP in one programme. PEI is part of UNDAF so is firmly ensconced within the development framework of Uruguay. PEI was launched in the LAC region for PEI towards the end of 2008. Implementation activities started in 2009.

PEI aims to demonstrate the contribution of the environment to improving the impact of anti-poverty and development policies on target populations in Uruguay. The intervention’s long term objective is to contribute to the reduction of poverty and vulnerability by mainstreaming the environmental dimension into the planning process. The proposal’s immediate objective is to promote greater impact of public social spending by mainstreaming the environmental dimension into planning processes and harmonizing sectoral and national development and poverty reduction policies. The project is structured along 3 components that address the causes of the problems and barriers identified: i) Studies carried out and disseminated allow a better understanding of the opportunities

and outcomes derived from mainstreaming the environmental dimension into development planning and poverty reduction activities; ii) Institutional capacities and partnerships strengthened to mainstream the environmental dimension into significant strategies and national development policies; iii) The linkages between poverty and environment are integrated into the strategies for key national development sectors.

Organisation and management

PEI is executed by UNDP Uruguay through the modality of direct execution/direct implementation (DEX/DIM), in accordance with standard operation and financing norms and procedures. The project is – according to PRODOC- financed by the global programme of PEI, from pooled PEI funds. The project’s execution is supported by: a) national government structures responsible for development planning and environmental, social and production issues related to the focus of the intervention: MIDES, OPP and MVOTMA; b) local government structures responsible for environmental, social and production issues at the departmental level (IMM); c) the United Nations System in Uruguay (in terms of both initiatives and projects); and d) the UNDP-UNEP Poverty-Environment Initiative, in general and specifically the regional team for Latin America.

There are a project Steering Committee (PSC) and a Project Management Committee (PMC). The PSC consists of the UN Resident Coordinator and representatives of the UN agencies participating in the project (UNDP-UNEP), PEI, and the Government (through the OPP). It is chaired by the UN Resident Coordinator in Uruguay and the Director of the OPP or by those delegated by them for this purpose. The PMC consists of UN and the national implementation partners, UN, OPP, MIDES, MVOTMA and IMM, as well as the coordinator. Other institutions could be incorporated into the PMC, e.g., MGAP. PMC serves as a space for the coordination of activities in the framework of the project and for the coordination of sectoral and national development planning processes. PMC is supposed to meet at least once a month. PMC’s main responsibilities are: a) implementation & management of PEI; b) select technical experts; c) assist the Steering Committee with the presentation of reports; and d) ensure execution of activities related to monitoring, evaluation and reports.

Programme Implementation Team

The Programme Implementation Team comprises a Programme Manager and an Administrative Assistant; and the staff mentioned immediately above who sit on the PSC and PMC. Additionally, consultants hired by PEI sit in agencies and conduct capacity building and studies (e.g., in OPP).

Budgeting and financial management

The total budget for PEI is USD 867,136.

Stakeholders

The main PEI stakeholders in Uruguay are:

KEY STAKEHOLDERS FOR UNDP-UNEP PEI URUGUAY PROGRAMME	
Stakeholder	PEI relevance
UNDP Uruguay / Resident Coordinator’s Office	PEI Uruguay implementing agency, supporting the PEI activities and processes, UN country lead. Signatory of PEI Uruguay PRODOC.
OPP	Very relevant agency: i) the UN system provides support to OPP who implement the programme; ii) OPP is where budget lines for each sector are planned and justified- PEI has created a unit within OPP which is becoming increasingly capable of planning from a PE perspective.
MIDES	Relevant to PEI- MIDES is responsible for developing social policy and social safety nets
MVOTMA	Very relevant ministry, dealing with environment but all also additional areas (Housing, Land Use Planning)
Montevideo Municipality (IMM)	Relevant insofar as the PEI has been designed to target urban poor who work in garbage collection and recycling. Relevant to Government priorities and policies to combat urban poverty in Uruguay. But IMM is less relevant for PEI from a global or regional perspective. Most relevance is intrinsically due to the sub

KEY STAKEHOLDERS FOR UNDP-UNEP PEI URUGUAY PROGRAMME	
Stakeholder	PEI relevance
	project component- urban poverty/garbage collectors.
MGAP	Agriculture and Livestock are mentioned as relevant in PRODOC (para. 133). Relevance is high especially concerning the not-yet carried out Rural Poverty Study (under result: Increased Knowledge).

Findings

Progress on results

The PRODOC for Phase 1 was signed at the end of 2009. The programme activities started in 2010. Roughly about 50% of activities have been carried out, and just under half of the budget has been spent to date. Implementation is to be completed by end 2012.

The **completed major outputs of Phase 1** include: (under **Outcome 1**: Studies carried out and disseminated.."): Urban Poverty: Identify and agree on target areas for synergy studies on Poverty-Environment; Analysis of survey results; and Rural Poverty: Identify and agree on target areas for synergy studies on Poverty-Environment. Important activities still pending / or ongoing are: Analysis of study results (and transformation into policies); Training of members of the National Council on Social Policies in developing scenarios and modelling interventions; Technical proposal for environmental mainstreaming in the programs of the Ministry of Social Development; Definition of the *Plan Operativo*. Under important activities that are either pending/ongoing, or being prepared are: Modelling of policy interventions on the basis of surveys carried out and the revision of programmes; Technical workshops for the dissemination of survey results in urban areas; Technical workshops with the dissemination of research results in rural areas and dissemination of the proposals for inclusion addressed to decision makers in government ministries.

Under **Outcome 2** ("Institutional capacities and partnerships strengthened.."), some activities have led to the following outcomes: Agreement of training priorities; Profiles of new personnel agreed; technical training I (workshops and seminars). The remaining activities are ongoing: agreement with at least one regional counterpart agency made; trained technicians; Dissemination of the status of implementation of the "Packaging Act" throughout the country, the main problems and opportunities for strengthening the system; two pilot cooperatives have business plans and lessons are learned from their experience.

Under **Outcome 3** ("The linkages between poverty and environment are integrated into the strategies for key national development sectors"), the joint MIDES-MVOTMA strategy for the solid waste informal sector is ongoing; the document "Vision, mission, structure and working protocols of the Strategy and Investment Policy Area of the OPP; and the Framework Agreement OPP-MVOTMA MIDES regarding a strategy for poverty alleviation through environmental mainstreaming re ongoing. The remaining three activities in this output (National Re-housing Plan Revised; Human resources plan drawn up for staff; New Staff incorporated in OPP on public service contracts, with the profile defined in the framework of the Project) are pending.

