

Readiness Proposal

**with Corporación Nacional para el Desarrollo (CND) for the Oriental Republic
of Uruguay**

28 February 2022 | Capacity Building, Strategic frameworks and Pipeline development



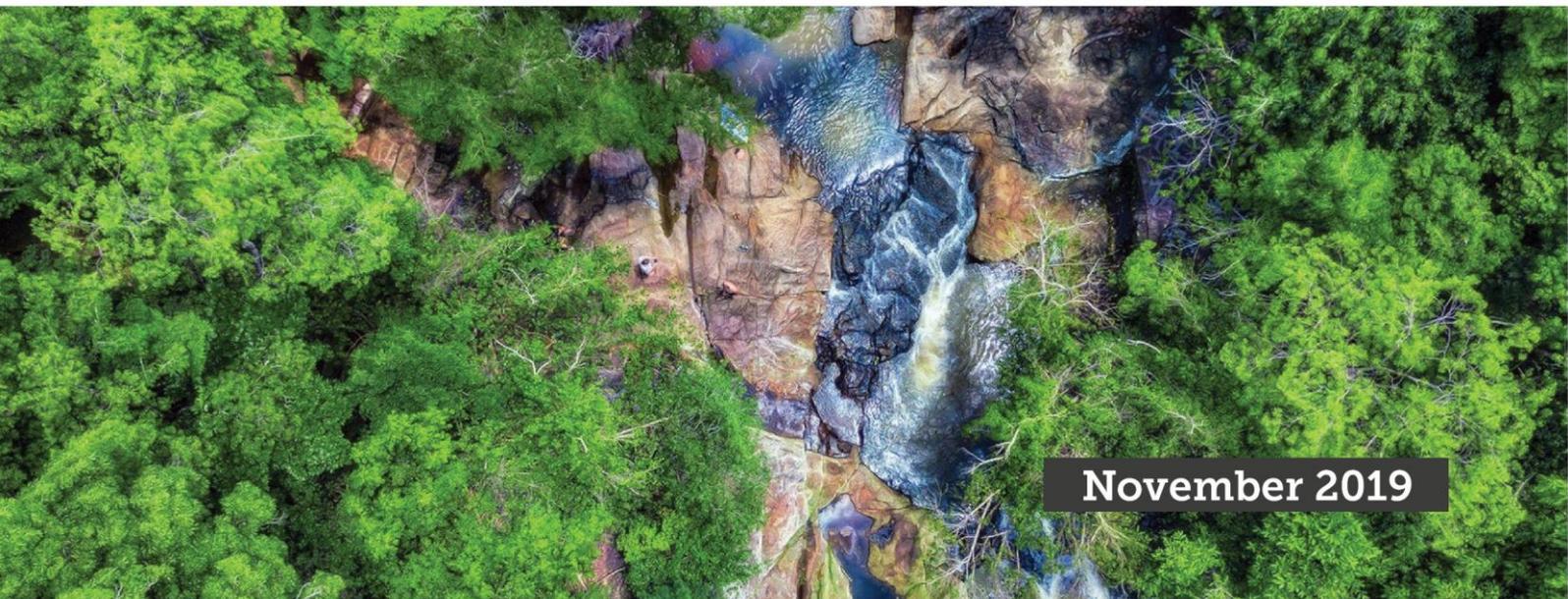
GREEN
CLIMATE
FUND

READINESS & PREPARATORY SUPPORT

PROPOSAL TEMPLATE



Proposal title:	Enhancing Uruguay's technical capacities and pipeline robustness to access GCF funding
Country:	Uruguay
National designated authority:	Ministry of Environment (Ministerio de Ambiente)
Implementing Institution:	Corporación Nacional para el Desarrollo
Date of first submission:	29 December 2020
Date of current submission / version number	24 February 2022 V.5



November 2019

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Download the guidebook:
<https://g.cf/xxxxx>



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Please be concise. If you need to include any additional information, please attach it to the proposal.

If the Delivery Partner implementing the Readiness support is not a GCF Accredited Entity for project Funding Proposals, please complete the Financial Management Capacity Assessment (FMCA) questionnaire and submit it prior to or with this Readiness proposal. The FMCA is available for download at the [Library](#) page of the GCF website.

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You can also complete as much of this document as you can and then send it to countries@gcfund.org, copying both the Readiness Delivery Partner and the relevant GCF Regional Desks. Please refer to the [Country Profiles](#) page of the GCF website to identify the relevant GCF Country Dialogue Specialist and Regional Advisor.

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Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult Annex IV of the Readiness Guidebook for more information.

Please visit the Country Portal on the GCF website to submit this proposal via the **online system**.

When submitting the proposal, please name the file:
GCF Readiness -[Country]-[yyymmdd]

List of Abbreviations and Acronyms

AE	Accredited Entity
AECID	Spanish Agency for International Development Cooperation
ANDE	National Economic Development Agency
BROU	Banco República Oriental del Uruguay
CIRCVC	Climate Change and Variability Response
CCU	Uruguayan Construction Chamber (CCU)
CN	Concept Note
CND	Corporación Nacional para el Desarrollo
CP	Country Programme
CSO	Civil Society Organization
DAE	Direct Access Entity
DINAGUA	National Water Directorate
DNCC	National Directorate of Climate Change
EE	Executing Agency
ESMS	Environmental and Social Management System
ESRA	Environmental & Social Risk Analysis
GCF	Green Climate Fund
GHG	Greenhouse Gas
GoU	Government of Uruguay
INUMET	Uruguayan Institute of Meteorology
IPCC	Intergovernmental Panel on Climate Change
LTS	Long Term low-emissions development and climate resilient Strategy
MA	Ministry of Environment
MEF	Ministry of Economy and Finance
MRV	Measurement, Report and Verification
NAP	National Adaptation Plan
NDA	National Designated Authority
NDC	Nationally Determined Contribution
OAS	Online Accreditation System
OPP	Budget and Planning Office
PNCC	National Climate Change Policy
PPF	Project Preparation Facility
SAP	Simplified Approval Process
SINAE	National Emergencies System
SNRCC	National Climate Change Response System
ToRs	Terms of Reference
UdelaR	University of the Republic
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UTEC	Technological University of Uruguay

1. SUMMARY

1.1 Country submitting the proposal	Country name: Name of institution representing NDA or Focal Point: Name of contact person: Contact person's position: Telephone number: Email: Full office address: Additional email addresses that need to be copied on correspondences:	Uruguay Ministry of Environment (Ministerio de Ambiente) Natalie Pareja Director, Climate Change National Directorate +598 150 ext. 2011 natalie.pareja@ambiente.gub.uy Torre Ejecutiva Sur, piso 6. Liniers 1324, Montevideo-URUGUAY nda.gcf.uruguay@ambiente.gub.uy afusco@cnd.org.uy cambioclimatico@cnd.org.uy
1.2 Date of initial submission	29 December 2020	
1.3 Last date of resubmission	24 February 2022	Version number V.5
1.4 Which institution will implement the Readiness and Preparatory Support project?	<input type="checkbox"/> National designated authority <input type="checkbox"/> Accredited entity <input checked="" type="checkbox"/> Delivery partner <p>Please provide contact information if the implementing partner is not the NDA/focal point</p> Name of institution: Corporación Nacional para el Desarrollo Name of official: Anna Fusco Position: Manager of Subnational Governments Telephone number: +598-2916 2800 Email: afusco@cnd.org.uy Full office address: Rincón 528, Montevideo, Uruguay Additional email addresses that need to be copied on correspondences: cambioclimatico@cnd.org.uy	
1.5 Title of the Readiness support proposal	Enhancing Uruguay's technical capacities and pipeline robustness to access GCF funding	
1.6 Type of Readiness support sought	Please select the relevant GCF Readiness objective(s) below (click on the box – please refer to Annex I and II in the Guidebook): <input checked="" type="checkbox"/> I. Capacity building <input checked="" type="checkbox"/> II. Strategic frameworks <input type="checkbox"/> III. Adaptation planning <input checked="" type="checkbox"/> IV. Pipeline development <input type="checkbox"/> V. Knowledge sharing and learning	

1.7 Brief summary of the request

In the last years, the Government of Uruguay (GoU) continuously increased key stakeholders' capacities and capabilities to engage with the GCF, with a Country Programme endorsed by the Secretariat in 2021, and advanced towards direct access, with Corporación Nacional para el Desarrollo (CND) achieving Stage II of the accreditation process in 2021. This has allowed to develop a country-driven projects pipeline to the GCF with a strong science basis and submit two project concept notes.

