

**United Nations Development Programme
Project Document**

26 October 2008

This document is a first draft still under discussion with Uruguayan authorities. It is only provided as an illustration of a possible practical application of the UNDP/Regions territorial climate change programme.

Title	Low carbon and climate change resilient local development in the departments of Canelones, Montevideo and San Jose
Objective	Systematically design climate friendly policies and direct investments towards low carbon and climate change-resilient local development within the three departments of Montevideo, Canelones and San Jose that constitute the Metropolitan area in Uruguay
Expected Outputs:	<ol style="list-style-type: none"> 1. Territorial Climate change strategies developed based on comprehensive assessment of risks and opportunities and development priorities 2. Relevant stakeholders and departmental authorities empowered to plan and manage climate change risks and opportunities 3. Partnerships and cooperation developed in support of multi-disciplinary and inter-sectoral responses 4. Tangible and effective initiatives launched
Executing Agency	DEX (CO through the ART Gold program)
Implementing Agencies:	UNDP

Brief Description

The proposed project will assist the three departments that constitute the metropolitan area in Uruguay to develop low carbon and climate change resilient development policies and investments. It will help them build a better vision of the risks and opportunities for development that are linked to climate change mitigation and adaptation, design climate change mitigation and adaptation strategies with strong development benefits and attract financing for new policies and investment plans. A strong participatory process for the strategy design will be ensured through an extension of the existing ART Gold programs to climate change.

The project objective is to systematically design climate friendly policies and direct investments towards low carbon and climate change-resilient local development within the three departments of Montevideo, Canelones and San Jose that constitute the Metropolitan area in Uruguay. This will be achieved through the following four outputs:

1. Territorial Climate change strategies developed based on comprehensive assessment of risks and opportunities and development priorities
2. Relevant stakeholders and departmental authorities empowered to plan and manage climate change risks and opportunities
3. Partnerships and cooperation developed in support of multi-disciplinary and inter-sectoral responses
4. Tangible and effective initiatives launched

This is the first project of the global programme called “Towards Carbon Neutral and Climate Change Resilient Territories”.

Programme Period: 3 years
Key Result Area (Strategic Plan)
Atlas Award ID: TBD
Start date: March 2009
End Date March 2012
PAC Meeting Date TBD
Management Arrangements TBD

Total resources required	USD 1,543,000

Agreed by UNDP:

Date

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List of acronyms

ART GOLD	UNDP programme: Support to territorial and thematic networks for human development
BDP	Bureau for Development Policy
CCA	Climate Change Adaptation
CDM	Clean Development Mechanism
CE	ART Executive Coordination Committee (In Spanish)
CN	ART National Committee (In Spanish)
CO	Country Office
CPD	Country Programme Document
CPAP	Country Programme Action Plan
DEX	Direct Execution
EEG	Environment and Energy Group
GEF	Global Environment Facility
HQ	Headquarters
MDGs	Millennium Development Goals
NHDR	National Human Development Report
PDL	ART Local Development Program (in Spanish)
PEI	Poverty and Environment Initiative
PPR	Project Progress Reports
QPR	Quarterly Progress Report
RR	Resident Representative
RSC	Regional Service Centre
RTA	Regional Technical Advisers
RTL	Regional Team Leaders
SEA	Strategic Environmental Assessment
TA	Technical Advisor
TTF	Thematic Trust Fund
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNOPS	United Nations Office of Project Services

A. SITUATION ANALYSIS

A.1. Global Programme “Towards Carbon Neutral and Climate Change Resilient Territories”

10. Climate change is a major threat not only to the world’s environment but also to all development policies. Developing countries are among the most vulnerable to anticipated impacts. Innovative and cost-effective measures must be taken both on climate change mitigation and adaptation in the next 10 years to avoid potentially irreversible, catastrophic development losses. At the same time, low carbon options and adaptation policies can bring additional benefits in terms of economic and social development and local employment, as well as open new opportunities to secure necessary financing for other needs such as healthcare, increased security of energy supply, lower energy bills and less dependency on expensive imported fuels.

11. The pursuit of low-carbon and adaptive development strategies, policies and measures that is necessary to successfully address the climate change challenge will only be achieved through involvement of all sectors of society and commitment at all levels of decision-making. It is therefore necessary to apply a *subsidiarity principle*, which acknowledges the importance and the complementarity of each decision-making level, whether municipal, provincial, national or international, and which facilitates the identification of the most appropriate strategies, policies and measures to be implemented. UNDP’s programming experience in climate change suggests that most adaptation and low carbon development will effectively take place at the sub-national level. Local action is necessary to reinforce international and national frameworks and strategies. Entrusted with responsibilities in both development and protection of the environment, policy-making and the implementation of investment projects, sub-national territories and authorities, especially regions, constitute an indispensable and complementary link in the chain to promote adaptation and low-carbon development.

12. There is growing understanding that effective climate change adaptation and low-carbon development will require long-term orientated planning approaches at the regional, national and local levels. Decisions on what development trajectory to pursue and how to modify investments today will necessarily have to be made with a long time horizon, taking into consideration a number of uncertainties. Simply reacting to changes in the short-term or medium-term without attention to changes that will occur and remain over the long-term will result in poor investment decisions; the costs of which could exceed the direct costs of global warming. To stimulate investment in low-emitting technologies, climate change policy must be rooted into the long-term development plans of the regions and be designed to provide as much strategic certainty as possible. While policy-makers cannot count on scientists to eliminate climate change uncertainty, they have a key role to play to help spell out clear-cut climate change policy which provide incentives for low-emitting investments and avoid locking regions and industries into unsustainable development pathways.

13. Climate change management efforts must also be cross-sectoral in nature. Climate change policies cannot be developed in an isolated context. Promoting increased resilience to the impacts of climate change (adaptation) and a lower GHG emission economy (mitigation) are both closely intertwined with development choices and actions that cover a variety of sectors such as energy, agriculture, health, water resources and infrastructure. In particular, it is essential to consider both synergies and trade-offs between adaptation and mitigation activities, including possible negative and positive side-effects. Focusing too much on individual mitigation or adaptation goals without considering side effects and linkages with other goals could also lead to missed opportunities.

14. Finally, because climate change management actions are largely in the hands of organizations and individuals outside of the Government, climate change strategies need to be developed with a great emphasis on the involvement and commitment of the private sector and civil society.

15. Climate change opens new financing opportunities through sources such as Carbon Finance or the UNFCCC Adaptation Fund as well as other bilateral and multilateral funds (SCCF, LDCF etc). However, accessing these

funds requires a sound understanding of their requirements and modalities. It also requires technically, economically and environmentally sound projects that are well grounded into local priorities and circumstances.

16. In the context of UNDP's climate change strategy which is to support the design of integrated climate change (adaptation and mitigation) policies, strategies and quantified action and investment plans that promote long term sustainability and poverty reduction, UNDP together with UNEP and other partners has developed a new programme - "Towards carbon neutral and climate change resilient territories". The programme seeks to develop the capacities of regions in developing and transition countries to design and implement an Integrated Territorial Climate Change Strategy (focusing on both low-carbon development and adaptation). The programme seeks support countries to increase sustainable regional development whilst promoting low-carbon development and reducing vulnerability to anticipated climate change impacts. A special focus will be on selecting and attracting appropriate financing for each type of initiative and combining and sequencing such types of financing.