Progress appears generally to be delayed for most activities vis-à-vis the PRODOC and annual work plans. The main reason given for the initial delays are the national government elections that stalled hiring of staff at the beginning of the project. (Progress has since caught up more or less since the PEI started.) In **Output 1**: "Studies..", the key large scale urban poverty study has been delayed, and the equally key rural poverty study is pending. The foreseen total budget is 876,136 US\$. By 31 August, 2011 financial execution was 37% (paid bills). 10% encumbrances. Total expenditure: 47%.

Relevance

Uruguay is a middle-income country but has considerable pockets of poverty with many households with children living in poverty. Poverty fell from 40% in 2004 to 21.4% in 2009, with a drop in

extreme poverty from 4.6% to 1.6%. But poverty and indigence levels remain high and are concentrated among children and young people up to 17 years old (**poverty rate over 30% in 2009**). The rate is even higher among children in the 6 and under group (38%). Despite safety nets, 49% of the poor groups do not receive the food allowance and 21% do not receive the non-contributory family allowance (IDB Uruguay Country Strategy p. 6) (cf. Annex 5).

Urban and peri urban areas of Montevideo and other towns have poor families living from rubbish collection and recycling, often in hazardous conditions. Interviewed PEI staff therefore maintain that PEI is justified mainly on the following grounds: i) because of the economic crisis in Uruguay (2000-2002) at the time of PEI formulation; ii) because a poverty environment (PE) nexus is clearly seen in the income generating activities of approximately 40,000 people who live from informal solid waste collection and recycling; iii) additionally, this PEI target group of rubbish collectors often lives in unsafe housing exposed to diseases. These arguments are further strengthened by the fact that IDB – a major player in Uruguay¹ -is also planning as part of its Country Strategy² to help strengthen the regulatory framework and the institutional capacity of sector stakeholders and support infrastructure investments to improve solid waste management (IDB Uruguay Country Strategy, 2011).

Relevance of design of PEI Uruguay to global PRODOC outputs: The country programme relates to the global outcome: “Improved capacity of programme country governments and other stakeholders to integrate the environmental concerns of poor and vulnerable groups into policy, planning and implementation processes for poverty reduction, pro-poor growth and achievement of the MDGs”.

A stated aim of PEI is to study the characteristics of PE in rural areas in order to help Government improve PE planning. The PEI Rural Survey has not yet been carried out, but when the data are available, government will be better able to understand the poverty problems of the urban poor, including those urban poor who recently moved into urban areas from the countryside. Many of the current or previous generation of urban poor in Montevideo and other towns were formerly employed in agriculture (cf. Annex 5). PRODOC (para. 58) clearly alludes to the rural poverty nexus with environmental problems in Uruguay³: According to PRODOC (para. 71)- the justification for PEI is to “provide information that is lacking on PE problems in Uruguay in two areas: a) Urban/rural poverty and environment; b) Planning, environment, and poverty”. Furthermore, according to interviewed UN officials, the National Development Plan (NDP) has not yet been drawn up⁴. Furthermore, there is no poverty reduction strategy as such. So PEI will be relevant to assisting government in designing the NDP, and link PEI efforts to the other development partner programmes (e.g., IDB, World Bank- (cf. Annex 5)). PEI relevance is increased by the fact that other important PE initiatives - such as the IDB’s and World Bank’s strategies for Uruguay- also prioritise urban poverty, water and sanitation, and climate change (cf. Annex 5)).

Gender: PEI did not include the gender dimension enough in its design. However, with assistance from UN WOMEN staff, PEI has been able to reinforce its understated gender dimension in the implementation of activities.

Ethnicity: Afro- Uruguayans (perhaps 9% of the population) sufferer disproportionately from poverty processes including exclusion and discrimination in Uruguay⁵. Ethnicity does not appear to have been included as a parameter in the baseline urban poverty survey of 1,200 households (cf. Annex 5).

¹ IDB’s current country strategy with Uruguay foresees support totalling \$1.8 billion for key areas such as transport, energy, water and sanitation, innovation and education.

² IDB aid is coordinated with the UNDAF via the recently created Uruguayan Agency for International Cooperation.

³ PRODOC: “The increasing pressure on natural resources .. and climate change will increase the uncertainties and the risks to the population and this will take place asymmetrically; the populations with the least resources being the most affected – women, the elderly, and children – and the most vulnerable productive sectors, for example, family agriculture, among others”.

⁴ The *Plan de equidad* (Equality Plan), currently being reformulated, is however still valid and serves as a key planning tool against poverty in Uruguay.

⁵ <http://www.minorityrights.org/5208/uruguay/afrouuguayans.html>

Recommendation: PEI does not mention ethnicity in the PRODOC and would be recommended to do so, because ethnicity is part of the poverty dimension in Uruguay.

Apart from the comments about gender and ethnicity above, project design, strategy, and activities are relevant to achieving the PEI *long term objective* of “...contribute to the reduction of poverty and vulnerability by mainstreaming the environmental dimension into the planning process”; and the *immediate objective* to “promote greater impact of public social spending by mainstreaming the environmental dimension into planning processes and harmonizing sectoral and national development and poverty reduction policies”. Locating PEI within the UNDAF is relevant, because Uruguay’s development planning is in tandem with the UNDAF. The staff and the organisation of the PEI are also relevant to achieving the objectives.

Conclusion on relevance

Overall the PEI is found to be: i) highly relevant to Government policy in the areas of poverty reduction, pro-poor growth and protection of the environment, and is relevant to the development challenges in Uruguay; ii) relevant in design and strategy; iii) relevant in its choice of partners from the UN, Government, and civil society sectors; iv) relevant to the needs of the rural and urban poor of Uruguay whose livelihoods depend heavily on a diminishing natural resource base; and v) relevant to the policies of One UN and UNDAF Uruguay’s poverty reduction and environmental objectives. PEI will become progressively more relevant to government planning and assisting government to understand PE issues in rural areas when the Rural Baseline Socio Economic Study (the companion of the already-completed Urban Poverty Baseline Study of Rubbish Collectors) is completed.

Efficiency

Assessment of completion of key activities and achieving programme outputs and assessment of progress towards achieving targets and expected outcomes vis-à-vis each result area:

Result 1: (studies carried out and made available), progress exceeds 80%. There were initially some delays, especially concerning data gathering and survey design. The baseline shows lack of knowledge on the links between poverty and environment among the target population of PEI. A 1,200 household survey was carried out (a representative sample of all householders living from rubbish collection and recycling in Montevideo). The collection of field data and data processing were done in 2011 (first quarter). These data have enabled PEI and government to better understand the PE links surrounding the target population. Based on the results of the baseline data, government (at ministerial and cabinet level) is now accelerating and deepening activities in different agencies in order to design public policies better emphasizing PE links.