However, the National Designated Authority (NDA) and CND have identified barriers that are slowing down Uruguay's potential to access GCF funding. Uruguay's institutions still have limited technical capacities to comply with standards from innovative finance mechanisms such as GCF. Stakeholders at the territorial level (such as subnational governments) and from productive sectors (such as the infrastructure and construction sector) are not sufficiently engaged in the climate agenda and in the implementation of the National Climate Change Policy (PNCC). Also, gaps in the robustness of the baseline of projects in Uruguay's pipeline to GCF have been detected, which may undermine or delay access to implementation funding.

The goal of the current Readiness request is to catalyze Uruguay's access to climate finance, in particular GCF funding, towards achieving low-emission, climate-resilient pathways in the framework of the PNCC, Nationally Determined Contribution (NDC), National Adaptation Plan (NAPs) and Long Term low-emissions development and climate resilient Strategy (LTS) through: (i) support to the accreditation of CND, (ii) enhanced technical capacities among (potential) executing entities, (iii) developed strategic frameworks at the territorial/sectorial level, and (iv) improved technical robustness of two Concept Notes prioritized in the Country Programme.

CND and other (potential) executing entities, such as the Ministry of Environment, will be direct beneficiaries through the capacities building on GCF standards and climate finance projects structuring, acquiring new knowledge, skills and tools to reach innovative climate finance mechanisms such as GCF (outputs 1.2.1., 1.3.1, 1.3.2 and 1.3.3.) Other direct beneficiaries include:

- Subnational governments, since the assessment to identify new project ideas and investments aligned to the climate agenda (output 2.1.1) will be made in coordination with them; and the Concept Note on "Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone" to be finalized includes prioritized sites in the coastal communities (output 4.1.2.);
- DINAGUA will also be a direct beneficiary by being the coordinator and recipient of the flood risk maps to be undertaken in three of the coastal departments prioritized sites (output 4.1.2.)
- Entities that integrate the recently created Climate Services Working Group (Uruguayan Institute of Meteorology-INUMET, Directorate of National Emergencies System-SINAE, National Water Directorate-DINAGUA), through complementary capacity building and technical studies required for improving the Concept Note on Strengthening Uruguay's climate services (output 4.1.1.).

Indirect beneficiaries are the public and private construction and infrastructure sector, through the promotion of resilient and sustainable infrastructure and good environmental practices in the construction life cycle (outputs 2.2.1 and 2.2.2); as well as Uruguayan society in general, through the identification and development of new climate change mitigation and adaptation project ideas (output 2.2.1).

1.8 Total requested amount and currency

USD 428,703

1.9 Implementation period

18 months

1.10 Is this request a multiple-year strategic Readiness implementation request?

- Yes
 No

For more information on how a country may be eligible to access Readiness support through this modality, please refer to **Annex IV of the Readiness Guidebook**.

1.11 Complementarity and coherence of existing readiness support

- Yes
 No

Existing funding (GCF Readiness support and others) with complementarity with the current Readiness request:

Title of the existing funding	Current status	Objective and alignment with the current Readiness request
<i>Approved GCF Readiness support</i>		
GCF Regional Readiness support: "Enhancing Climate Finance within the Banking Sector in LAC Region" (\$ 200,000 Uruguay's contribution).	Approved; Began implementation in second semester 2021 Submitted by leading country Guatemala in August 2020 to GCF Secretariat. Delivery partner: ALIDE.	The objective of this Readiness grant is to generate evidence on the opportunities and challenges to implement innovative solutions for climate finance, focusing on three main lines of action: supporting Direct Access Entity (DAE) to assess their portfolio and meet GCF accreditation standards; streamlining financial institutions involvement in (NDCs and Country Programme (CP) implementation; and promoting joint investments and strategic alliances. The current Readiness request will take into account the results of this Readiness grant for its output 2.1.1 that will identify new project ideas aligned with the NDC, NAPs, LTS and CP.
GCF Readiness support "Green Climate Fund Readiness and Preparatory Support – Uruguay – First phase" (\$370,000) URY-RS-001	Completed. Delivery partner: United Nations Development Programme (UNDP)	These two consecutive Readiness grants allowed the Uruguayan NDA to strengthen its capacities and develop the country's strategic framework and CP with the initial pipeline to engage with GCF, develop the country's Climate Change and Gender Strategy, among other results. They have also allowed to follow up and provide guidance to CND in its accreditation process, which is expected to be completed with the current Readiness request. URY-RS-003 allowed the NDA to elaborate one draft Concept Note and one draft PPF request for the project on "Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone". This draft Concept Note was elaborated in the framework of the NAP Coastal zone and NAP Cities processes, and in collaboration with CND. In August 2021 the Secretariat review on the Concept Note was received, classifying paradigm shift potential as high but requesting for "heavy revision". Resources and timing in URY-RS-003 were not sufficient to conduct pre-feasibility studies in the prioritized sites for the project, including alternative solutions for increasing resilience and associated costs. The current Readiness request aims to finalize the CN including a Pre-feasibility Annex, respond the Secretariat review and finalize the PPF request.
GCF Readiness support "Green Climate Fund Readiness and Preparatory Support – Uruguay – Second phase" (\$510,000) URY-RS-003	Completed. Delivery partner: UNDP	
GCF Readiness Support "Strengthening strategic	Approved on 31 st December 2020;	This readiness grant builds on the results from URY-RS-001 and URY-RS-003 and aims to strengthen

<p>frameworks and stakeholders' engagement to scale up climate financing and enhance NDC implementation in Uruguay"</p> <p>(\$590,000)</p> <p>URY-RS-006</p>	<p>began implementation in Q1 2021.</p> <p>Delivery partner: UNDP.</p>	<p>capacities to scale up climate financing and enhance NDC implementation and ambition in Uruguay through i) increasing effectiveness and operability of the NDA and facilitating direct access (CND accreditation), ii) accelerate engagement of the financial system, the private sector and subnational governments in the national climate agenda, iii) ensuring country ownership in the projects pipeline prioritized in the CP and continue developing Uruguay's portfolio to access GCF support, including by preparing and submitting one additional Concept Note.</p> <p>The current Readiness request is expected to begin implementation after URY-RS-006 is finalized. The following outputs of the current Readiness request are complementary to the outputs of this grant:</p> <ul style="list-style-type: none"> - Output 2.1.1 of the current Readiness request will build synergies, through the identification of needs and opportunities at territorial level, with output 1.3.1 on "Capacity needs assessments conducted and training delivered to advance integration of climate change into subnational planning" and 1.3.2 on "Engagement strategy implemented at subnational level" of URY-RS-006 - Outputs 2.2.1 and 2.2.2 of the current request will detect opportunities to complement output 2.4.1 of URY-RS-006 on "Private sector at a sectorial level involved in public -private partnership for climate investment". - Output 4.1.1 of both readiness grants are complementary in order to reach a Concept Note to be submitted to GCF Secretariat (the prioritized project idea on "Strengthening Uruguay climate services". The Climate Services Working Group created with support of URY-RS-006 is the framework in which activities 4.1.1a and 4.1.2b in the current request have been proposed. These activities were not included in URY-RS-006 grant because these institutional needs were detected after the grant was submitted to GCF Secretariat. It is also beneficial that CND can manage these activities (whereas URY-RS-006 is implemented by UNDP) in order to continue building the entity's track record in climate change projects and since CND is expected to be the executing entity and DAE for this project. Both proposals should maintain a fluid communication to develop synergies regarding the quality and the timeline of each deliverable. Both Readiness grants will be implemented in close coordination between the NDA, UNDP and CND.
<p>GCF Readiness support "CND capacity strengthening for direct access to GCF in Uruguay I"</p> <p>(\$ 91,810)</p> <p>URY-RS-004</p>	<p>Completed</p> <p>Delivery partner: CND</p>	<p>These Readiness grants supported the accreditation progress of CND as one of Uruguay's nominated DAE. They have developed the entity's policies and procedures, increased its engagement in climate change projects pipeline, and completed the first versions of the form in the Online Accreditation System. CND has entered Stage II of the GCF accreditation process in March 2021 and has begun to collaborate with the NDA in structuring climate change projects. CND staff has received an introductory training in environmental and social (E&S) responsibility and</p>
<p>GCF Readiness support "CND capacity strengthening for direct</p>	<p>Completed</p> <p>Delivery partner: CND</p>	