17. The programme includes 3 phases over 5 years:

- Sensitizing and training 500 sub-national authorities on the risks and opportunities of climate change,
- Assisting 50 regions in the preparation of their Territorial Climate Change Strategy and Investment Plan
- Supporting these regions for the identification, selection and formulation of projects (regulations and policies as well as investments) within the territorial climate plan and helping them to identify the appropriate regulatory measures and access financial mechanisms to implement the selected actions.

Partners of the programme include UNDP, UNEP, associations of regions (FOGAR, nrg4SD, AER, CRPM, OLAGI, AIRF, Northern Forum) and ADEME, French Agency for Environment and Energy Management.

18. In the context of this global initiative, a first pilot initiative will take place in Uruguay

A.2. Uruguayan Context and Existing Initiatives

19. Uruguay has a population of 3.415.920, and a total area of 176.215km²; it's a relatively small country in the southern South American region. It is situated in the Uruguayensis region, a sub-tropical prairie. It is strongly centralized around its capital city, Montevideo, a regional port where approximately half of the total population lives. There are other relatively minor centers of regional activity around the country, and an ongoing process of decentralization led by the Government.

20. Its export activities are mainly agroindustrial. Traditional activities include livestock, rice and other crops. There has been a recent expansion of forestry activities in the last decades and a more recent expansion of soy plantations. Its GNP is mainly associated to services (financial, logistics, tourism).

21. Uruguay has been one of the South American countries with higher levels of socioeconomic indicators. It has a relatively high Human Development Index (ranked 46), below Argentina (38) and Chile (40). Even though Uruguay is one of 70 countries labelled as with "high human development", its evolution over the last four decades leads to the conclusion that the Uruguayan society is facing serious problems or obstacles to reach higher levels of human development: in particular, to achieve sustained and sustainable economic growth, to reduce the incidence of poverty and inequality in income distribution and to strengthen the quality of its institutions and policies. The fact of being a "high-middle income" country does not imply that Uruguay has assured, in the mid and long term, that human development indicators will be sustained. In fact, Uruguay has not been able to develop sustained and sustainable growth trajectory, or to prevent the dramatic erosion of the social progress previously made.

22. Relatively high socio economic indicators may hide inequalities and vulnerabilities that have been increasing in the last decades. As a result of the regional economic crisis of 2002, there was a sharp increase in poverty levels

that reached 33% in the year 2004, while extreme poverty was of 3.9% of the population. This is particularly problematic when considering younger populations, since more than half of children are born below the poverty line. During the last years of strong economic growth, poverty numbers have dropped to a 1,7% of extreme poverty and a 21,7% of poverty in the first quarter of 2008, according to the National Institute of Statistics (INE), demonstrating the high vulnerability of poverty to economic cycles. In 2006, 6% of the total population lived in irregular settlements (with large percentages of children and youth), mainly in Montevideo.

23. Uruguay has an aged population structure similar to the European countries. It currently faces an emigration problem, aggravated by the 2002 crisis but that has continued over time.

The Climate Change context

24. The southeast region of South America is one of the regions of the world with largest interannual climate variability. Changes in climate that occurred in the last century in the MERCOSUR region (Uruguay, Central Argentina and South Brazil) were increases in monthly minimum temperatures, increases in summer and spring rainfall, and shorter and milder frost seasons. Other research has also evidenced an increase in the frequency of high-intensity storms and precipitation events in Uruguay's region.

25. During the last century, the average temperature increase for the country was of about 0.8 ° C and it is expected to warm at a rate of 0.3 - 0.5° C (2020) and 1.0 - 2.5° C (2050), under a business-as-usual scenario. Rainfall has increased 23% in the La Plata River lower watershed over the past 30 years and this trend is expected to increase though at a lower rate. Increased precipitation in summer and winter is expected over the next three decades. The expected implications of these changes on the Uruguayan economy, particularly in a sub-national context, have not been systematically examined in much detail but because of the high reliance on agro exports of the national economy, profound transformations are to be expected.

26. Uruguay has a critical vulnerability, in terms of SLR and storm surges (OECD). In the case of this country, different from many others, the influence of the La Plata River is significant as it seems to be a more significant hazard in terms of water level rise, than the sea, on a short to mid term basis. In the La Plata River basin a change of +25-40% in river flow is expected and the combined influence of sea and river level rise could increase the estuarine water level up to 7 cm for 2020. For the 2100 scenario, an increase between 20 and 65 cm in the freshwater and estuarine environments is expected. Current increasing trends of storm surges, river flow, SLR and erosion are expected to increase impacts along the Uruguayan coast systems. Other sectors with key vulnerabilities are the agricultural and hydroenergetic ones, due to their high dependence on climate. The Third National Communication will include studies regarding vulnerabilities and adaptation needs of human habitats in the country.

27. Regarding energy, with no reserves of fossil fuels, the supply of primary energy in Uruguay fully depends on hydro power and imported fossil fuels. The potential for adding hydro power being very restricted, natural gas is expected to play an important role to meet the increasing energy demand in the near future and a pipeline is being built connecting Bolivia, Brazil, Uruguay, Argentina and Chile. To expand the installed electricity generating capacity, gas-fired power plants will be the preferred technology, while existing inefficient thermal power stations will be withdrawn or retrofitted for natural gas combustion. By consequence, (i) the dependence of Uruguay on imported energy will increase; (ii) the national economy will become more susceptible to price fluctuations on the international gas markets; and (iii) the larger share of fossil fuels will increase the emissions of greenhouse gases by the domestic economy. Furthermore, the country's reliance on hydroelectric energy makes it highly vulnerable to climatic variability, with droughts causing severe energy shortages.

28. In this context, the Government of Uruguay has expressed the ambition to benefit from domestic energy resources, mainly wind and biomass, incorporating 500 MW of these renewables during the next years and to increase energy efficiency among end-users. The use of domestic, renewable, energy sources will directly translate into a reduction of the consumption of imported, fossil fuels and bring along important, long-term benefits to the global environment and the local economy. Moreover, the Government pursues a strong policy to foster economic growth, attract investors and create new employment opportunities. The Ministry of Industry, Energy and Mining (MIEM) expects that some technologies such as wind energy can play a role to meet these targets and create opportunities to possibly supply the Mercosur market with products, services and know-how. A draft energy efficiency law has been prepared with four objectives i) increasing security of supply; ii) slowing the need for investments in infrastructure; iii) reducing the country's energy dependency; and iii) improving the environmental impact of the energy sector.

29. As a party to the UNFCCC and the Kyoto Protocol, Uruguay is carrying out a wide scope of activities to fulfill its commitments. A Climate Change Unit (UCC) was created in 1994, within the framework of the National Environment Directorate (DINAMA) of the Ministry of Housing, Land Use Planning and Environment (MVOTMA). This Unit has received the support of the UNDP-UNEP-GEF National Communications Programme and has conducted several national exercises as the country's follow up to the UNFCCC guidelines. It is also exploring strategies that would enable the country to better face the effects of climate change while generating benefits to both the local and global environments. Amongst these is the comprehensive Program of General Measures for Mitigation and Adaptation to Climate Change in Uruguay (PMEGEMA), which through inter institutional and multidisciplinary working groups under took a number of vulnerability and adaptation assessments. In 2004 Uruguay submitted the Second National Communication to the UNFCCC. This work provides a base at the national level to work on climate change issues. Building on this base, additional support is needed to land the programmes and initiatives "on the ground" at the subnational level.