Result 2: (institutional capacity and alliances strengthened in order to incorporate environment into strategies and policies of importance to national development). Progress for result 2 is partial only, but accords with the PRODOC planning. A diagnostic was carried out on level of capacity existing in Uruguay (number of personnel and their experience) in the institutions working in environment and social protection. The diagnostic’s objective was to help improve the conditions under which the different government agencies work which are represented in the PEI project so that they can take on an increasing role in the process of national development, taking better account of factors that might help reduce poverty and alleviate the environmental burdens in vulnerable sectors of the population. In the first quarter of 2011, activities were carried out by PEI to strengthen institutional capacity of government officials and the agencies in which they work (consultancies, workshops, seminars and regional study trips). On Friday 9th Sept while this reviewer was in Uruguay, the strategic planning days (SPD) began. The SPDs will carry on over four months and technical experts from PEI will participate with government officials in designing and drawing up operational plans in the area of livelihoods, habitat and poverty reduction.

Result 3 (linkages between PE are integrated in strategies for key sectors for national development). Progress for result 3 is partial only, but accords with PRODOC planning. This result has two central goals at the beginning of the project it was realized that there were no plans in the selected sectors of the PEI and it was therefore proposed as a goal to produce at least one integrated plan to be included

in the five year national budget. This partial result was achieved in the last quarter of 2010 and in a way that was foreseen in the PRODOC. The second goal was to get OPP to adopt a new working modality and guidelines to systematically look for PE synergies in helping other government agencies do national planning for poverty reduction with regard for the environment. For this second goal, several critical areas that are already priority areas defined by the national government have been identified: education, environment, poverty. A Working Plan has been drawn up to produce inputs for development with PE regard. This new plan will help government predict PE impacts of its planning for the next 15 years. Based on these two central activities mentioned above, a protocol for action (protocolo de actuación) or guideline is being produced to guide the different areas of OPP so that there will be better PE harmonization of national planning. This activity will come to fruition in the 2nd quarter of 2011. Progress for result 3 is on track according to the PRODOC planning.

PRODOC foresees inclusion of Agriculture and Livestock (MGAP) in PEI. The perception of some interviewed government staff (DINAMA) is that PEI “is only focusing on urban poverty, PEI has so far been unable to include MGAP as a partner, which is a lost opportunity”. PEI has not been able to do the Rural Baseline Livelihoods study yet, and has so far been unable to get MGAP involved in PEI. Note that DINAMA officials stressed how intense efforts were made to no avail to get MGAP included into the PEI during the formulation phase. But the PE orientation at that time was not part of MGAP’s priorities. DINAMA officials added that once the PEI (phase 1) results could be tangibly observed, that there could be a second phase during which MGAP could be incorporated actively into the PEI. (OPP officials also shared the same view as DINAMA.)

Recommendation: PEI is recommended to get MGAP actively involved in PEI immediately, certainly before the end of March 2012; based on the premise that although urban poverty is very serious in Uruguay, it is also necessary to better understand rural PE processes and hence to include MGAP in the project. (Note that the PRODOC for Uruguay PEI foresees – like most PEI PRODOCs (e.g., Malawi, Botswana) - a second phase. *If* a second phase *were to be recommended* by the final evaluation team in late 2012, any new Phase would also certainly have to guarantee inclusion of MGAP in project activities.

Result 4: (project managed, monitored and evaluated). All implementation, monitoring, evaluation, and accounting activities have been carried out as foreseen in the PRODOC.

PEI execution modalities: The PSC and PMC appear to have functioned well, efficiently, and in a timely way. Coordination between PEI and the Regional Office in Panama appears to have functioned smoothly. Coordination between UNDP and UNEP staff is smooth and productive: PEI brings UNDP and UNEP staff together in this pilot UN reform country project.

PEI’s implementation in 2010 was delayed due to problems which have now been overcome. Among the problems identified are: a) difficulties finding and incorporating specialists into the project team. A way around this problem was found by making the TORs for short-term consultants more flexible. b) Difficulties in finalizing the contracting for the field workers for the household survey in low-income settlements. This problem was solved by repeating the tendering process, and bringing in extra experts to the project to finalize the reports and outputs of the surveys. An unintended benefit of the need to re-programme this work is a more robust product, a better quality survey, which has a higher degree of ownership from the national partners; c) the national and local elections in 2010 caused changes in some key government posts. These changes meant that the project had to be presented again to the new government staff, before it could be approved and continue its activities.

Some activities have had to be reprogrammed due to the elections and changes in government staff. Due to the delays, in December 2010 the PSC approved an extension of 6 months for implementing the project from December 2011 until May 2012 to make up the time lost in 2010. This extension requires no additional funding. The extension has been approved at a steering committee, during which meeting a new annual activity plan with a modified budget was presented.

Financial disbursements. Of the total budget for PEI (USD 867,136), financial execution is 47%, as follows:

Summary of total financial execution to date (August 31 2011) Total USD			
	Human Resources	Other	Totals
Year 2010	82,245	35,662	117,908
Year 2011	176,903	23,356	200,259
Totals	259,148	59,018	318,167

NB. The foreseen total budget is 876,136 U\$\$. By 31 August, 2011 financial execution was 37% (paid bills). 10% encumbrances. Total expenditure: 47%.

Conclusion on efficiency

PEI's level of efficiency has not presented major problems, although overall efficiency was not optimal. A lesson learned is that big socio economic studies take longer than anticipated, and therefore need more time allotted in log frames. Elections can cause delays in programmes that work closely with governments: elections function in a *force majeure* way, and are not the fault of PEI. Ironically, even though 47% financial execution might be described as "inefficient", a positive note is that it means the PEI can finance its extensions and achieve all its goals within the original budget.

Effectiveness

Advice and inputs by the PEF and the Panama regional office delivered to the Uruguay country team on PE mainstreaming, including internal and external communication management, appear to have been satisfactory. PEI has been effective at linking UN institutions, UNDP, UNEP, UN WOMEN, together in one project. For example, UN-WOMEN has already put to good use the data from the 1,200 HH urban poverty baseline survey on rubbish collectors in its work on gender equity (see "Impact" below). Outside the UN, PEI has effectively liaised with its key partner institutions. In the Ministry of Social Development (MIDES), and in the Budget Planning Office (OPP), PEI – by means of consultants hired by PEI – is helping OPP organise the national budget in a way that better respects PE concerns, although there is a long way to go (see "**Impact/Sustainability**" below). A problem noted by PEI consultants sitting in OPP is that "the civil servants do not know how to include the themes, Poverty and Environment, in their daily planning activities". Nevertheless, PEI is effectively helping OPP's three units (*Area territorial*-Land Unit); *Agencia de evaluación del Estado*-State Evaluation Agency); and iii) *Estrategias de desarrollo* y políticas de inversión -Development Strategies and Investment Policies) improve their PE planning, but it is unlikely the objectives for enhanced PE planning in OPP will be fully achieved before PEI ends.