access to GCF in Uruguay II" (\$ 150,000) URY-RS-005		standards; and on Environmental and Social Management System (ESMS) policy. The current Readiness request will build on the results and scale up the impact of these Readiness grants, by continuing the accreditation process to GCF (output 1.2.1.), deepening specific staff training in environmental safeguards and PS1-8 (output 1.3.1.), strengthening CND's skills for structuring climate change projects (output 1.3.2) and improving climate change project budgeting and costing process (output 1.3.3). These two Readiness grants have also consolidated CND's coordinated work with the NDA as a strategic partner for the execution of the climate agenda, which will continue to be made possible through the current Readiness request.
GCF Readiness support "Developing institutional environmental and social safeguards and Gender policies –CND" (\$ 81,200)	Completed. Delivery partner: PwC	
GCF Readiness support for Adaptation Planning "Integrating adaptation into cities, infrastructure and local planning in Uruguay" (\$ 2,735,615) URY-RS-002	Under implementation, to be completed in Q3 2021 Delivery partner: UNDP	The Readiness grant supports the Government of Uruguay to advance its NAP process in cities and local governments (NAP-Cities). The current Readiness request will take into account results and stakeholders engaged through the NAP-Cities for designing its activities under outputs 2.2.1 and 2.2.2 to work with public and private sector in sustainable and resilient infrastructure, and will use NAP-Cities inputs for identifying new project ideas (output 2.1.1.).
<i>Other relevant projects</i>		
"Strengthen Uruguay's capacities to adapt to the effects of Climate Change in the coastal zone" "Development of technological tools for the evaluation of impacts, vulnerability and adaptation to climate change in the coastal zone of Uruguay" (NAP Coastal zone)	Completed in 2021. Delivery partner: Spanish Agency for International Development Cooperation (AECID) / CTCN / CND	This grant supports GoU to advance its NAP process in the coastal zone of Río de la Plata and Atlantic Ocean (includes 6 subnational governments: Colonia, San José, Montevideo, Canelones, Maldonado and Rocha). This initiative works in close coordination with NAP-Cities to tackle adaptation in coastal cities. The current Readiness request will take into account results and stakeholders engaged through the NAP-Coastal zone for designing its activities under outputs 2.2.1 and 2.2.2 to work with public and private sector in sustainable and resilient infrastructure in the coastal zone. CND, through this new request, will also use the NAP-Coastal zone inputs and governance for undertaking the financial structure and climate services baseline studies (output 4.1.1) that will be an input for the CN on strengthening Uruguay climate services being prepared by the NDA (with -RS-006).
Adaptation Fund binational project for Argentina and Uruguay – "Climate change adaptation in vulnerable coastal cities and ecosystems of the Uruguay River"	Approved; beginning implementation in July 2021. Executing Agencies: CND (Uruguay), UNDP (Regional), Ministry of	This project aims to build resilience in the vulnerable coastal cities and ecosystems of the Uruguay river, both in Argentinean and Uruguayan territories, by developing instruments, tools and experiences for adaptation planning and implementation as well as managing climate change and variability impacts and risks. CND is one of the executing entities together with UNDP, in close coordination with the Ministry of

	<p>Environment and Sustainable Development (Argentina).</p> <p>Delivery partner: CAF</p>	<p>Environment and the subnational governments involved.</p> <p>The current Readiness request will be implemented while the Adaptation Fund-supported project begins implementation in Uruguay, with an active role of CNL. This project will allow CNL to apply its capacities developed with Readiness support. Particularly, it will make synergies with output 1.3.1 (the project E&S risks are categorized as “B” and CNL needs to implement the E&S risk monitoring plan). It will also make synergies with outputs 2.2.2 (the AF project will be an opportunity to promote best practices, reduce GHG emissions, and increase resilience to climate change related to investments in sustainable infrastructure among the public sector, and related to low-carbon processes among the construction sector), and 2.2.1 (the AF project will benefit from sensitization of the public sector in planning of resilient and sustainable infrastructure).</p>
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2. SITUATION ANALYSIS

2.1. National climate change agenda and institutions

In the last years, Uruguay has increased its political commitment in relation to climate change agenda, with the approval of its National Climate Change Policy 2050 (PNCC) and its First Nationally Determined Contribution (NDC) submitted to the UNFCCC under the Paris Agreement in 2017 (National Decree N° 317). The National Climate Change Response System (SNRCC in Spanish) is the inter-institutional sphere in which the national climate change policies, plans and actions are coordinated. Its Coordination Group is chaired by the Ministry of Environment through its Climate Change National Directorate¹. Under the framework of the SNRCC, a gender-sensitive Programming and Measurement, Report and Verification (MRV) System for the PNCC and the NDC was developed, and Uruguay’s Long-Term low-emissions development and climate resilient Strategy (LTS) was recently published. In 2019, Uruguay has underlined its commitment to advance in the preparation and presentation of its LTS with an aspirational target of CO2 neutrality by 2050.

Being a highly vulnerable country to climate change adverse effects, Uruguay has facilitated adaptation measures in priority sectors and has advanced its public planning through the development of sectorial National Adaptation Plans (NAPs). The NAP for the Agricultural Sector was presented in 2019. The NAP for Cities and Infrastructure (developed with GCF Adaptation Planning Readiness support) and the NAP for coastal zones will be completed by end 2021 and focus on the vulnerability of cities and infrastructure along Uruguay’s coastal zone. The NAP for coastal zones addresses concerns related to variability and climate change in Uruguayan Río de la Plata and Atlantic Ocean marine-coastal zone along six coastal departments (municipalities): Colonia, San José, Montevideo, Canelones, Maldonado and Rocha. The NAP for cities focuses on climate variability and climate change in Uruguayan cities. For the development of these NAPs, the Working Group on "Adaptation in the Coastal Area" was created under the framework of the SNRCC with representatives² from national, subnational and academic

¹ The Law for Urgent Consideration N°19.889 approved on July 8 2020 and enacted on July 9 2020 by Uruguay’s Executive Power creates the new Ministry of Environment, which incorporates the tasks, responsibilities and human resources of the Climate Change Division among other units of the former MVOTMA.

² Stakeholders participating in the Working Group on Adaptation in the Coastal Area:

- national level, including representatives from several Directorates of the Ministry of Environment, Ministry of Housing and Land Planning, Ministry of Tourism, Ministry of Transportation and Public Works, Budget and Planning Office, the Spatial Data Infrastructure (IDEuy)
- academic engagement, through different Faculties of the Universidad de la República (UdelaR), including the Institute of Fluid Mechanics and Environmental Engineering (Instituto de Mecánica de los Fluidos e Ingeniería Ambiental - IMFIA) from the Faculty of Engineering, the Faculty of Sciences and the Faculty of Architecture, Design and Urbanism.

institutions, to ensure their engagement and integrate emerging national, local and sectoral priorities in the NAPs elaboration. The current Readiness request uses as inputs several products from the NAP Cities and the NAP Coastal zone and builds on their results and priorities to progress towards implementation in the coastal zone.

2.2. Baseline and complementary efforts on Uruguay's technical capacities and pipeline development for accessing GCF

2.2.1. Baseline regarding progress of CND accreditation process

CND is a non-state, public entity governed by private law; its mission is to be a facilitator of public development policies, in particular on the development of public infrastructure. CND was nominated for accreditation to GCF by the NDA in November 2016. Currently, it is in Stage II of the accreditation process (since March 2021) and is addressing version 1 of the Independent Accreditation Panel's assessment and requests (received in August 2021).