The Metropolitan Region

30. The Metropolitan Region of Uruguay includes the departments of Montevideo, where the capital city of Uruguay is, Canelones and San José. It has a population of 1,951,000, two thirds of the national population. Its Gross Aggregated Value (GAV) is roughly two thirds of the country's GAV as well. In terms of climate change, this region accounts for most of the CO₂ emissions, mainly in the sectors of transportation, industry and construction. The country emits also methane and nitrous oxide in the agricultural sector that amount for most of the GHG emissions. The main vulnerabilities of the metropolitan area have to do with human settlements, since this region presents large inequalities and most of the irregular settlements (in 2006, 60% of the Country's settlements were located in Montevideo). The three departments also present large coastal areas, and coastal vulnerability has been considered critical in terms of sea level rise and extreme events. Other key vulnerabilities include the agricultural sector, largely dependent on precipitation and water resources, like The Santa Lucía River, that provides drinking water for Montevideo and that flows through the three departments of the Metropolitan Region. Although some studies of local vulnerabilities have been done by the Ministry of Environment, additional work is needed to have a better understanding of the key vulnerability issues at the local scale.

31. A recent law has made it mandatory for Departments to prepare territorial planning documents. This should provide a good opportunity to integrate climate change in planning strategies from the start.

UNDP programmes and initiatives

32. Uruguay is one of the eight pilot countries of the U.N. Reform initiative. In this context, the UN System is making efforts to promote a common approach to climate change and climate risk management, within the context of national priorities. In alignment with the One UN approach, this initiative is a joint UNDP-UNEP initiative,

with the participation of UNIFEM. Project specific results will be pursued in a programmatic manner to build on existing capacities to address the risks and opportunities of climate change at the territorial level.

33. This project is aligned with the United Nations Country Common Assessment in Uruguay (CCA), which identifies the country's need to reduce its vulnerability to climate change and variability through adaptation programmes and by increasing its risk management capacities. In addition, adaptation to climate change and risk reduction is included in one of the United Nations Development Assistance Framework UNDAF (2007-2010) programme outputs and in one of the UNDP Country Programme outputs: "Measures for adaptation and mitigation to climate change and risk reduction plans implemented by the Government, the private sector and the civil society". In addition, supporting local development strategies is one of the priorities of UNDP Uruguay that supports institutional development of local governments and territorial and environmental development.

34. Uruguay is also one of the countries where it has been possible to implement the principals of the ART GOLD Initiative (*Support to territorial and thematic networks for human development*), an international co-operation initiative that brings together the programmes of several United Nations Agencies (eg UNDP, UNESCO, UNIFEM, WHO, UNAIDS, ILO, UNITAR, UNCDF, UNOPS). ART GOLD was launched in 2004 to help regional and local authorities in the South and the North to set up alliances and partnerships in support of local development and governance processes prioritised by countries through ART GOLD programmes. More than 300 decentralized cooperation partnerships operate in different countries. ART involves local communities in development processes, and promotes a new type of multilateralism in which the United Nations system works together with governments to promote the active participation of regional and local authorities, local communities and social stakeholders in the South and the North, while striving to fulfil the objectives of the Millennium Development Goals

35. The ART Uruguay Local Development Programme (PDL ART Uruguay) began in 2005, and has achieved a strong legitimacy at political level and recognition of the positive impact of its activities in the territories. At a central level, the Programme is managed by an Executive Coordinating Committee (CE), formed by the central government (Oficina de Planeamiento y Presupuesto de Presidencia de la República – Office of Planning and Budget – OPP), the Congress of Local Authorities (Congreso de Intendentes – CI), some United Nations Agencies (UNDP, UNIFEM, UNFPA, UNEP, ILO, FAO and UNOPS), and the Spanish Agency for International Cooperation for Development (AECID). There is also a National Committee (CN) formed by the CE and some other Institutions from the central government (Ministries), Universities, NGOs, and international cooperation (IDB and EU).

36. The CE orients various projects and contributions towards a programme logic, thereby generating marked improvements in the outcome and impact of international cooperation, coordinating with local and national development policies, into an effective operating strategy. The CN ensures that local initiatives are in line with national development policies. Both Committees are also responsible for disseminating the most effective work methods to other parts of the country, coordinating the implementation of initiatives and promoting the involvement of new donors.

37. In accordance with the ART GOLD methodology, the PDL ART Uruguay valorises the active role of local communities in their development processes. Within the regions (Departments) and their municipalities, local working groups are formed. Public, associative and private actors from the area participate in the working groups, along with local representatives of the central ministries and state structures. The local working groups play a fundamental role in promoting participation in programming and managing development activities. They carry out a similar process for acquiring knowledge of the territory and defining priorities, using methods that facilitate the participation of people from urban and rural areas, and of vulnerable groups. As a result, municipal plans for using local, national and international resources are drawn up, which include improvements in local services in order to

make them accessible to the entire population and development projects. The projects identified through this process are implemented, in a way which valorises and reinforces local management capacities.

38. The local working groups also coordinate and guide visits of representatives of cooperation organizations interested in establishing development partnerships, according with the National Coordination of ART Uruguay. In the course of the visits, the parties agree on specific projects to be carried out in the context of the regional and local plan for international cooperation.

39. At the moment in Uruguay there are 14 local working groups in 9 of the 19 Departments of the country: Artigas, Rivera, Salto, Paysandú, Cerro Largo, Treinta y Tres, Rocha, Canelones and Montevideo, and groups are starting in Flores and Colonia.

40. Besides the programmatic importance of climate change and risk management for UNDP, this project fits well within its current line of work. UNDP Country Office is supporting projects in areas related to climate change and territorial development.

41. On one hand, UNDP Uruguay is contributing to build capacities in the national and sub-national counterparts, for example supporting the National Communications Programme, and a series of activities such as the Regional Workshop on Vulnerability and Adaptation Assessment and Climate Risk Management for Latin America held in August 2007 that brought together the Adaptation to Climate Change and the Risk Management communities. In relation to decentralization, UNDP Uruguay has provided support to the Congress of Regions (Departments) of Uruguay during the transition after the last elections, and has programmes of local development with different departments, including the ART- Gold initiative and the Small Grants Programme.

42. UNDP Uruguay has also projects to mitigate emissions in the energy sector, and to help to adapt to climate change and increase climate risk management capacities. UNDP is supporting the “Uruguay Wind Energy Programme”, a GEF-financed initiative to incorporate wind energy in the national energy matrix, to decrease dependence on imported fossil fuels and to reduce its vulnerability to climate factors as well (the current energy matrix is largely dependent on hydropower). A medium –sized project to generate energy from biomass residues is also being presented to the GEF. Uruguay is also a pilot for the MDG Carbon Facility, and the programme of Leveraging Carbon Finance. These projects will provide support to the development of CDM programmes and projects within the climate change strategies that are formulated at the regional level.

43. In relation to adaptation to climate change, UNDP is supporting a GEF project of “Implementing Pilot Climate Change Adaptation Measures in Coastal Areas of Uruguay”. This project has a focus on increasing resilience of coastal ecosystems and has already started working in the coastals areas of Uruguay, including the Department of Canelones in the Metropolitan region. This provides an excellent opportunity to establish synergies with the present initiative, such as in the realization of coastal vulnerability studies.