In **OPP**, 3 consultants have been stationed (one senior consultant, leader of the project in OPP (30 hours per week), in coordination with 1 HR specialist (4 months) and 1 accountant specialised in strategic planning (5 months facilitating the *Jornadas* and the outputs to be produced in them). But is necessary to assign more resources to strengthen the work in OPP.

In **MIDES**, in the studies component there are 2 consultants: Both have 30 hours a week assigned to the protector. Furthermore, dealing with the activities being carried out in MIDES and MVOTMA (with the solid waster collectors/recyclers) there are two Project consultants, one stationed in DINAMA, one in MIDES: (a social worker and an economist).

More resources need to be allocated by PEI to assist in revising the policies of MIDES and mainstream PE concerns in them: PEI is actively working on committing new resources to MIDES at the moment.

Recommendation: In line with current efforts of PEI, PEI needs to prioritize human resources training (and to consider reallocating budget to hire more consultants) for key civil servants who do budget planning and to consider how to increase resources in the OPP and MIDES to assist the two consultants (Mr. Pintos-sociologist, and Ms. Villalba- economist) who are tasked with setting up a new unit (of OPP-Mr. Pintos) and the poverty survey work (Ms. Villalba).

PEI has also liaised effectively with the other key government partners, MVOTMA, and Municipality of Montevideo (IMM). The perception of all interviewed government staff is that PEI “has very good links with the different actors in government dealing with poverty, social policy, and environmental policy”. However, the view is that a three-year time horizon is very short to institutionalize and make permanent what PEI is trying to achieve.

The combination of high-level work with work in the communities is a model with a lot of potential for application in other Latin American countries which have rapid urbanization and urban poverty problems. Countries that could profitably be considered are, e.g.: Ecuador (where OPP – with PEI support- is already looking at Uruguay-Ecuador South-South cooperation modalities on PE concerns); Peru, Bolivia, Dominican Republic, and Guatemala.

Conclusion on effectiveness

Impact

It is too early to talk of very definite impact so far, for four reasons: i) PEI is a process and lobbying project, with capacity building and training, knowledge creation (baseline studies, assistance with policy formulation), and knowledge management as linchpins. The studies and policy formulation work, as well as the training/capacity building are only now beginning to show some results, but changing policy in the long term will require more sustained effort; ii) there were delays, especially at inception and in 2010, which meant that products have been late; iii) the ability to absorb new ideas is not as robust as was foreseen, especially among civil servants in OPP; iv) government staff were changed after the elections, activities and plans had to be reformulated.

Despite the above caveats, development plans and budgets so far show that PEI is demonstrating impact on a number of fronts, especially regarding the degree to which pro poor environmental sustainability is being included and operationalised in national, sector and sub-national development plans and budgets. Some of the impacts are:

- OPP has created a new planning unit where PEI consultants are helping bring in PE planning modalities- A process of redefining the mission, vision, and programmes for the Ministry of Social Development and in the office of planning and budget has begun. This incorporates explicitly environment in anti-poverty programmes and in government agencies.
- At the level of the institutions implementing PEI, officials from the government at the highest level, including ministerial advisors and national directors are receiving benefits.
- Innovative alliances are being developed in order to gather new data on the population living in urban poverty.
- PEI now understands the current situation of the target groups.
- PEI is helping government incorporate environment into development planning in order to reduce poverty and vulnerability in different population groups. Based on these significant impacts, it is reasonable to expect that PEI can achieve its proposed goals by the end of Phase I.
- PEI assistance to government is leading to formulation of new concrete activities bringing together ministries included in social welfare and environmental protection- an example is the *jornadas de planificación* (Planning days) which started during this MTR in September 2011
- PEI is assisting in talks to redesign and revise the *Plan de Equidad*- the new anti poverty road map – in 2011 when the *Consejo Nacional de Política* (national Policy Council) was in meeting, the environmental dimension was successfully argued for inclusion in all social planning⁶. This is a major achievement of PEI.

The **immediate objective** of the PEI is to “encourage greater impact on public investment in the social sector via incorporation of the parameter environment in planning processes in the National sector policies for development and poverty reduction”.

⁶ Source: Andres Scagliola, National Director of Social Policy, MIDES>

In relation to this immediate objective the progress achieved is on track with the expected progress in the PRODOC. National partners are more aware of the need to incorporate the dimension of environment into their work. This enhanced awareness includes relevant sector agencies (e.g., Ministries of Environment and Development) and also includes OPP. Of note is the increase in the State's budget allocation in the area of the PEI pilot project (urban population collecting solid wastes in vulnerable circumstances). The increased budgetary allocation is a result of PEI's support to MIDES. This incorporates explicitly PE in anti-poverty programmes that MIDES designs for the above-mentioned target group. In December 2010 the national budget was approved for the period 2011 – 2014: in this budget the money designated to work with the poor population collecting solid waste has been increased six-fold (from \$350,000 USD annually in 2010 to \$2,150,000 USD annually in 2014). This increased budgetary designation was accompanied by a redefining of project objectives for the work with the urban poor population. This partial result of PEI was achieved via coordinated work with *líderes con motivación ambiental* (PE promoters) from MIDES. With support from PEI, technical assistance (one sociologist and one economist), OPP has been able to redefine its vision, mission, and structure in a key unit (AEDP) and has also strengthened its capacity to combine PE problems in its planning. Currently, OPP and AEDP are being restructured and are hiring staff in the area of PEI concerns. Thus PEI has contributed significantly to OPP's mandate, described in article 230 of the Uruguayan Constitution ("OPP is to help the Presidency formulate plans for development"). There are, finally, some unexpected positive impacts: UN-WOMEN is already using the data from the urban poverty baseline survey on rubbish collectors in planning the UN WOMEN gender programme for Uruguay.

Delivery against the two global outcome indicators:

Concerning A) Number of countries in which pro-poor environmental concerns are incorporated into: (1) the national development/poverty reduction and growth strategy; (2) budget processes/Medium-Term Expenditure Framework (MTEF); (3) key sectoral policies and plans; (4) the poverty monitoring system. PEI Uruguay is moving in the right direction, but the main activities to achieve incorporation of pro poor environmental concerns into national development/poverty reduction and growth strategy (e.g., "Review of the "Housing Plan" and strategic planning aimed at integrating poverty and environment" and "Modelling of policy interventions on the basis of surveys carried out and the revision of programs" are ongoing or pending.

Concerning B) Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes., in general progress is on track to achieve this global outcome, but there is a quite a lot of work to do still to achieve this goal.