Over the last four years in which CND has undertaken GCF accreditation process, the entity has gained knowledge regarding GCF policies and procedures and strengthened its internal capacities. It has also increased its strategic engagement in the climate change agenda in general, emerging as a national strategic partner for the NDA and the SNRCC. With previous Readiness support, (including URY-RS-004 and URY-RS-005), CND achieved the following results:

- (i) the development and implementation of its ESS and gender policies and manuals in April 2019;
- (ii) the development and implementation of additional policies and procedures identified in the accreditation gap assessment and Action Plan, including the anti-money-laundering and anticorruption policies;
- (iii) the design and implementation of a stakeholders' participation methodology for projects with gender perspective; the development of an organizational gender diagnosis; obtaining the certificate for the fulfillment of Level 1 "Commitment" of the Quality Model with Gender Equality (QMGE)³ in December 2019, granted by the National Institute of Women (INMUJERES);
- (iv) acquiring the environmental management certification (ISO 14001: 2015 standard) and implementing an occupational health and safety management system (ISO 45001: 2018 standard) (December 2020);
- (v) training CND staff in project management methodologies, monitoring and projects evaluation, environmental and social risks, gender and climate change, and anti-money-laundering practices;
- (vi) submitting the accreditation application submission through the GCF Online Accreditation System (OAS) in October 2019 (including a total of 284 documents);
- (vii) addressing all comments and questions of the GCF accreditation team Stage I review report (received in October 2020) and additional information requests, by resubmitting the OAS in December 2020; and,
- (viii) the development of a climate change projects pipeline.

CND works closely with the NDA in project design and in the identification of gaps and opportunities under the framework of the aforementioned national agendas on sustainable development. Regarding the Paradigm Shift criteria in projects, CND's role is to provide the tools for envisioning how to catalyze impact beyond a one-off investment and ensure a long-term sustainability, for example by designing innovative instruments blending public, private and multilateral funding. Regarding effectiveness and efficiency, CND can develop and monitor indicators for measuring mitigation and adaptation efficiency and effectiveness in projects best adapted to national circumstances.

2.2.2. Baseline regarding (potential) executing entities technical capacities for accessing GCF funding

CND is one of the main national executing entities for climate change projects, although there are several public entities members of the SNRCC which have executed climate change projects, as well as other entities which are increasingly showing interest and might be key partners for implementing climate action. These entities include the

• sub-national governments in their two levels (departmental governments, also called municipalities or "Intendencias", and town halls), which were involved and consulted through different participation instances and training workshops, and which have defined the prioritized sites and adaptation measures according to technical, social, economic and political criteria.

³ The Quality Management Model with Gender Equality is a tool developed by the National Women's Institute (Instituto Nacional de las Mujeres –INMUJERES) for the certification process of organizations and/or institutions that want to incorporate a gender perspective in their human resource managements.

different Directorates of the Ministry of Environment, Banco República Oriental del Uruguay (BROU) -which is a nominated DAE, the Ministry of Economy and Finance (MEF), the National Economic Development Agency (ANDE), the Budget and Planning Office (OPP), and subnational governments. However, the only national entity besides the NDA which has acquired technical capacities to comply with GCF standards is CND, throughout its GCF accreditation process.

2.2.3. Baseline regarding Country Programming and strategic frameworks development for accessing GCF funding

A CP that had been developed under the framework of the PNCC, the NDC and NAPs was submitted to GCF in 2019 (first version). After addressing suggestions by the GCF Secretariat interdivisional revision, an updated version of the CP was presented in December 2020. After additional revisions were made, the CP was presented to the GCF Secretariat CIC1 in August 2021 (with URY-RS-006 support). The CP was endorsed by CIC1 in October 2021 and given recommendations. The document is expected to be further updated to include: (i) CIC1 revision comments, (ii) the opportunities, needs and gaps identified through the engagement of the private and financial sector and subnational governments, (iii) the results from the LTS and NDC revision processes, (iv) capacity building activities in the context of the new Ministry of Environment, and (v) the new GCF CP guidelines and sectoral guides.

One of CND's role as a strategic partner to the NDA is to promote and strengthen engagement from new stakeholders and productive sectors in Uruguay's climate change agenda, particularly in the context of the LTS and NDC development process. It is therefore expected to receive CND's inputs to Uruguay's CP in future updates.

Given CND's day-to-day engagement with subnational governments to implement development projects, the entity has detected gaps and opportunities to further engage subnational stakeholders in contributing to the NDC implementation through potential paradigm-shifting initiatives which need financing. In collaboration with the Technological University of Uruguay (UTEC), CND has identified opportunities to transform one city (Durazno) into more sustainable from an environmental and climatic point of view, and possible lines of action for its transformation (with URY-RS-005 support). Furthermore, given CND's role in public infrastructure projects in Uruguay⁴, as a facilitator of the public sector and as a construction services contractor, the entity has identified the opportunity to engage with its public sector clients and private sector suppliers to reduce the environmental impact and GHG emissions of the public infrastructure projects and promote best practices in the construction sector. Besides, the recent regulation of Article 23 of Uruguayan Law 18,834 seeks the integration in the cost valuation of public purchases the economic, environmental and social impact of goods, services and works throughout the products life cycle. Processes aligned with this opportunity have been initiated by CND (under URY-RS-005 support): CND certified its Environmental Management System (ISO 14001:2015) in December 2020 and developed and disseminated a GHG emissions calculation methodology in infrastructure projects in 2021-Q1 (see [CND's website](#)) in close collaboration with the Uruguayan Construction Chamber (CCU) and the NDA.

2.2.4. Baseline regarding projects pipeline development for accessing GCF funding

During the past three years, Uruguay has made progress in developing a country-owned projects pipeline to access GCF funding, with the support of previous Readiness funding and current URY-RS-006. This pipeline is led by the NDA and CND has a strong participation in it. The current Readiness request tackles two projects prioritized in Uruguay Country Programme:

- a) a project idea on "Strengthening Climate Services": the NDA is developing a Concept Note to be presented to the SAP window by mid-2022 (with Readiness support URY-RS-006). A working group on Climate Services for the project design was created in 2021, coordinated by the NDA and in which are represented the main institutional providers of climate services: the Uruguayan Institute of Meteorology (INUMET), the National Water Directorate (DINAGUA) from the Ministry of Environment (MA), the National Emergencies System (SINAE) Directorate from the Presidency. The Universidad de la República (UdelaR) also participates in it through its Interdisciplinary Centre for Climate Change and variability Response (CIRCVC), as well as CND as project's Executing Entity and expected Accredited Entity.

⁴ The holding of CND executed USD 1,675 million in infrastructure works in the 2015-2019 period

- b) the project “Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone”⁵: the NDA developed a Concept Note and a draft (incomplete) PPF proposal (with URY-RS-003 and based on the results of the NAP Coastal zone and NAP Cities processes) with CND collaboration. The CN was formally submitted to the GCF on June 16th 2021. The NDA has prioritized the CND as the project potential DAE and the PPF request has not formally been presented to the GCF Secretariat because CND is not yet an accredited entity. The NDA has received GCF Secretariat Project team consolidated comments on the CN first version on August 6th and is working to address them. The current Readiness request specifically tackles these comments.

2.3. Detected gaps/barriers and how the proposal will address them

Since the beginning of its strategic engagement with the GCF, Uruguay has undertaken a path of continuously increasing national stakeholders’ capacities and capabilities, achieving a solid country programming with one of the first Country Programmes endorsed by GCF Secretariat in Latin America, and advancing its direct access potential through CND’s accreditation process. It has progressed in establishing strategic frameworks involving the public and private sectors to access climate finance, aiming to scale up its low-emissions climate-resilient development in line with the PNCC, NDC and NAPs. This has allowed a country-driven projects pipeline with a strong scientific basis to access GCF funding. However, the NDA and CND have identified barriers that are slowing down Uruguay’s access to GCF funding, in particular considering its recently developed LTS and its NDC revision in 2022. The current Readiness request will address the following barriers, gaps and / or opportunities.