44. Finally, this project will be considered within a broader programmatic approach with an eventual contribution through the coherence fund within the “Delivering as ONE” pilot, that will link and foster three new initiatives. Firstly, with UNDP-UNEP support, Uruguay is formulating a Poverty and Enviroment Initiative (PEI). This initiative will allow to link the poverty and environment problems, whith a strong focus on territorial issues. Thus, the PEI will make the connection between national policies and local environmental and poverty problems, allowing to act at both levels. In addition, a UNDP BCPR initiative has been approved to strengthen departmental risk management capacities, working with the departments and with the National Emergency System. This institutional and technical strengthening will increase adaptation capacities, by increasing prevention, planning and capacities in the departments.

A.3. Barriers

45. Climate change adds layers of complexity to development agendas and governance structures. A range of barriers limit the ability of government and stakeholder groups at both national and local levels to mainstream climate risks into decision-making processes and to design of appropriate strategies, policies and practices.

Limited awareness of climate change science, impacts and opportunities

46. For key public and private stakeholders in the Departments of San Jose, Canelones, and Montevideo, already challenged to respond to socio-economic and environmental requirements, the scope, complexity and uncertainty associated with climate change impacts, and low carbon and adaptation options are difficult to understand and assess. The science of climate change is limited to a few experts, most of who are within the Climate Change Unit (Unidad de Cambio Climático) of the Ministry of Environment or scattered in some key Ministries such as Agriculture. Few policy-makers and stakeholders are aware of the magnitude of anticipated economic impacts. Existing institutional frameworks (led by the National Communications) focus largely on climate change scenarios and inventories of emissions and do not include systematic considerations of measures for pursuing low-carbon development opportunities and/or adaptation response measures. Consequently, the impacts of climate change on development, poverty reduction, and conservation strategies are not well appreciated. Even the linkages to disaster risk response and management initiatives led by Sistema Nacional de Emergencias, as a basis on which to build upon in terms of established early warning systems, vulnerability assessments and capacity building, are not fully capitalized upon yet at the local level.

47. Climate change profiles of the Departments, including the potential economic repercussions, with impacts that range from loss of development achievements and unrealized opportunities, the additional damage to infrastructure to degradation of ecosystem services and functionality, are not well understood or documented. Unless the cost of business-as-usual is demonstrated it will be difficult to mobilize the required will and resources for undertaking the policy reforms and investments that are best suited to respond to climate change despite the underlying uncertainty. Sound “climate-sensitive” investment plans need to be formulated with the active participation of the private sector. Given the costs associated with financing needs for adaptation traditional resource streams will prove insufficient.

Long term planning needs to be developed

48. With mounting scientific evidence suggesting that developing country economies are likely to be affected the most severely, the internalization of information on climate change including variability and extremes, in key development decisions is a priority. It needs to become a critical input to the design, development and sustainability of a wide range of activities in many socio-economic sectors, including agriculture, water, coastal management, urban planning, transport, tourism and others. Decisions where the return on investments is expected over long-periods of time (e.g. 25-100 years -- such as urbanization plans, water facilities and transport infrastructure), must systematically incorporate climate change risks and opportunities. Failure to do could mean that investments made today by Departments are compromised over their expected lifetime.

49. Decision-making to manage the inherent uncertainties of climate change is challenging for three broad reasons. Firstly, systematic collection, storage and use of climate information, although in its infancy in many places, is gradually developing. Most countries, including Uruguay have established and functional Meteorological Services and with financial support from central government and/or assistance from donors including UN Agencies such as the World Meteorological Agency (WMO) many have started to develop baseline information databanks. Secondly, while a large share of global, regional and sub-regional climate change data produced for various analyses around the world, including those reported by the Intergovernmental Panel on Climate Change is readily available to any user, often free, the use of this information by key decision-makers and in relevant decision-

making processes is largely non-existent. Thirdly, other sources of uncertainties, e.g., socio-economic trends, technological development, and methods/tools for sectoral risk analyses etc. are often as important, if not more, as climate information when it comes to decision making for climate risk management. However, tools which integrate climate change information with other relevant information (economic, engineering, social values, etc) are not used to systematically inform decision-making processes at the Department level.

50. Moreover, traditional development planning tools have not been designed to incorporate climate information and countries suffer from the lack of long-term investment planning instruments that are able to cope with the inherent uncertainties of climate change. Currently available tools have typically focused on short-term threats in two or three key sectors with less emphasis on resilience of long-lived investment in the context of climate uncertainty. The National Communications (NCs) developed under the UN Framework Convention on Climate Change (UNFCCC), have endeavoured to lay the foundations for prospective exercises to address climate risks. However, this has been hampered by the lack of relevant analysis and capacities to inform policy and decision-making. In addition, current tools either focus exclusively on climate, economics, or engineering alone and rarely, as necessary to manage uncertainty, in an integrated way. In addition, technical capacity, leadership and/or relevant institutional structures including budgetary support to sustain the application of appropriate planning tools are often lacking or not systematically in place.

51. Identifying, assessing and planning to manage risks and opportunities in a rational, flexible, iterative and sustained manner, taking into account uncertainties associated with climate-related hazards – including droughts, floods, cyclones, sea-level rise and extreme events – can help to protect people, livelihoods and assets, thereby promoting the achievement of development goals. Building on existing processes such as the National Communications process will be a critical step forward in strengthening the capacity of countries to manage climate risks, through the enhancement of necessary knowledge bases (e.g., developing sectoral assessments using more robust methods and updated datasets) and institutional capacity (e.g., involvement of key stakeholders in the assessment and adaptation planning).

Strategies, plans and processes are mostly sectoral and do not fully integrate climate change

52. Sub-national institutional structures and systems for managing risks and opportunities on local services and resources using dynamic and flexible approaches that are cognizant of the effects of climate change are also not in place. A key barrier in this context is the absence of a holistic climate change strategy for the three Departments, reflecting local development priorities and integrated with the overall national development strategy. An absence of long-term, inter-sectoral planning and strategic frameworks constrains options for incorporating the findings and recommendations of relevant assessments into effective policy reforms and for identifying a broader variety of management tools and options, including both soft and hard adaptation responses as well as opportunities for low-carbon development. Land and coastal use planning frameworks have yet to fully integrate climate change considerations - although progress is being made through a UNDP adaptation project (focusing on climate change risks on coastal regions) that is starting up. Institutional frameworks, traditionally structured around sectors, are incomplete or absent with respect to integrated, flexible approaches that climate change management responses will require in order to address trade-offs between conflicting demands on resources and land, and identify cost-effective, sustainable long-term responses. Inter-sectoral committees, at both national and local levels, where relevant stakeholders and departmental authorities are empowered to plan and manage climate change risks and opportunities, with sufficient training, mandate, financial and human resources, are required.

Coordination between relevant institutions is not in place

53. Addressing climate change risks and opportunities at the Department level will require strategic partnerships and cooperation in support of multi-disciplinary and inter-sectoral responses. This is currently either absent or very loosely defined at the sub-national level. ART Groups are formed but are not mobilized to address climate change issues) in a systematic way at the sub-national level. Effective information linkages between key institutions at the

national level (e.g. Unidad de Cambio Climatico) and Departments are not established. Existing development frameworks, such as the Agenda Metropolitana, are not geared to integrate climate change considerations at the national and sub-national level. In addition, multi-agency support, in line with their respective comparative advantages and specialized technical resources, needs to be coordinated and targeted at a common strategic vision for local climate-change resilient development. Uruguay, as a One UN pilot, is ideally suited for a coordinated response to local development needs in the context of emerging climate change challenges.