Conclusion on impact

Impact can in conclusion be said to be substantial, with promise of significant impact by the end of the project, on the policy and level of championing PE concerns, and on the level of nuts and bolts survey data which can be used to improve government anti poverty policy with an environmental dimension incorporated at all levels.

Sustainability

Regarding the likelihood of the outputs and outcomes that PEI is helping to produce bringing about durable change and ensuring that PE concerns are embedded in institutional development planning processes used by different sectors of the government, interviewed officials have clear opinions. One threat to sustainability is the fact PEI suffered a change in Government- time was lost with new officials coming on; in 2010 activities and planning had to be reformulated. This means that government change can threaten PEI initiatives in the future- a new type of government might possibly reverse the progress achieved with PEI and the current government.

On a positive note, the fact that the Government national budget now includes significant funds for environmental and poverty initiatives is a good sign of sustainability. Institutional sustainability of PE concerns seems fairly well assured by the creation of the new PE unit in the OPP. Financial sustainability will depend on PEI pooled funds for any future phases.

Conclusion on sustainability

Sustainability of the PEI concept and an improved and more mature understanding in government top levels seems likely- the ideas enjoy good ownership and are well appreciated. Financial sustainability for PEI depends on the availability of PEI central pooled funds in the future and the ability of raising funds from government and other donor sources based on the good progress made.

Conclusion

In Uruguay, the PEI has shown itself to be relevant to government policy, fairly efficient in implementation, effective in providing benefits to government and civil society/ media, and is beginning to show impact in policy change and inclusion of improved indicators for measuring PE concerns in key areas of government anti poverty planning with an environmental dimension.

The project has achieved high levels of commitment with OPP, MIDES, and MVOTMA. In the areas of work that PEI has set up, officials of high level from the government are participating. This includes national directors, and ministers, with whom joint planning in the area of PE is now being taken within the framework of national priorities. Project experts have weekly working meetings with these institutions in order to coordinate the institutional calendar with the project's activity schedule. The government partners have expressed contentment with the level of relevance of the project. Even though there were some considerable delays during 2010, these problems have now been overcome. Nevertheless, the project will need a no-cost extension of 6 months (a 6 month extension has already been approved) due to implementation delays.

PEI is relevant to the policies and the reality of urban poverty in Uruguay. This relevance is also characterized by the fact that PEI Uruguay was designed by Uruguayan personnel with full cooperation of the government. Furthermore, in December 2010 government approved the national budget (2011-2014). This budget has multiplied by a factor of 6 the money available for working with urban vulnerable populations, especially those involved in garbage collection/recycling. Poverty and its links to environment have very special characteristics in the urban areas of Montevideo and the other Uruguayan urban conurbations, expressed in the vulnerability of approximately 40,000 households that live from solid waste collection and who live in high risk. Furthermore, the economic activity associated with collecting these thousands of tons of garbage have led to serious environmental pollution in the soils and waterways of Uruguayan cities (lead, heavy metals, plastics, medical and hazardous waste).

However, even though these problems are mainly seen in urban areas, in Uruguay, there are also empirically attested PE problems in rural areas which are directly linked to mainly large-scale, industrial agriculture (paper/pulp, GM modified soya and meat production destined for export). For this reason, this reviewer believes it is a problem that the Ministry of Agriculture, Livestock and Fisheries (MGAP) has not been included as an active partner in PEI (despite PEI's attempts to include Agriculture in the project, Agriculture reportedly did not want to be involved⁷). Finally, in this connection, the existence of agricultural policies and economic reality that lead directly and indirectly to environmental problems such as soil degradation, pollution, and drying up of aquifers should be mentioned. Regarding pollution and drying up of aquifers, policies drawn up three decades ago to promote forestation with eucalyptus and other fast-growing exotic trees for the paper industry are having serious consequences today. These policies need to be addressed and revised. For that reason, MGAP's inclusion in PEI is vital and is recommended as a pre-condition for any future phase of PEI.

There are one or two lacunae in PEI. Gender was not sufficiently highlighted in the PRODOC. But PEI has made significant efforts to redress this lack, and gender dimensions are being incorporated into the project now. Ethnicity was not included in PRODOC- ethnicity is an issue in urban poverty in

⁷ "Other institutions may be incorporated into the PMC during the course of the project's implementation, such as, for example, the Ministry of Livestock, Agriculture and Fisheries..." (Paragraph 133 of PRODOC).

Uruguay. Studying ethnicity in a PE context could help the Government better understand urban poverty and environmental problems in urban areas.

Recommendations

- A six month no-cost extension, to run after the 6 month extension already approved
- As soon as the data results from the soon-to-be-started rural poverty environment baseline study (under Result 1) are ready, these data must be discussed with MGAP using PEI and OPP as the facilitators
- Consider increasing consultant resources in OPP to help along the capacity building and training of civil servants in PE concerns
- Gender and ethnicity to be included in the new PRODOC if the final evaluation team recommends the need of a Phase II
- The PEI staff in Uruguay are recommended to more specifically mention important programmes of other development partners, especially of IDB and World Bank which are working in PE areas in a significant way- these programme of other donors and development partners should be mentioned in quarterly progress reports, as PEI does not operate in isolation

Lessons learned

The experience from Uruguay has provided some lessons which could be relevant for other PEI country programmes and for the PEI methodology. Using national consultants is cost effective and highly relevant in Uruguay where human resources capacity is high. Given the fact that it takes time to start up a PEI type programme, an inception phase of 6 months would have enabled staff to get into place before start-date, and could have avoided some of the delays.

Annexes

Annex 1 Progress on implementation of activities

The table below compares the indicated activities for each result as indicated in the PEI Uruguay PRODOC with implemented and ongoing activities from Jan 2010 to June 2011.⁸

PRODOC indicative activities and targets /indicators	2010 work plan activities/targets	2011 work plan activities/targets	Product	Implemented Jan 2010 – June 2011	Ongoing/under preparation June 2011
Outcome 1: Studies carried out and disseminated allow a better understanding of the opportunities and outcomes derived from mainstreaming the environmental dimension into development planning and poverty reduction activities.					
1.1 For the urban sector, determine the environment-poverty synergy mechanisms and quantify them with initial emphasis on the interface between health, environmental quality, income levels, and waste management..	1.1.1 Work sessions with leaders and technical PEI national partner		1.1.1 Urban Poverty: Identify and agree on target areas for synergy studies on Poverty-Environment	Done	
	1.1.2 Conducting a survey on 1200 households of the target population and reprocess data from National Continuous Household Survey 2010		1.1.2 Analysis of survey results	Done	
1.2 For the rural sector, identify the main areas of environment-poverty synergies with initial emphasis on the marginalized population who depend largely on natural resources.	1.2.1 Work sessions with leaders and technical PEI national partner		1.2.1 Rural Poverty: Identify and agree on target areas for synergy studies on Poverty-Environment	Done	
		1.2.2 Conduct the survey in the target population and reprocess data from National Continuous Household Survey 2010	1.2.2 Analysis of study results	Pending	Pending
1.3 For the areas mentioned above, estimate to what degree the environmental variables have been mainstreamed into development plans and poverty reduction.		1.3.1 Estimate the degree of environmental mainstreaming in selected areas within the Equity Plan	1.3.1 Training of members of the National Council on Social Policies in developing scenarios and modelling interventions.	Pending	Pending
		1.3.2 Estimate the degree of integration of environmental variables in selected areas in the programs of the Ministry of Social Development	1.3.2 Technical proposal for environmental mainstreaming in the programs of the Ministry of Social Development		Ongoing

⁸ Table prepared by PEI Uruguay Programme Manager.