2.3.1. Barrier regarding CND accreditation process

CND has limited capacities within its institutional staff to address Stage II review and additional documentation requests to complete the accreditation process. It is important to highlight that, although CND receives Readiness support for its accreditation process since Q1 2019, the entity has also engaged in this process its own human resources since its nomination by the NDA in 2016 and particularly since 2019 when the documentation, procedures and policies request have become more intensive. CND staff also increasingly participate in the strategic engagement in the climate change agenda. However, considering the volume and detail of the required documentation and responses, and considering the uncertain time frames required by GCF Secretariat and the Independent Accreditation Panel procedures, CND requires support to complete the accreditation process.

After resubmission in December 2020 and the first meeting between CND, the NDA and the Accreditation Panel in March 2021, CND received Stage II review comments from the panel in August 2021. These are related to sections 4 (Fiduciary), 6 (Environmental and Social) and 7 (Gender) of the Online Accreditation System (OAS). Comments related to Section 5 (Fiduciary Specialized) have not yet been sent by the Accreditation Panel. The comments include 187 questions, most of which require the preparation of reports about CND operation, and the elaboration of new documents to update those already sent in 2019. This task requires collecting and preparing reports for the different business and support areas of CND. Likewise, once all the answers, reports and supporting documentation are available, it is necessary to translate the most important sections into English, update the OAS form, and upload the documents to each corresponding section. Once the response document is sent to the Accreditation Panel and the OAS Form is resubmitted to GCF, it is highly likely that CND will receive a new round of comments, requiring a new internal survey and reporting effort.

The current Readiness request (**output 1.2.1**) will provide support to CND in its final stage of the accreditation process by hiring a consultant who will follow up on the comments received from the Accreditation Panel and update CND’s accreditation application OAS based on the Accreditation Panel Stage II review and any additional GCF

⁵ This project objective is to increase resilience of the coastal zone to severe weather events, reducing impacts on infrastructure and public, private and corporate assets in the coastal area of the Rio de la Plata and the Atlantic Ocean, through a territorial strategy that allows increasing the adaptive capacity to climate change of the communities and the resilience of their infrastructure, using an ecosystems-based approach to management responses. The CN expected outcomes are: (i) capacity available in national and sub-national institutions to monitor climate variability and change and its impacts and to integrate the different variables into existing information systems, such as the NDC MRV system (component 1); (ii) resilience of the communities and infrastructure in the coastal zone in medium and high-risk areas increased, through undertaking works in the coastal zone with an emphasis on ecosystem-based approaches and with community involvement (component 2); (iii) establish financial products that allow national and sub-national public entities and private investors to finance investments in climate resilience in the coastal zone (component 3); and (iv) to capture knowledge and lessons-learned to inform future climate resilience investments and foster a cultural change among the coastal population (component 4).

Secretariat's feedback, including the preparation and compilation of relevant supporting documentation and the elaboration of additional required procedures and policies.

2.3.2. Barrier regarding (potential) executing entities technical capacities for accessing GCF funding

In the process of developing Uruguay's project pipeline and designing innovative financial mechanisms to fund scaled-up climate actions, the NDA and CND have detected **a lack of technical capacities and knowledge in specific GCF standards and financial structuring tools among executing entities and potential executing entities with which the NDA is increasingly engaging**. These entities are CND itself, as a climate change project executing entity, the different Directorates of the Ministry of Environment, Banco República Oriental del Uruguay (BROU), the Ministry of Economy and Finance (MEF), the National Economic Development Agency (ANDE), the Budget and Planning Office (OPP), subnational governments and. These limited technical capacities at the execution level to comply with standards from innovative finance mechanisms such as GCF, delays climate change project preparation.

GCF standards such as the Environmental and Social Safeguards and Performance Standards 1-8 are mostly operated by financial institutions and (potential) executing institutions do not manage them; the structuring of climate change projects with multiple financial sources and involving innovative financial mechanisms has particular characteristics which differentiate them from general development projects' structuring processes; climate change projects also require particular technical teams profiles, time and resources, which affect the project's feasibility studies and the project's implementation budgets. CND and the NDA have therefore detected the need to strengthen institutional capacities internally and in other national (potential) executing entities (mentioned above) in environmental and social safeguards, climate finance, and budgeting for climate change projects.

In the specific case of CND as an advanced climate change projects executing entity in Uruguay, it undertook trainings (with URY-RS-004 and URY-RS-005) of three staff designated as focal points for CND's environmental and social safeguards in the identification of environmental and social risks (Environmental & Social Risk Analysis-ESRA course from UNEP Finance Initiative). During 2020, these three professionals carried out nine environmental and social risk analyses in infrastructure projects. CND expects to continue expanding this work in 2021 in quantity and quality, and therefore it is necessary for this specific staff to carry out new and more profound trainings in environmental and social safeguards and PS 1-8 in order to consolidate the acquired capacities and provide additional tools and ensure GCF standards. Likewise, the progress of the structuring processes of climate change projects in which CND is involved has highlighted the need to improve knowledge on climate change to favor the process of identifying projects, and to improve the process of financial structuring and costing them, due to the deadlines and resources that these require.

The current Readiness request (**outputs 1.3.1, 1.3.2 and 1.3.3.**) will close this gap by supporting trainings in two specific subjects: environmental and social risk assessment and management and PS 1-8; and financial structuring of climate-resilient and low-carbon development projects (climate change financial structuring). The design of the second training will include the analysis of relevant national cases and gather recommendations for possible climate financing strategies for climate change projects in Uruguay. As a specific support for CND (as one of the key executing entities of climate change projects), the current Readiness request will allow to identify gaps and opportunities for improvement of climate change project budgeting and costing process, apply these improvements in two pilot activities and transfer capacities and lessons learnt to CND staff .

2.3.3. Barrier regarding Country Programming and strategic frameworks development for accessing GCF funding

The NDA and CND have detected gaps and opportunities to further engage stakeholders at the territorial level (such as subnational governments) and from certain productive sectors (such as the infrastructure and construction sector) in the climate agenda, considering the NDC revision in 2022. These stakeholders are not sufficiently engaged in the climate agenda because of limited capacities, knowledge on opportunities and guidance on tools to implement initiatives to reduce GHG emissions or increase climate resilience.

The Country Programme has limited project opportunities at territorial level due to scarce capacities among subnational governments to develop projects which contribute to the climate change agenda. Uruguay Country Programme is a living document reflecting the strategic framework to engage with GCF. The current project pipeline was defined according to the PNCC, NDC and NAPs (which have been produced under extensive consultative processes involving stakeholders from the public and private sectors, subnational governments, academia, Civil

Society Organizations), the means of implementation needs, the paradigm shift potential and potential to be gender responsive. The NDA is implementing an action plan and training program to increase capacities in subnational governments to incorporate climate change considerations in their planning processes and to engage territorial stakeholders in augmenting climate ambition (under URY-RS-006 activity 1.3.1). Meanwhile, in CND's close work with subnational governments, demands to assess potential climate change mitigation and adaptation projects are received (e.g. in areas related to smart and sustainable cities and to waste management and circular economy). These are bottom-up initiatives, independent to the projects prioritized by the NDA in the Country Programme through its Coordination Mechanism. The current Readiness request (**output 2.1.1.**) will allow to assess two new project ideas and investments at territorial level with the intention to incorporate its results in the continuous update of Uruguay Country Programme. The selection criteria for these ideas will include: (i) potential GHG emissions reduction and/or number of beneficiaries, (ii) paradigm shift potential, (iii) alignment with the PNCC, NDC, NAPs and LTS, (iv) potential environmental and social risks, (v) alignment and complementarity with the Country Programme to the GCF, (vi) alignment with the GCF strategic impact areas and Investment Criteria. Activities under this output will build on URY-RS-006 results.