To attract budgets and financing, possible benefits of mitigation and adaptation strategies need to be demonstrated

54. Several factors constrain the design and implementation of an optimum mix of adaptation and low-carbon development strategies, policies and measures to systematically mainstream climate risks into national and local development processes. In the absence of long-term planning tools and enabling institutional frameworks mentioned above, moving from assessments to policy change and implementation of adaptation measures will remain a key challenge. In addition, Departments in San Jose, Montevideo and Canelones, require support with preparing, and implementing climate-resilient investment plans. Sufficient resources need to be allocated to finance on the ground demonstrations at sub-national, and local-levels on various climate risk reduction strategies. Appropriate budgetary adjustments to enable line ministries or communities to manage expected risks need to be made with sound knowledge of the magnitude and scale of resources required to overcome anticipated climate change pressures. Adaptation and low carbon development options need to be demonstrated to be economically efficient and effective if they are to be seriously considered by policymakers who manage competing demands for resources and balance trade-offs. At present, except for the coastal sector which is addressing this barrier through a UNDP adaptation project, there are scattered and piecemeal demonstrations of the economic costs and benefits of low-carbon and adaptation options in other key sectors (agriculture, urban development etc) in these Departments. This prevents the formulation and attraction of appropriate investments to climate-resilient measures at the local level.

Technical support is necessary

55. Finally, technical advisory services to support Departments and national entities with the implementation of low carbon development and adaptation option are necessary. At present, while a number of initiatives are ongoing with the assistance of multiple development and humanitarian agencies, sharing of lessons on capacity developed and financing delivered to support climate risk management and investment opportunities needs to be more systematic, and coordinated. Department level sectoral experts require the support of specialists conversant with the management of climate change risks and opportunities. An operational network on low carbon and adaptation practitioners with a given territory that is wide enough and sufficiently endowed with resources to support the Departments with designing and implementing appropriate strategies, policies and measures needs to be established. A knowledge platform on adaptation and mitigation focused on key elements of the transformation change needs to be in place and accessible for the collective benefit of the Departments. Finally, as low carbon development and adaptation will be an ongoing practice for many Departments in the rest of Uruguay over the coming decades, it is critical that the foundations are established for not only strategic partnerships and communications, but for lessons to feed into strategic development frameworks to maximize on expected returns.

Strategies need to be made operational

56. A number of strategies regarding climate change mitigation and related areas have been developed at the national level over the past years, notably, the PMEGMA (Programa de Medidas Generales de Mitigacion y Adaptacion al Cambio Climatico en Uruguay). However, the implementation of the corresponding activities needs to be accelerated. Financing remains an issue when funding strategies were not included in the design of the plans from the start. Increasing anchoring in local priorities and realities should make it easier to turn projects into realities at the local level.

Data and Information are scarce

57. Given the uncertainties associated with climate change, past trends and experiences are no longer a reliable baseline from which to plan response measures. There is therefore a need for data and information acquisition and access, at a scale that is practical for planning at sub-national levels. The necessary information and assessments to orient decision-making are scarce. The need to address this gap is further constrained, however, by limited understanding of available tools and methods, and the requisite training and capacity for applying them.

Capacities and decision making processes are centralized

58. The constraints described above, which affect the ability to effectively design, implement and monitor both mitigation and adaptation responses to climate change, are heightened at sub-national levels. Despite advances towards decentralized governance, decision-making processes and institutional capacities are still strongly centralized. The disconnect between different sectors is often replicated between various levels of government, and there is insufficient recognition that adaptation and mitigation responses will effectively take place at the sub-national level. Local capacities for planning for climate change response measures are weak, with insufficient capacities for planning, policy making, and management innovation.

59. The project will aim to address these barriers through the strategy described in the following section.

B. STRATEGY

60. The project objective is to systematically direct new and existing policies and investments towards low carbon and climate change-resilient local development within the three departments of Montevideo, Canelones and San Jose that constitute the Metropolitan area in Uruguay.

61. In accordance with the framework of the global programme on “Towards carbon neutral and climate change resilient territories”, to reach this objective, the project will assist the departments in designing long-term, integrated, cross-sectoral participatory climate change strategies and in implementing the corresponding initiatives and addressing the main barriers describe above.

62. The first focus of the project will be on helping the Departments access the necessary data to build a comprehensive view of the risks and opportunities of climate change for local development that is shared amongst local stakeholders. The National Climate Change Unit will be strengthened with 2 experts to assist the Departments in accessing data to build their climate profile. Working with the Climate Change Unit will help build upon the knowledge that already exists and promote sustainability and dissemination to other Departments. The cooperation with other regions involved in climate change related activities will also help Departments identify possible best practices related to methodologies and activities appropriate at the sub-national level.

63. There is growing understanding that effective climate change adaptation and mitigation will require long-term planning approach at the regional, national and local levels and that they must be cross-sectoral in nature. In the context of the project, Departments will be empowered to identify the 'common ground' of adaptation and mitigation and integrate them in their sectoral and planning policies, based on the findings from the preparation of a common climate profile. (i) Project focal points in each departments will be trained on climate change and assisted in disseminating this knowledge to other key sectors of the local administration such as those responsible for water management, land planning, agriculture, transportation, etc...and setting up trans-sectoral information sharing mechanisms and institutional arrangements. Focal points chosen among existing departmental staff with an extensive understanding and experience of the local administration will be in a better situation to do this than external consultants (ii) In each Department, the focal point will be assisted by additional experts hired through the project with a sound understanding of long term planning issues. (iii) Working with the Agenda Metropolitana Programme will also promote trans-sectoral approaches and coordination between institutions.

64. Because climate change management actions are largely in the hands of organizations and individuals outside of the Government, climate change strategies need to be developed with a great emphasis on the involvement and commitment of the private sector and civil society. In Uruguay, the ART program has demonstrated how efficient it can be in associating public authorities, communities and the private sector in participatory development effort. ART methodologies will be applied to climate change in order to build a process that orients changes based upon a participatory analysis of the region and its potential evolution, and that develops concrete projects and initiatives benefiting the entire community.

65. Once strategies are in place, implementing them requires formulating technically and financially sound initiatives (policy changes and new investments) and finding the necessary funds to finance them. The project will assist the Departments in selecting, accessing and sequencing the most appropriate funding sources as well as designing effective policies. Various frameworks and platforms created by UNDP can provide assistance for this.

66. In practice, the project objective will be realised through the following **outputs**:

- Output 1: Territorial Climate change strategies developed based on comprehensive assessment of risks and opportunities and development priorities
- Output 2: Relevant stakeholders and departmental authorities empowered to plan and manage climate change risks and opportunities
- Output 3: Partnerships and cooperation developed in support of multi-disciplinary and inter-sectoral responses
- Output 4: Tangible and effective initiatives launched

Output 1: Territorial climate change strategies developed based on comprehensive assessment of risks and opportunities and development priorities

67. In order to develop a climate change strategy, an analysis of the expected risks and opportunities of each department in the context of climate change is necessary. Departments will be supported with technical advisory services to define a “Territorial Climate Change Profile”. This Territorial Climate Change Profile will examine the local development needs through the climate change lens and contribute to the defining of a strategic development plan, to be developed through a participatory process. The construction of the Climate Change Profile will be led by the Departments through the ART participatory groups. Preparing the climate change profile will require:

- i. analysing the local development issues and priorities as well as the different policies already implemented at territorial level,
- ii. examining the territory’s economic and social conditions and their evolution under a changing climate
- iii. evaluating the climatic vulnerability of the territory, the current and possible future impacts of global warming
- iv. assessing the current territorial greenhouse gas emissions and evolution trends
- v. identifying and evaluating priority adaptation and low-carbon options
- vi. identifying local actors and key players that will need to be mobilized,

One immediate purpose is to show the strengths and weaknesses of the territory as well as the risks and opportunities in terms of development that are related to climate change (a SWOT-type analysis will be undertaken). An initial list of possible early no-regret initiatives will be identified and included in the Climate Change Profile. The project will also provide the Departments with the necessary technical assistance, methodologies and tools for undertaking this process.