PRODOC indicative activities and targets /indicators	2010 work plan activities/targets	2011 work plan activities/targets	Product	Implemented Jan 2010 – June 2011	Ongoing/under preparation June 2011
		1.3.3 Review of the “ <i>Housing Plan</i> ” and strategic planning aimed at integrating poverty and environment	1.3.3 Definition of the <i>Plan Operativo</i>		Ongoing
1.4 Estimate the cost-benefit of mainstreaming environment into development and poverty reduction policies, with initial emphasis on the sectors of urban and rural poverty identified in 1.1 and 1.2.		1.4.1 Modeling of policy interventions on the basis of surveys carried out (actions 1.1.1 and 1.1.2) and the revision of programs (Action Line 1.1.3)			Under Preparation
1.5 Design and implement a dissemination campaign of synergies between poverty and environment in key urban and rural sectors		1.5.1 Technical workshops for the dissemination of survey results in urban areas	1.5.1 The synergies identified in urban areas are known to decision makers in MVOTMA, OPP, MIDES, IMM	Ongoing	Ongoing
		1.5.2 Technical workshops with the dissemination of research results in rural areas	1.5.2 The synergies identified in rural areas are known to decision makers in MVOTMA, OPP, MIDES, IMM		Pending
		1.5.3 Dissemination of the proposals for inclusion addressed to decision makers in MVOTMA, OPP, MIDES, IMM	1.5.3 Proposals for environmental inclusion and mainstreaming are known to decision makers in MVOTMA, OPP, MIDES, IMM		Ongoing
Outcome 2: Institutional capacities and partnerships strengthened to mainstream the environmental dimension into significant strategic national development policies.					
2.1 Estimate the specific needs in terms of capacities and institutional requirements for the different actors in poverty-environment key sectors and areas.	2.1.1 Carry out a process of analysis of technical and institutional capacities to define a training plan with government partners, focusing on MIDES MVOTMA and IMM		2.1.1 Agreement of training priorities	Done	
		2.1.2 Support the OPP-AEDPI in the definition of profiles for the incorporation of new personnel specialized in environmental development.	2.1.2 Profiles of new personnel agreed	Done	
2.2 Build the technical/institutional capacities in the		2.2.1 Designing a training program	2.2.1 Technical Training I (Workshops and Seminars)	Done	Ongoing

PRODOC indicative activities and targets /indicators	2010 work plan activities/targets	2011 work plan activities/targets	Product	Implemented Jan 2010 – June 2011	Ongoing/under preparation June 2011
IMM, OPP, MVOTMA and MIDES to mainstream environmental into development plans and poverty reduction. This capacity building will respond to the mandates established for key partners (for example, those delineated for the OPP planning and development area).		2.2.2 To argument for environmental incorporation attending the National Equity Plan		Pending	Redefined
		2.2.3 Support the OPP for strengthening links with similar offices in the region	2.2.3 Agreement with at least one regional counterpart agency made		Ongoing
		2.2.4 Technical Training II (Seminars in Strategic Planning Conference)	2.2.4 Trained technicians		Ongoing
2.3 Provide financial/technical support to strengthen the capacities of the non-government counterparts participating in the project for mainstreaming the environment into development and poverty reduction plans.		2.3.1 Review the State of the implementation of the “Packaging Act”	2.3.1 Dissemination of the status of implementation of the “Packaging Act” throughout the country, the main problems and opportunities for strengthening the system.		Ongoing
		2.3.2 Estimate the training needs of pilot cooperatives of scavengers and develop a business plan	2.3.2 Two pilot cooperatives have business plans and lessons are learned from their experience.		Ongoing
2.4 Foster local-national institutional dialogues on the benefits, opportunities, and challenges derived from mainstreaming environment into public development policies.		2.4.1 To facilitate the sessions of the Social Policy Council	2.4.1 Incorporation and mainstreaming of environmental issues in the conceptual framework, objectives and guiding criteria of the Equity Plan		Redefined
Outcome 3: The linkages between poverty and environment are integrated into the strategies for key national development sectors					
3.1 Facilitate the mainstreaming of environment into key sectoral plans, with initial emphasis on those of MIDES, MVOTMA and IMM.		3.1.1 To support MIDES and MVOTMA in developing a strategy for the solid waste informal sector	3.1.1 Joint MIDES-MVOTMA strategy for the solid waste informal sector		Ongoing
3.2 Facilitate and support submission of mainstreamed poverty-environment plans into the five-year national budget and its annual reviews by the		3.2.1 To technically facilitate the development of a proposal of vision, mission, structure and	3.2.1. Document “Vision, mission, structure and working protocols of the Strategy and Investment Policy Area of the OPP”	Done	

PRODOC indicative activities and targets /indicators	2010 work plan activities/targets	2011 work plan activities/targets	Product	Implemented Jan 2010 – June 2011	Ongoing/under preparation June 2011
respective government partners.		protocols of the Strategy and Investment Policy Area of the OPP	3.2.1. Document “Vision, mission, structure and working protocols of the Strategy and Investment Policy Area of the OPP”	Done	
		3.2.2 To assist MIDES, MVOTMA and OPP in defining a strategy for poverty alleviation through environmental mainstreaming	3.2.2 Framework Agreement OPP-MVOTMA MIDES regarding a strategy for poverty alleviation through environmental mainstreaming	Done	
3.3 Define and propose a work model/protocol in the OPP that includes the systematic analysis of possible synergies between poverty and environment in sectoral plans and in the cases where the cost-benefit results so indicate, support mainstreaming the environmental dimension into those development plans and poverty reduction actions		3.3.1 To facilitate the development of a working protocol in OPP	3.3.1 National Re-housing Plan Revised		Ongoing
			3.3.2 Human resources plan drawn up for staff		
3.4 Promote sustainability of a systematic mainstreaming of poverty and environment through supporting OPP to include in its annual budget the technical capacities facilitated by the project.		3.4.3 Support the provision of new public officials in OPP	3.4.3 New Staff incorporated in OPP on public service contracts, with the profile defined in the framework of the Project		Ongoing
Outcome 4: The project has been managed, monitored and evaluated					
4.1 Management, technical support, supervision and administration	4.1 Appoint management and Steering Committee	4.1 Appoint management and Steering Committee	4.1 Partner agencies regularly participate in the Project Management Committee		Ongoing
	4.2 Prepare progress reports on implementation	4.2 Prepare progress reports on implementation	4.2 Progress reports on implementation are available		Ongoing
4.2 Evaluation and monitoring		4.3 Define and implement a monitoring and evaluation	PRODUCTO 4.3 Information about investment, activities, outputs and outcomes, is accessible to partner agencies and other actors involved in the	Done	Ongoing