The calculation of GHG emissions and the assessment of climate resilience are not incorporated into public infrastructure planning and the national construction sector has limited knowledge and tools to increase environmental sustainability in its productive life cycle. The manufacturing industry and construction sector contributes 2.8% of total GHG emissions in Uruguay (14% of GHG emissions in the Energy sector according to 2017 National GHG Inventory). The life cycle of an average infrastructure asset is 50 years, therefore, the decisions that infrastructure demand makes today will have environmental and climate change in the coming decades. CND developed a GHG emissions calculation methodology for infrastructure projects, with the participation of the NDA, that was well received by the Uruguayan Construction Chamber (Activity 3.2.8 from URY-RS-005). The current Readiness request (**outputs 2.2.1 and 2.2.2.**) will continue strengthening national capacities for planning and investing in resilient and sustainable public infrastructure and implementing best practices in the private construction sector. On the one hand, sensitization and stocktaking on the public sector demand and capacities for planning and implementing resilient and sustainable infrastructure works will be achieved through two workshops with the national and sub-national public sector. On the other hand, the private construction sector will be trained, advised and given tools on reducing GHG emissions and implementing environmental best practices throughout the construction life cycle. For this, it is proposed to use the Lean Construction methodology, provide advice to pilot cases in services supplier companies related to public demands in infrastructure works, to develop a manual of good practices to be available in CND website and disseminate the results in collaboration with the Construction Chamber.

2.3.4. Barrier regarding projects pipeline development for accessing GCF funding

Throughout the development of the two Concept Notes mentioned in section 2.2.4. above, **several capacity and baseline information gaps have been detected in order to complete a robust technical baseline and financial structure for the Concept Note on “Strengthening Uruguay’s climate services” and to address the GCF Secretariat comments to the Concept Note on “Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone” and finalize the CN, including the AE selection.** These gaps are further developed hereafter.

a) Specific barriers regarding Concept note on “Strengthening Uruguay’s climate services”

A preliminary survey of gaps and barriers and possible solutions for strengthening climate services in Uruguay was conducted in 2021 within the Working Group on Climate Services during the elaboration of the Concept Note baseline and the project's goal. Specific capacities and technical studies gaps were detected among the project expected beneficiaries (in particular INUMET and SINAE Directorate) and CND. The current Readiness request (**Output 4.1.1.**) aims to address the following gaps in order to ensure the institutions engagement and the Concept note quality:

- Limited capacities for analyzing the viability of economic/financial instruments and detecting potential co-financing. Building on CND's experience in the structuring of a financial trust for the first weather radar for the country (currently in bidding process), the current Readiness request will allow to complement URY-RS-006 and support CND in exploring alternatives for the financial structure and designing a viable budget.
- Limited knowledge among the potential project beneficiaries on the WMO Global Framework Climate Services and its potential application at the national level. The current Readiness request will address this gap by supporting one training on the subject.

- Limited knowledge on existing gaps and needs (e.g. in technology, human resources and expertise) for registering extreme events impacts. This information is needed to establish the current baseline for the Concept Note, since the “Strengthening Uruguay’s climate services” project will aim to develop impact-based forecast and early-warning systems. The current Readiness request will address this gap by assessing and quantifying gaps and needs (in terms of technology, human resources and expertise, institutional arrangements, etc) for registering extreme events impacts related to the Concept Note goal, and providing recommendations to complete the Concept Note baseline.

These activities were not included in URY-RS-006 grant because these institutional needs were detected after the grant was submitted to GCF Secretariat. It is also beneficial that CND can manage these activities (whereas URY-RS-006 is implemented by UNDP) in order to continue building the entity’s track record in climate change projects and since CND is expected to be the executing entity and DAE for this “project. Also, deliverables achieved through this output will provide additional inputs to advance on the NDC implementation and revision, not limited to the successful development of the Concept Note under URY-RS-006.

- b) Specific barriers regarding Concept note on “Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone”

The Concept Note was developed with support from the Readiness grant URY-RS-003 and it was submitted to the GCF Secretariat on June 16th 2021. On August 6th 2021, the NDA received the GCF Secretariat review of the Concept Note, with a final recommendation for “Heavy revision” needed and an overall comment that the “project proposal has a lot of potential as an innovative and transformational climate adaptation project (...). Please revise the Concept Note and resubmit at your convenience”. The current Readiness request (**Output 4.1.2.**) aims to finalize the Concept Note addressing the Secretariat review remarks and progress towards the project submission to GCF, by closing the following gaps:

- Limited available and processed information to address the GCF Secretariat review of the Concept Note. Some remarks in the review can be addressed with existing information which needs to be assessed and compiled and, for other remarks, additional information needs to be generated. The current Readiness request (activities 4.1.2a to 4.1.2c) will increase available information in order to respond to the Secretariat’s review, as detailed in the table below.
- Additional data and GCF specific guidance not included in the current version of the Concept Note. The pre-feasibility study Annex was not developed for the first version of the Concept Note due to insufficient information, but it is considered to be a document in which more detailed information for addressing the Secretariat review should be annexed. Also, the first version of the Concept Note did not take into consideration the GCF sectoral guide on “Cities, building and urban systems” since it was not released yet. The current Readiness request (activities 4.1.2d and 4.1.2e) will improve and finalize the Concept Note, including a Pre-feasibility Annex, addressing the Secretariat review and aligned to the sectoral guidance.
- Undefined Accredited Entity for the project. According to the Country Programme, CND is expected to be the executing entity and DAE for this project this will depend on the progress of its accreditation status once the Concept Note is finalized. Several remarks in the review refer to studies needed to be undertaken under PPF grant; however, since CND is not yet accredited and another potential Accredited Entity has not been defined, a PPF grant request cannot yet be submitted. The current Readiness request (activities 4.1.2f and 4.1.2g) will allow to select an Accredited Entity for the project and submit a PPF grant request.

In favor of Readiness resources efficient use, this output will focus on three of the six prioritized sites in the Concept Note. The three sites addressed in this Readiness request will be selected according to i) availability of information to address the Concept Note review comments, ii) technical and economical complexity in the alternative solutions needed, iii) potential to crowd-in private sector.

Secretariat comments in first review to the Concept Note (August 6, 2021)	Related gap that the Readiness request will address	How the current Readiness request will address this gap (Output 4.1.2)
Section B.1.: “please indicate the percentage of services affected by flooding (...) and define which services are mostly affected as well as the capacity to resume services operations after flooding or	The Uruguayan government and CND have scarce quantitative information related to total population and services affected by flooding in the Rio de la Plata and Atlantic Ocean coastal zone and prioritized sites. More	The current Readiness request (activity 4.1.2a) will elaborate the flood risk maps in three of the prioritized sites included in the Concept Note. Each flood risk map will be elaborated following DINAGUA’s methodology used at national level and will incorporate the results of the climate

<p>other disasters. This could open the proposal to disaster resilience and disaster insurance (parametric or asset-based)”</p> <p>Section B.3.: “What is the expected total number of direct and indirect beneficiaries in terms of reduced vulnerability or increased resilience? Please specify the number of beneficiaries relative to total population, particularly the most vulnerable groups”.</p>	<p>specifically, there is a limited number of flood risk maps⁶ in coastal cities. Only a few of the prioritized sites in the Concept Note have flood risk maps elaborated. Having the flood risk map for each prioritized site in the project is the baseline information for detecting all assets and services affected by flooding.</p>	<p>change risk assessment in the coastal zone completed under IH Cantabria Methodology (in the NAP Coastal zone). It will include a social vulnerability assessment and consultations with local stakeholders (population, CSO, private sector, women groups, academia) and the subnational government.</p> <p>To provide an effective answer to the remark in the Concept Note review, the flood risk maps will allow the quantification of the population and services affected by flooding in those three sites. In its local stakeholders’ consultations, it will include the services operators.</p>
<p>Section B.3.: “On efficiency and effectiveness: Please elaborate this section to take into account the total financing and adaptation impact the project/programme aims to achieve, and explain how this compares to an appropriate benchmark and how best available technologies and practices have been considered and applied. If applicable, it should specify the innovations/modifications/adjustments that are proposed with the project based on industry best practice”.</p>	<p>There is a limited benchmark and identification of alternative technical solutions, technologies and practices to address the climate change vulnerabilities and future impacts in the prioritized sites in the Concept note. The NAP Coastal zone has set a list of coastal adaptation measures at a theoretical level for the entire coastal zone, but has not downscaled it to each site nor assessed alternative solutions, available technologies and practices for each adaptation need. There is therefore limited information to address to second part of the remark: “(...) how this compares to an appropriate benchmark and how best available technologies and practices have been considered and applied. If applicable, it should specify the innovations/ modifications/ adjustments that are proposed with the project based on industry best practice”.</p>	<p>The current Readiness request (activity 4.1.2b) will undertake a pre-project assessment in the same three sites selected for activity 4.1.2a. These will include a study of the alternative technical solutions, technologies and practices for each of the sites adaptation needs, and a cost (or, if possible, a cost-benefit) and financial analysis for each of the alternative solutions. The information generated in a pre-project assessment is the key information needed to understand technical alternative solutions and best available technologies according to industry best practices. This information will be a valuable input to provide an effective answer to the remark in the Concept Note review and will also provide key information for the Pre-feasibility assessment Annex.</p>
<p>Section B.2.: “Please evaluate and consider non-grant instruments for this project (...) (public or private loans; equity and guarantees) to leverage the GCF grant</p>	<p>The size of the trust and non-grant instruments were not estimated in the Concept Note first version because of unavailable information regarding costs of alternative solutions for adaptation in the</p>	<p>Based on results of activities 4.1.2a and 4.1.2b and consultations with the project key stakeholders (MA, MEF, OPP, CND, coastal subnational governments), the current Readiness request (activity 4.1.2c) will develop a proposal on the size and</p>