68. At present, there are a number of methodologies for undertaking socio-economic and human development-centric assessments of lower-carbon and climate-resilient development paths. Keeping abreast of the range of techniques that are available and determining their relevance to varying needs becomes challenging. In this context, the project will help local stakeholders identify appropriate existing methodologies and decision-support tools, as well as help identify possible need to develop others for cost-benefit assessments of climate change. For GHG emissions assessment, the Bilan Carbone methodology developed by the French Agency for Environment and Energy Management (ADEME) has been identified as well suited to the needs of the project. It will be made available to the 3 departments and appropriate personnel will be trained to use it. The advantages of combining with other approaches will be assessed during the preparation of the Climate Change profiles.

69. Preparing the first Climate Change Profile will require the collection and analysis of various types of data that is not systematically produced, gathered and analysed today. Turning this into a more systematic process is necessary to ensure monitoring and evaluation of the results of the strategy but also to make sure that climate change related issues are integrated into the decision process of the Departments in all relevant areas (territorial planning, infrastructures, waste management policies, etc...) not only during the duration of the project but for long time thereafter. This project will identify and fill major information gaps that are necessary for more systematic decision making and monitoring. Processes will be kept simple and cost-effective as orders of magnitude are generally sufficient for the considered purposes. The objective is not to build information systems for statistical purposes only. One of the objectives will be to provide decision makers in each Department with regular monitoring of the evolution of territorial GHG emissions.

70. Findings of the Territorial Climate Change Profile will lead to the participatory selection of the priority sectors for the territorial climate change strategy (Coastal areas, buildings, Transportation, Water management, Agriculture, etc...).

71. Collaborative construction of the strategies should then be organized around series of thematic workshops to allow for debates around issues specific to each sector. Participants of the workshops will debate, collaborate and be mobilized around each of these sectors. The participants should be asked the following question: "if I were the local authority, what would I do to promote low carbon development or reduce climate change vulnerability in the sector?" The conclusions reached in the different workshops will be confronted, compared, analyzed. Once possible practical initiatives have been identified, it will be necessary to study their effective feasibility and their conditions of implementation. For each measure, a number of elements (cost, timing, emission reductions benefits, local development benefits, funding options, necessary partners, linkages with other ongoing relevant initiatives, etc...) will be assessed as far as possible within a reasonable time-frame and cost. Some actions are less technical and focus on the social dimension of mitigation and adaptation. For these actions, the levers will need to be identified. By levers, one usually means education, training, awareness raising... They must be systematically assessed in order to identify the most effective, efficient and equitable means of action and the possible impacts. Past experiences with those same levers should be analysed in order to point out difficulties and the ways to bypass them.

72. In order for the strategies to have the best chances of being transformed into practical initiatives, it is necessary to develop a strong feeling of ownership by the local stakeholders but also strong political commitment and leadership from the Departmental authorities. In this perspective, the endorsement of the strategy and beginning of the implementation phase in each department should be made as visible as possible. Communication events supported by the project are envisaged.

Key Activity Results

- Territorial climate profiles developed through participatory processes to identify opportunities and hot spots.
- Territorial information processes for decision making, monitoring and evaluation strengthened
- Strategies designed and endorsed.

Output 2: Relevant stakeholders and departmental authorities empowered to plan and manage climate change risks and opportunities.

73. The purpose of this output is to create the conditions which will allow local stakeholders to take an active part in the strategy design and implementation of initiatives during not only the lifetime of this project but also to ensure better mainstreaming of climate change issues into development policies and territorial planning in the long term

74. Under this component, local stakeholders participating in the local ART groups will be informed about the challenges of climate change and associated risks and opportunities that result for local development (both in general terms and in more specific sectors). A common language with common facts and data are necessary to allow the stakeholders involved to share common goals on low carbon and climate resilient development. In accordance with the existing ART practice, local groups will be provided with various types of information and training as the process evolves. Combined with their knowledge of local development issues and priorities, this information will enable them to contribute to the choice of priority areas of intervention for the territorial climate change strategy.

75. Relevant stakeholders, notably from the administration of the 3 departments will be trained to assess, plan, design and manage initiatives related to climate change adaptation and mitigation. The first objective of this training should be to enable them to talk about climate change in their own words, convince others on the importance of this issue and understand the risks and opportunities it creates in their own area of work. Co-operation with other sub-national authorities with experience in developing and implementing climate change strategies and action plans will be sought as a strong opportunity for sharing of best practices. To the extent possible, sub-national authorities involved will come from both developed and developing countries and the possibility of partnerships within Latin America will be explored.

76. To ensure that the process is sustainable once the first strategies are adopted and that climate change is mainstreamed in all planning exercises and areas of the Department, the project will promote the definition and implementation of new institutional arrangements, such as trans-sectoral working groups, multidisciplinary mandates, revised budgetary frameworks, etc.

Key activity results:

- Understanding of climate change amongst local decision makers and stakeholders improved
- Relevant stakeholders trained to assess, plan, design and manage climate resilient and low carbon development initiatives
- Appropriate multilevel institutional arrangements defined, formalized and capacitated to be operational

Output 3: Partnerships and cooperation developed in support of multi-disciplinary and inter-sectoral responses.

77. Ownership of the Climate Change Strategy by local actors and dissemination of climate change issues in other policy areas both rely strongly on the establishment of good participatory processes for the design of the strategy. Partnerships at the local, national and international level are also critical to avoid duplication of efforts and benefit from other best practices and experiences.

78. Under this component of the project, ART groups on climate change will be established in each of the 3 departments. These groups will build on the experience of the existing ART groups on other topics and include new participants, more directly involved with climate change adaptation and mitigation. They will include all relevant units of the departmental administration but also the private sector, agricultural boards, civil society, NGOs, etc. According to current ART methodologies, as the need arises, these groups will be provided with data, analysis and expertise on which they can base their conclusions.

79. Specific technical expertise is necessary in order for the departments to be able to prepare their climate profile. To avoid duplication and facilitate diffusion to other departments of the country, the Uruguayan national Climate Change Unit (Unidad de Cambio Climatico) has accepted to provide this expertise. This unit which was created in 1994 currently concentrates most of the existing expertise on Climate Change in Uruguay and much of the data regarding climate change related emissions and impacts. For this purpose, it will be strengthened under the project to diffuse relevant information to key local development and management authorities.

80. The Agenda Metropolitana Program will be working in the next months on the preparation of regional planning strategies. For this purpose they will organise series of consultations and set up a number of working groups. Some of these groups such as Transport will have a direct relationship with climate change. Cooperation modalities will be established between these groups and those necessary for the project to increase cross-fertilization of ideas and when possible use one single group for both purposes.