PRODOC indicative activities and targets /indicators	2010 work plan activities/targets	2011 work plan activities/targets	Product	Implemented Jan 2010 – June 2011	Ongoing/under preparation June 2011
			project		

Annex 2 Methodology for data collection and analysis

The methodology used by the MTR in Uruguay comprises the following elements:

- Interview key stakeholders, individually or in small thematic groups: Ask key questions that are not leading, listen with respect and engage in a mutual learning process in reviewing project progress. This attitude is important for reviewing the PEI because PEI is a programme with great emphasis on lobbying, advocacy, and mentoring.
- Desk review of key documents
- Key questions to key stakeholders that emerge from reading key documentation
- Coordination with the Uruguay PEI programme team, the PEF team
- Testing findings and recommendations with staff from PEI Uruguay, UNDP Uruguay, and PEF Nairobi
- Participation in a short presentation by media organisations in the Ministry of Development Planning and Cooperation

Annex 3 List of persons met and mission itinerary

Date	Person	Position/Institution
Sept	David Moore	07.00 am check in Montevideo airport: 09.00 Fly from Montevideo to Buenos Aires
5 Sept	David Moore	10.15 am- Arrive Buenos Aires. 8 hours' wait in Buenos Aires (check in to day hotel near airport); 18.30 Fly from Buenos Aires to Jo'burg 9.5 hours
5 Sept	Jimena	PEI Programme Manager/PEI Montevideo
5 Sept	Rafael Bernardi	UNDP Programme Analyst / Montevideo
5 Sept	Susan McDade	Resident Coordinator/UNDP Montevideo
5 Sept	Diego Martino	National Officer/UNEP Montevideo
5 Sept	Antonio Molpeceres	Country Director /UNDP
5 Sept	Marisol Mallo	Director/DINAMA- Planning Unit
5 Sept	Carolina Villalba	Consultant/PEI
6 Sept	Julio Pivel Garicoits	Office of the President/ OPP
6 Sept	Guido Fernandez de Velasco	Coordinator/ONE-UN
6 Sept	Gabriel Labbate	Senior Programme Officer at UNEP ROLAC
6 Sept	Irene Patron	Director Statistics Unit/ Montevideo City Council
6 Sept	Ana Maria Martinez	Director Strategic Planning / Montevideo City Council
7 Sept	Fabiana Bianchi	Agencia Uruguaya de Cooperación Internacional [Uruguayan Agency for International Cooperation
7 Sept	Agnes Bonavita	Agencia Uruguaya de Cooperación Internacional [Uruguayan Agency for International Cooperation
8 Sept	Gabrielle Labatte	Panama Regional Coordinator- UN REDD Office for Latin America
8 Sept	Irene Rodriguez	Technical Expert/UN-WOMEN/ONU MUJERES Montevideo
8 Sept	Andres Scagliola	National Director for Social Policy/MIDES
9 Sept	Lucia Etcheverrey	MVOTMA / Min. of Housing section
9 Sept	Jeronomio Roca	OPP
9 Sept	Antonio Molpeceres	UN / UN Country Director -debriefing
9 Sept	Susan McDade	Resident Coordinator / UN -debriefing
9 Sept	Andres Scagliola	National Director Social Policy/ MIDES -debriefing

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Annex 5 Brief poverty and environment background to Uruguay

Note: This brief annex only presents data that are not presented as such in the main text of this report. Certain parts of the main report body refer to this annex:

Uruguay is a middle-income country but has considerable pockets of poverty with many households with children living in poverty. Poverty fell from 40% in 2004 to 21.4% in 2009, with a drop in extreme poverty from 4.6% to 1.6%. But poverty and indigence levels remain high and are concentrated among children and young people up to 17 years old (**poverty rate over 30% in 2009**). The rate is even higher among children in the 6 and under group (38%). Whether due to information problems or insufficient coordination of sector efforts, these groups find it difficult gaining access to income transfers. For example, 49% do not receive the food allowance and 21% do not receive the non-contributory family allowance (IDB Uruguay Country Strategy p. 6).

Vulnerable groups- women and children: In Uruguay, there are several vulnerable groups: poor pre-school children, inactive youth and women and those living in low quality housing (Winkler 2005). Around 2000-2002, the economic crisis led to the laying off of thousands of labourers in the agricultural sector. Many of these newly unemployed moved to the cities from rural areas. Many of the social problems in Uruguay are linked to the fall of the demand for male unskilled labour over the last decade (Winkler 2005: 9). Agriculture has become more and more concentrated in the hands of fewer farms, with the average farm size being 200 hectares (from 100 hectares a few years before).

Land: Recently, Government considered passing an Act to slow concentration of land and reduce inequities in land holdings in Uruguay. The proposed Act would require properties of between 2,000 and 5,000 hectares to pay US\$8 annually for each hectare⁹. Money raised could presumably be used for social safety nets for the disadvantaged. The concentration of land, the increasing change to soya production, and the renting out of land to large (often foreign) soya producers, is causing land concentration, impoverishment of rural populations who can no longer be employed in agribusinesses, as well as environmental degradation of the natural resource (NR) base.

People in rural areas derive their livelihood from agriculture and can be disproportionately affected by changes in climate. However, despite the importance of agriculture in the economy, a very small percentage of the population is employed in agriculture, only 4.6% in 2006. The reason for this is the steady decline of family operated farms and the growing proportion of larger commercial farms. Social indicators for the rural population in Uruguay are worse than for the people who live in urban areas. In 2002, only 85% of rural residents had access to adequate sanitation facilities (compared to 95% in urban areas) and 93% had access to an adequate source of potable water (compared to 98% in urban areas).