⁶ Among Uruguay’s land planning instruments, the flood risk map is a tool that locates, tracks and graphically represents the flood risk components in a city: hazard, exposure and vulnerability. The National Water Policy (Law N° 18.610) and the National Water Plan (approved by Executive Power Decree 205/2017), which promotes the integrated management of water resources as a state policy, establish the incorporation of the hydrometeorological risk management approach in Land planning local plans (PLOTs) through the elaboration of flood risk maps for cities, to ensure that the land planning contains the necessary provisions in terms of actions and resources to reduce the identified risks. Through the NAPs processes, DINAGUA has incorporated the results of the climate change risk assessment in the coastal zone completed under IH Cantabria Methodology to the flood risk maps methodology, in order to build upgraded flood risk maps including climate change vulnerability.

<p>and attract greater capital and more interest from a greater pool of investors in the private sector (...). Section B.3.: "What is the expected size of the trust fund and what are the basic elements of its governance structure? Where is it expected to be hosted and who will manage it? (...) If this is the strategy to ensure financial sustainability, then it needs to be adequately developed even at CN stage".</p>	<p>prioritized sites in the Concept Note. The trust fund is expected to be managed by CND as executing entity of the project but it has limited previous experience in implementing technical solutions mainstreaming climate change and social and environmental considerations at the GCF standards level, and has not evaluated alternative non-grant instruments.</p>	<p>governance structure of the trust fund to be established by the project. It will also detect information needs to further evaluate the use of non-grant instruments under the PPF implementation to be requested (there is not enough information available for this evaluation to be completed under this Readiness request).</p>
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3. LOGICAL FRAMEWORK

Outcomes	Baseline ⁷	Targets	Outputs	Activities (brief description)	Deliverables ⁸
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⁷ Please briefly elaborate on current baselines on which the proposed activities can be built on, processes that are in place that the current Readiness proposal can strengthen, or any gaps that the proposed activities would fill in. If more space is needed, please elaborate this in Section 4.

⁸ Please include tangible and specific deliverables for each activity proposed, Please note that during implementation all deliverables should be included within the implementation reports for GCF consideration.

<p>Outcome 1.2. Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF’s accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities</p>	<p>The CND is in Stage 2 of the GCF accreditation process since March 2021.</p>	<p>CND meets the requirements for accreditation to GCF.</p>	<p>Output 1.2.1 GCF Accreditation Panel and/ or GCF Board receive complete and pertinent documentation and information to assess CND accreditation, according to Stage II review.</p>	<p>Activity 1.2.1a Address the comments received in the Accreditation Panel Stage II review and any additional GCF Secretariat’s feedback⁹, including the preparation and compilation of additional supporting documentation in consultation with relevant areas/departments within CND. Elaborate additional procedures and update of institutional policies as required by the Accreditation Panel. Synthesize and translate the required new documents into English. Prepare a response document the Accreditation Panel Stage II review.</p> <p>Meetings with the Accreditation Panel and the GCF Secretariat will be held as needed to progress in the accreditation process.</p> <p>Activity 1.2.1b Update CND’s accreditation application form in the Online Accreditation System.</p>	<p>Deliverable 1.2.1a (i) Two progress reports on CND accreditation process, with responses to the Accreditation Panel.</p> <p>Deliverable 1.2.1a (ii) Supporting documents elaborated to address the Accreditation Panel review.</p> <p>Deliverable 1.2.1b Complete OAS Form resubmitted to GCF.</p>
<p>Outcome 1.3. Relevant country stakeholders (which may include executing entities, civil society organizations and private sector) have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF-funded activities</p>	<p>(Potential) executing entities of climate change projects in Uruguay have limited or no knowledge on GCF standards or climate finance structuring. CND’s staff has received introductory trainings (with support from URY-RS-005) but</p>	<p>CND and other key (potential) executing entities have adequate technical capacity to comply with GCF standards and to develop quality climate change proposals, including the related financial structuring and budgeting</p>	<p>Output 1.3.1 (Potential) national executing entities staff trained in environmental and social safeguards and PS 1-8</p>	<p>Activity 1.3.1a Implement one virtual training in environmental and social risk assessment and management and PS 1-8. This activity will allow to deepen the knowledge of CND staff assigned to environmental and social safeguards and of other (potential) executing entities staff such as BROU, Ministry of Environment, MEF, ANDE, OPP and/or subnational governments.</p> <p>Participants: at least 10 staff of (potential) executing entities including CND.</p> <p>Estimated duration of training: 4 days/20 effective hours.</p>	<p>Deliverable 1.3.1a (i) Report on training development, participants list and pre-and post- evaluation assessments of participants.</p> <p>Deliverable 1.3.1a (ii) Training materials.</p>

⁹ The progress of this activity is subject to GCF Secretariat Accreditation team dynamism in responding to CND documentation submissions.

	<p>needs to further strengthen some specific staff capacities.</p>			<p>Activity 1.3.1b Conduct a survey on gaps, needs and opportunities among (potential) national executing entities to establish an ESS assessment and monitoring system, and elaborate recommendations. Entities consulted will be the ones that participated in activity 1.3.1a. in order to ensure their understanding of ESS and their implications for their institution.</p>	<p>Deliverable 1.3.1b Report on gaps, needs and opportunities to establish an ESS assessment and monitoring system within climate change projects executing entities, including a roadmap and recommendations to address them.</p>
			<p>Output 1.3.2. (Potential) national executing entities staff are trained in climate change financial structuring</p>	<p>Activity 1.3.2a. Design a training program with recommendations of financing strategies and financial structuring of climate change projects in Uruguay, tailored to the Country Programme priorities, including the analysis of relevant national cases/projects. These national cases/projects will be selected in consultation with the NDA.</p>	<p>Deliverable 1.3.2a Training materials and recommendations for possible climate financing strategies</p>
				<p>Activity 1.3.2b. Implement one virtual training on the financial structuring of projects that promote climate-resilient and low-carbon development (climate finance). The training will prepare participants to explore and analyze different financial instruments for the financing of climate change projects. Participants: at least 10 staff of (potential) national executing entities such as CND, BROU, Ministry of Environment, MEF, ANDE, OPP and/or subnational governments. Estimated duration of training: 4 days/20 effective hours.</p>	<p>Deliverable 1.3.2b Report on training development and results, participants' lists and pre-and post- evaluation assessments of participants.</p>

			<p>Output 1.3.3 CND, as climate change projects EE and potential DAE to GCF, has improved budgeting and costing processes for climate change investments.</p>	<p>Activity 1.3.3a. Conduct an assessment to identify opportunities for improvement in CND's climate change project budgeting and costing process.</p> <p>It involves the analysis of specific direct and indirect costs for this type of projects and the budgeting process for the entire project life cycle.</p>	<p>Deliverable 1.3.3a. Report on gaps and opportunities for improvement and recommendations for CND's climate change project budgeting and costing process.</p>
				<p>Activity 1.3.3b. Implement the recommendations in at least two pilot activities related to climate change projects, assess the results and lessons learnt from these pilots, and socialize these lessons among CND staff</p>	<p>Deliverable 1.3.3b. Assessment of the implementation of budgeting and costing improvements in two pilot activities related to climate change projects, and presentation to CND staff (materials and list of participants)</p>