81. The three departments involved in the project already have a dozen decentralized cooperation agreements with regions, mostly from Spain and Italy. These existing cooperations will be strengthened and new cooperations will be established with the objective of giving the 3 departments an opportunity to access expertise on best practices as well as funds for planification and implementation of initiatives. Cooperations both with regions from developed and developing countries will be sought.

Key activity results

- ART groups on Climate Change established and functioning
- Technical support provided by Climate Change unit to departments (Departments able to access technical support from national Climate Change Unit)
- Project activities coordinated with those of the Agenda Metropolitana program
- Decentralized cooperations for managing climate change risks and opportunities in place

Ouput 4: Tangible and Effective Initiatives Launched

82. During the development of the Climate Change Profile of each department, an initial list of early no-regret policy and investment requirements will be identified. These initiatives will be related to priority sectors, and identified on the basis of existing information and results. They may be small-scale initiatives but with a quick impact that can demonstrate the benefits of low-carbon and adaptation options at the sub-national level. Their selection will be based on a validation of their benefits and feasibility through participatory consultations in the ART local groups. The project will provide technical assistance to project developers, notably on selecting, accessing and sequencing the types of financial instruments most adequate for operationalising the initiatives under consideration.

83. In a second phase, a portfolio of new initiatives will be developed based on the strategic options that emerge from a more complete understanding of local priorities for climate resilient development. These initiatives will also be vetted for their benefits and feasibility by technical experts and through participatory consultations in the ART local groups.

84. Under this component of the project, technical assistance will be provided to identify and design adequate policy changes and build a strategy on sequencing and accessing financing for the projects under development. UNDP RTAs will be available to provide guidance on most appropriate sources of financing for different types of initiative and information on accessing these sources. When appropriate, they will put developers in contact with UN project development facilities such as:

- i. UN REDD (Reducing Emissions from Deforestation and Forest Degradation)
- ii. MDG Carbon facility (financing through the Clean Development Mechanism of the Kyoto protocol)
- iii. Ecosystem Finance and Business Facility

- iv. Climate Change Risk Transfer Facility
- v. Community Based Adaptation Facility.

UNDP/Hub for Innovative Partnerships will also facilitate contacts with Regions in developed countries willing to provide expertise and funds for the development of low carbon and climate resilient initiatives.

53. For specific initiatives, international and local consultant will provide assistance on preparing initial project concepts.

85. General training of local stakeholders will also be provided on financing options, matching types of finance and types of projects and accessing different sources of funding. This should allow the analysis of financing possibilities to be integrated early in the process of selecting initiatives and developing them.

Key Activity results

- Early no-regret initiatives identified, vetted and developed
- Portfolio of prioritized and vetted reforms and investments developed
- Financing strategies designed for each initiative

C. OPERATIONAL APPROACH: PROPOSED TIMELINE

86. Implementation is expected to commence by at least March 2009, once the necessary financing has been secured and UNDP due diligence requirements (e.g. LPAC) are completed.

87. Implementation will be structured around three key milestones (reflected in detail in the work plan below).

1. Preparatory Phase (November 2008 – March 2009)

In order to capitalize on the momentum and interest generated at the local and international level, the UNDP Country Office is committed to securing an agreement of the three departments in November 2008 to begin

- setting up the ART departmental groups on climate change
- identifying and collecting the data necessary for the Climate Change Profile with the Focal Points identified in each of the municipalities
- making available for the departments 2 technical experts in the national Climate Change Unit that can help the departments with the different studies that need to be done (vulnerability to climate change, greenhouse gas emissions, etc...). Two people will be hired as soon as possible (for a six month contract) and trained respectively on supporting the Departments on adaptation and mitigation in the context of the Territorial approach. Amongst other things, the adaptation expert will be trained by CLIMSAT and other tools (eg. Economic tools) on the use of satellite information and economic methodologies for vulnerability assessments and identification and viability of adaptation options. Similarly, the mitigation expert will be trained by ADEME on the Bilan Carbone methodology which is a methodology to assess greenhouse gas emissions related to the activities of the territory, assess vulnerability to fuel price changes and identify possible priority areas.

During this preparatory phase, there will be consultations with the Departments on the context of this project document and proposed strategy, as well as recruitment and training of the necessary project staff. During this preparatory phase, one of the technical experts hired will function as a temporary program coordinator.

88. Official start (March 2009);

- Staff Recruitment and Training (March 2009); One senior person will be hired to coordinate activities on climate change within ART. He/she will also be the coordinator of the project. For Montevideo and Canelones, the existing ART focal points will devote additional time to the ART climate change groups.

For San Jose, one new person will be hired as ART focal point. In each of the Departments, one junior person will be hired to assist the person whom has been designated as a focal point for the project inside the local administration.

- Establishment of Climate Change Profiles (April 2009-August 2009) based on gathering of information, analysis and participatory thematic assessments;
- Formulation of early initiatives (September 2009-March 2010);

89. Implementation of early initiatives (March 2010 – March 2012);

- Preparation and Endorsement of Territorial Climate Change Strategies (September 2009-March 2010). During this time, any additional specific studies (e.g. feasibility assessments etc) that may be have been identified as necessary during the establishment of the Climate Change Profile will also be completed;
- Identification & Formulation of Portfolio of Initiatives, Development of financing strategy and funding negotiations (January 2010 – March 2012);
- Implementation of Initiatives (July 2010-March 2012);
- Evaluation and Review (October 2011 – March 2012): Independent review of activities undertaken and assessment of results and sustainability. Lessons learned for implementation of the programme in other Uruguayan Departments or other countries.

	Q0		Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
Activities																		
Training of national experts		■																
Training of departmental experts			■	■														
First interdepartmental seminar (Methodological and organization)					■													
Establishment of planning mechanisms						■	■											
Information gathering and analysis			■	■	■	■												
Participatory thematic assessments					■	■	■											
Preparation of climate profiles					■	■	■	■										
Second Interdepartmental seminar (coherence and synergies)								■										
Climate Change Prospective Analysis								■	■	■	■							
Write-up of Territorial Climate Change Strategies										■	■	■						
Third interdepartmental seminar (validation of strategies) & endorsement of strategies												■						
Identification of												■	■	■	■	■	■	■

D. RESULTS AND RESOURCES FRAMEWORK

The **project objective** is to systematically direct new and existing policies and investments towards low carbon and climate change-resilient local development within the three Departments of Montevideo, Canelones and San Jose that constitute the Metropolitan area in Uruguay.