Uruguay has the lowest rate of inequality in the LAC region with a GINI coefficient of 0.45, with about 6% of the population living on less than \$2 a day¹⁰. According to Latinobarometro¹¹, Uruguay has one of the highest rates of social cohesion in the region of 76%, as measured by the number of citizens who perceive a high degree of solidarity in the country. Transparency International ranks Uruguay as the country with the second lowest perception of corruption in the LAC region after Chile¹².

The organization of Uruguayan small farmers (National Commission on Rural Promotion), CNFR, released in 2008 a survey showing how the rural sector is exposed to the greatest inequality in income distribution, becoming even worse with soybeans. According to the CNFR survey, dairy farming employs 23 people every 1,000 hectares plus the families living in the settlements. For soybean this drops to two people per 1,000 hectares. The advance of the soy crop is estimated to have taken over 100,000 hectares of dairy farming and other family activities. Furthermore 92% of the area planted with soybeans is rented "which means businessmen have no commitment to improving or conservation of the soil as a natural resource", alleges CNFR. The presence of these groups with huge financial resources is leading to "a damaging concentration of production, trading, pushing long established families from their farms, speculation and production distortions (Merco Press 2008). The biggest group affected by poverty is children (Winkler 2005: 12). The poor are younger and less educated than the non-poor. Poverty is higher among the self-employed, private salaried workers and those with

⁹ Argentina Independent 2011.

¹⁰ http://hdrstats.undp.org/countries/data_sheets/cty_ds_URY.html

¹¹ <http://www.latinobarometro.org/>

¹² <http://www.farming-uruguay.com/countryprofile.html>

precarious jobs. The probability of being poor is higher for women and children. This probability is also higher for individuals at informal jobs (Winkler 2005).

Ethnicity and poverty: Poverty in Uruguay has an ethnic dimension: the Afro-Uruguayans, represent roughly 5% (possibly 9% now if the recently introduced census measure of ethnic affiliation is accepted) of the total population. While little data are available for this group, they have higher unemployment rates, lower wages and lower education levels than white Uruguayans (Winkler 2005: 14). According to the Minority Rights Group International¹³, the majority of the 190,000 Afro-Uruguayans live in Montevideo (UN and World Bank estimates). Economically they remain among the poorest sectors of Uruguayan society: most are non-qualified workers employed in the construction industry, domestic service, or cleaning and porter services. There is high unemployment among young Afro-Uruguayans. According to Minority Rights Group International, “despite improvements in cultural awareness, the majority of Afro-Uruguayans continue to live in humiliating social environments. The quality of housing is still a major problem for those living in the poorer areas of Montevideo, as it is for those living in the countryside - they are often without access to safe water and sewage. Local human rights organisations express a particular concern for Afro-Uruguayan women, who are victims of double discrimination¹⁴”.

IDB and World Bank programmes to fight poverty and help the environment in Uruguay

There are several development partners with big programmes in Uruguay with a PE focus, especially IDB and World Bank. IDB in 2008 approved loans up to \$380 million in financing, including a \$200 million credit line to improve social safety net programmes for poor children and adolescents. MIDES is executing the conditional credit line, which is used to finance projects in social safety nets, health, education, labour, sports and culture. The IDB financing’s objective is to help Uruguay achieve its goal to reduce the percentage of poor children and teenagers by half, infant mortality by two thirds, and eradicate extreme poverty among that segment of the population by 2035¹⁵.

IDB’s policy is: “...[following]..the National Budget Act (2010- 2014): [to].(i) expand and improve transport infrastructure; (ii) ensure the energy supply; (iii) increase sanitation coverage and provide for the final disposal of solid waste; (iv) target investments in science and technology to the needs of the production sector; (v) reduce poverty and indigence, particularly among children and young people; (vi) reduce the secondary school dropout rate and improve job training programs; (vii) deepen the country’s global integration; (viii) raise public sector efficiency; and (ix) improve urban living conditions.

World Bank and Climate Change

The IDB maintains fluid relations with the main multilateral institutions that are active in Uruguay: the World Bank, the Andean Development Corporation (CAF), the United Nations system, the European Union, and the Spanish Agency for International Development Cooperation, as well as bilateral agencies in Spain, Japan, and Korea. These relationships have been strengthened through recent initiatives to deepen dialogue and coordination between these institutions (meetings and group and bilateral forums). The government’s notable efforts to strengthen coordination are reflected in the recently created Agencia Uruguaya de Cooperación Internacional [Uruguayan Agency for International Cooperation] and the office created within the Ministry of Economy and Finance to coordinate multilateral lending institutions.

World Bank

As of 31 May 2011, the active portfolio of the World Bank included seven investment loans totalling US\$243million in the following areas: primary education; rural access and transportation infrastructure; national resources management and biodiversity; health; water; and institution-strengthening. Approvals totalling US\$700 million are planned for the next five years, of which US\$500 million will be for investment loans and US\$200 million will be for fast-disbursing loans. The World Bank’s new country assistance strategy for Uruguay rests on four pillars: (i) reduction in macroeconomic vulnerability and strengthening of public administration; (ii) competitiveness and infrastructure; (iii) agriculture, the environment, and climate change; and (iv) social inclusion and equity. At the sector level, the World Bank will continue to support the sectors in which it has traditionally been active (primary education, transport, innovation, institution-strengthening, health, energy, and natural resources), with particular emphasis on education (full- day schools) and transport (World Bank 2011).

¹³ <http://www.minorityrights.org/5208/uruguay/afrouuguayans.html>

¹⁴ <http://www.minorityrights.org/5208/uruguay/afrouuguayans.html>

¹⁵ Source: IDB. “News Releases. Oct 29, 2008.

The Ministry of Livestock, Agriculture and Fisheries (MGAP, Spanish acronym) is responsible for formulating policies related to the protection of the agricultural sector and fisheries. It counts with a Forestry and Agricultural Climate Change Projects Unit (UPACC, Spanish acronym) whose mission is to identify, evaluate and promote opportunities for mitigation and adaptation projects in the agricultural sector, including forestry. It also initiates forestry and agricultural projects for Uruguay within the Clean Development Mechanism market. The National Institute for Agricultural Research (INIA, Spanish acronym) counts with an Agro-climate and Information Systems Unit (GRAS, Spanish acronym) that has as main objective the promotion, coordination and execution of research projects and other activities related to climate change and its impact on agriculture and forestry. One of its more recent projects looks at the possible impacts of climate change on natural pastures and rice production in Uruguay as well as possible adaptation measures in this area. Several institutions regulate water resources in Uruguay: the MGAP has among its functions the promotion and regulation of surface water use for agricultural purposes, the Ministry of Transportation and Public Works (MTOP, Spanish acronym) grants water extraction permits and authorizes water regulation works and the MVOTMA is responsible for the execution of the national environmental policy, including water resources.