INTENDED OUTPUTS	INDICATORS	BASELINE	TARGET	SOURCES OF VERIFICATION	INPUTS
1. Territorial climate change strategies developed based on comprehensive assessment of risks and opportunities and development priorities	Departmental Climate Change Profiles established	0	3	Final Evaluation	ART Groups engaged to work with local planning structure and procedures to inform the development of the Territorial Climate Profiles Collection of key secondary climate change scenario and socio-economic data for the construction of Territorial Climate Profiles Results of previous and new assessments of vulnerability and GHG emission (using existing methodologies and tools)
	Departmental strategies approved and endorsed	0	3	Final Evaluation	Technical Experts provide assistance in developing and refining climate profiles and developing a strategic vision for a portfolio of projects Consultations and agreements reached to establish institutional arrangements for low-carbon and climate resilient development
	Departmental monitoring mechanism in place to follow the evolution of GHG emissions	0	3	Final Evaluation	Diagnosis, planning, development, appraisal and endorsement of analytical and planning tools and methodologies

2. Relevant stakeholders and departmental authorities empowered to plan and manage climate change risks and opportunities	Number of mandates adopted	0	At least 3	Final Evaluation	Technical Experts provide assistance in designing appropriate multilevel institutional arrangements
	Amount of budgetary resources allocated	0	% of departmental core budget allocated for addressing climate change issues	Final Evaluation	Consultations and agreements reached to establish institutional arrangements for low-carbon and climate resilient development
3. Partnerships and cooperation developed in support of multi-disciplinary and inter-sectoral responses	Number of ART groups established on Climate Change	0	At least 1 in each Department + sectoral groups	Final Evaluation	ART Groups engaged to work with local planning structure and procedures to inform the development of the Territorial Climate Profiles
	Number of meetings of these groups	0	At least xx for Climate Change profile and yy for strategy design		Development of relationships with leading regional and international institutions
	Number of new partnerships established (decentralized cooperation, Agenda Metropolitana program...)		At least 2 per Department	Final Evaluation	Consultations and agreements reached to establish institutional arrangements for low-carbon and climate resilient development Communication, infrastructure developed and in place Technical support provided by Climate change unit to the departments
4. Tangible and effective initiatives launched	Number of early no-regret initiatives developed by Q4	Limited	At least 2 per department	Final Evaluation	ART Groups engaged to work with local stakeholders to identify and validate priority interventions, reforms and

	Volume of realigned and additional financing	Limited	\$50M for Adaptation and Mitigation ¹	Final Evaluation	investments Technical assistance provided to identify, and design a finance strategy to sequence and access financing for low-carbon development and adaptation options
	Number of new public policies and measures implemented	Limited	At least 2 new policies and measures implemented	Final Evaluation	

NB : Even if there is no quantified objective in terms of reduction of GHG emissions, emissions at the Departmental level should be systematically monitored

¹ The nature and extent of the international agreements found for the carbon regime after 2012, as well as the time at which these agreements are finalized, will influence the way carbon management projects can be financed. Consequently, objectives of the project may be revised accordingly.

E. Total Budget and Work Plan

Award ID:	
Award Title:	Integrating climate change risks into development planning and programming (ICCPP)
Business Unit:	EEG
Project Title:	Low carbon and climate change resilient local development in the departments of Canelones, Montevideo and San Jose
Project Objective:	Systematically design climate friendly policies and direct investments towards low carbon and climate change-resilient local development within the three departments of Montevideo, Canelones and San Jose that constitute the Metropolitan area in Uruguay
Implementing Partner (Executing Agency)	DEX – Uruguay Country Office

Output/Atlas Activity	Responsible Party	Fund ID	Donor	Atlas Account Code	Atlas Budget Description	Amount Yr 1 (USD)	Amount Yr 2 (USD)	Amount Yr 3 (USD)	Total (USD)
Output 1: Territorial climate change strategies developed based on comprehensive assessment of risks and opportunities and development priorities					International Consultants	28000	0		28000
					Local consultants	114000	114000		228000
					Travel	82000	12000		94000
					Contractual Services	90000	0		90000
					Training	60000	0		60000
					Equipment and supplies	8000	8000		16000
					Miscellaneous	20000	10000		30000
					Total Output 1	402000	144000	0	546000
Output 2: Relevant and stakeholders					International Consultants	8000	16000	0	24000

departmental authorities empowered to plan and manage climate change risks and opportunities				Local consultants	72000	72000	72000	216000
				Travel	49000	54000	24000	127000
				Contractual Services	10000	10000	10000	30000
				Equipment and supplies	39000	0	0	39000
				Miscellaneous	20000	10000	10000	40000
				Total Output 2	198000	162000	116000	476000
Output 3: Partnerships and cooperation developed in support of multi-disciplinary and inter-sectoral responses				International Consultants	0	21000	0	21000
				Travel	0	66000	0	66000
				Contractual Services	0	30000	0	30000
				Equipment and supplies	0	8000	0	8000
				Miscellaneous	0	20000	0	20000
				Total Output 3	0	145000	0	145000
Output 4: Tangible and effective initiatives launched				International Consultants	0	0	150000	150000
				Local consultants	0	0	30000	30000
				Travel	0	0	74000	74000

				Contractual Services	0	0	15000	15000
				Equipment and supplies	0	0	8000	8000
				Miscellaneous	0	0	10000	10000
				Total Output 4	0	0	287000	287000
Monitoring & Evaluation				International Consultants	3000	3000	15000	21000
				Local consultants	3000	3000	15000	21000
				Travel	5000	5000	5000	15000
				Miscellaneous	2000	2000	2000	6000
				Total M&E	13000	13000	37000	63000
Project Management Unit				International Consultants	0	0	0	0
				Local consultants	5000	5000	5000	15000
				Travel	0	0	0	0
				Contractual Services	0	0	5000	5000
				Miscellaneous	2000	2000	2000	6000
				Total PMU	7000	7000	12000	26000

Totals				International Consultants	39000	40000	165000	244000
				Local Consultants	194000	194000	122000	510000
				Travel	136000	137000	103000	376000
				Contractual Services	100000	40000	30000	170000
				Training	60000	0	0	60000
				Equipment and supplies	47000	16000	8000	71000
				Miscellaneous	44000	44000	24000	112000
				TOTAL	620000	471000	452000	1543000

F. MANAGEMENT ARRANGEMENTS

90. This global project will be directly executed (DEX) through the UNDP Country Office in Montevideo in accordance with standard operational and financial guidelines and procedures. UNDP CO will remain accountable for the delivery of agreed outputs as per agreed project work plans, for financial management, and ensuring the overall cost-effectiveness of planned activities. The management arrangements at the national and local level are still under discussion with the Governmental authorities involved in the project.

Project Staff

91. A project coordinator will be hired to work as part of the ART Programme. A programme assistant will be responsible for project administration, as well as management support services. In addition to two experts working in the Climate Change Unit, each municipality will be strengthened with a technician that will develop, together with the Department's focal point, the climate change strategies in full alignment with local development priorities and the principles of sustainable development. Additional international and local expertise will be hired in support of the different project's activities.

Partnerships

92. This pilot project is part of the global programme "Towards low carbon and climate resilient territories". As such it will benefit for the partnerships established among regions networks (NRG4SD, CRPM, NF, ARE, AIRF, FOGAR, OLAGI, others that may join) and between regions. From the cooperating regions may emerged potential investors, typically SME from regions with high level of GHG emissions or strong experience in mitigation that might, thanks to the anchorage of the pilot project into the overall programme, must decide to invest preferably in the departments of Montevideo, Canellones and San Jose.

93. The pilot project will receive the direct benefit of UNDP-CLIMSAT service platform and pools of expert resources, including procurement, processing and archiving facilities, training and distance advisory service in field like satellite imagery acquisition and processing for the elaboration of climate profile; access lasted climate change simulations applicable at the regional level, climate sensitivity assessment and mapping, risk mapping, project identification, project monitoring and impact assessment.

G. MONITORING FRAMEWORK AND EVALUATION

94. Project activities and outputs will be monitored and evaluated in accordance with UNDP standard practice. In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following means:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An issue log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see Annex 5), a risk-log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outputs.

H. LEGAL CONTEXT

I. ANNEXES