<p>Outcome 2.1 GCF recipient countries have developed Country Programmes to guide GCF investment and programming of readiness support resources</p>	<p>Uruguay Country Programme was endorsed by CIC1 in October 2021. However, it is considered a living strategic framework to engage with GCF and is expected to be updated regularly. It has limited projects opportunities detected at territorial level.</p>	<p>Uruguay Country Programme is informed by opportunities and needs at territorial level to engage with GCF</p>	<p>Output 2.1.1 At least two new project ideas and investments at territorial level are identified, which are aligned to Uruguay's PNCC, NDC, NAPs, LTS and CP.</p>	<p>Activity 2.1.1 Undertake an assessment to identify needs and opportunities at territorial level for potential projects ideas (e.g. related to smart and sustainable cities, based on the results of NAP-Cities and NAP-Coastal zone).</p> <p>The selection criteria will include: (i) potential GHG emissions reduction and/or number of beneficiaries, (ii) paradigm shift potential, (iii) alignment with the PNCC, NDC, NAPs and LTS, (iv) potential environmental and social risks, (v) alignment and complementarity with the Country Programme to the GCF, (vi) alignment with the GCF strategic impact areas and Investment Criteria. The selection will be undertaken in conjunction between the NDA and CND.</p> <p>This activity will allow to complement the project ideas mapping and CP update led by the NDA with bottom-up initiatives.</p> <p>This activity will be implemented in close coordination with the NDA to ensure it is in line and contributes to the revised NDC in 2022 and the LTS development. The intention is to incorporate its results in the continuous update of Uruguay's CP.</p>	<p>Deliverable 2.1.1 Report with at least two potential projects and/or investments ideas (e.g. on the subject of smart and sustainable cities), including their alignment and/or complementarity with Uruguay's PNCC, NDC, NAPs, LTS and CP, GCF results areas and investment criteria.</p>
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<p>Outcome 2.2 GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment</p>	<p>The construction and infrastructure sector (demand and offer) has incipient initiatives on environmental good practices and circular economy. However, low-carbon and climate-resilient good practices are not incorporated. CND has a framework agreement with the Uruguayan Construction Chamber to promote sustainable construction practices. The methodology developed by CND for the calculation of GHG emissions in construction works was well received among the public and private sector.</p>	<p>The construction and infrastructure sector (demand and offer) has knowledge and tools to incorporate the climate and environmental sustainability dimension into infrastructure planning and construction works.</p>	<p>Output 2.2.1. Stocktaking on the public sector demand and capacities for planning and implementing resilient and sustainable best practices in infrastructure works.</p>	<p>Activity 2.2.1 Conduct two virtual workshops with the national and sub-national public sector, on planning, investment and best practices implementation for resilient and sustainable infrastructure.</p> <p>The workshops will showcase lessons learnt in national cases and international experiences and will conduct a survey and exchange among participants to identify opportunities to incorporate low-carbon, climate-resilient best practices in public infrastructure works. It will include a focus on nature-based-solutions.</p> <p>Participants: at least 100 officials from key public sector stakeholders who demand infrastructure works (the National Congress of Mayors, the 19 subnational governments, the National Ministries; the Planning and Budget Office). The participation of the Regulatory Agency for State Purchases will be promoted. Estimated duration: 2 days/8 effective hours.</p> <p>This activity will build on the results of activity 1.3.1 of URY-RS-006 on “Set up an adequate mechanism and system to integrate climate change into subnational planning and activity, through: a) undertaking a Gap assessment and Action plan to address them; b) executing a training program in detected needs, c) implementing the Action plan in some subnational governments”)¹⁰.</p> <p>This activity will focus on the infrastructure works that the public sector most frequently demands: education and health centers,</p>	<p>Deliverable 2.2.1a Two workshop reports, including identified opportunities and needs to incorporate low-carbon, climate-resilient best practices in planning, investment and implementation of public infrastructure works, participants’ list and pre-and post-evaluation assessments of participants.</p> <p>Deliverable 2.2.1b Training materials, which will also be published on CND’s website.</p>
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				road and coastline infrastructure, and community public spaces.	
			<p>Output 2.2.2. Construction sector trained and advised in low-GHG emissions construction processes and infrastructure.</p>	<p>Activity 2.2.2a Provide advice to construction companies on reducing GHG emissions throughout the entire construction life cycle, from planning to execution, in at least two pilot cases related to public demands in infrastructure works. For this, the Lean Construction methodology will be used.</p> <p>The construction companies will be selected i) among CND service suppliers for infrastructure works demanded by the public sector, ii) among companies with existing practices and/or proven agenda in sustainability or GHG emissions estimation and reduction.</p>	<p>Deliverable 2.2.2a Consultancy report including conclusions and lessons learned from the advice on reducing GHG emissions in the construction sector, in at least two pilot cases, throughout the entire construction project life cycle.</p>
				<p>Activity 2.2.2b Develop a manual of good practices for reducing GHG emissions in the construction sector throughout the entire construction project life cycle.</p> <p>This manual will use as inputs the results of activity 2.2.2a, technical progress made on BIM methodology use by the Chamber of Construction members, consultations made to Uruguayan experts, and international best practices.</p>	<p>Deliverable 2.2.2b Manual of good practices for reducing GHG emissions in Uruguayan construction sector.</p> <p>The manual will also be available on the CND website.</p>

¹⁰ The gap assessment and action plan was carried out in Q3-Q4 of 2021, and the training program and the action plan will be implemented in the first semester of 2022

				<p>Activity 2.2.2c Conduct two dissemination workshops with the Chamber of Construction and other relevant stakeholders to socialize the results of activities 2.2.2a and 2.2.2b, agree on next steps to promote the adoption of the best practices in the manual.</p> <p>Participants: at least 80 technicians from construction companies associated with the Uruguayan Chamber of Construction and other non-associated companies.</p> <p>Estimated duration: 2 days/6 effective hours</p>	<p>Deliverable 2.2.2c (i) Report of the dissemination workshops held with the Chamber of Construction and construction sector, including detected opportunities and recommendations to promote the adoption of the manual best practices and agreements reached, participants' list and results of pre and post workshop evaluations of participants.</p> <p>Deliverable 2.2.2c (ii) Dissemination materials.</p>
<p>Outcome 4.1 An increase in the number of quality projects Concept Notes developed and submitted</p>	<p>A Concept Note on "Strengthening Uruguay's climate services" being developed under URY-RS-006 and gaps have been detected related to the baseline and the financial structure. A Concept Note on "Increasing resilience in cities, ecosystems and communities of Uruguay's coastal</p>	<p>Two finalized Concept Notes, with strong scientific basis, a sound baseline and a defined financial structure.</p>	<p>Output 4.1.1 The Concept Note on "Strengthening Uruguay's climate services" is finalized, with an improved technical baseline and a defined financial structure¹¹.</p>	<p>Activity 4.1.1a Assess alternatives for the financial structure of the Concept Note on "Strengthening Uruguay climate services", including a potential national climate services fund. This activity includes defining potential co-financing from the national budget, private sector and other international sources.</p> <p>The CND will contribute its experience in structuring financial trust funds, more particularly building on the existing financial trust to acquire the first weather radar for the country, which is managed by CND.</p> <p>The consultancy services will be focused in defining the financial structuring and budgeting of the CN developed under URY-RS-006.¹²</p>	<p>Deliverable 4.1.1a Report on the assessment of alternatives and a final proposal for the financial structure of the project and a potential national climate services fund.</p>

¹¹ All deliverables achieved through this output will provide inputs to advance on the NDC implementation and revision, not limited to the successful development of the Concept Note under URY-RS-006.

¹² This activity will be sequenced in coordination with the timeline of URY-RS-006 Readiness request activity 4.1.1 (to be finalized in June 2022) which aims to develop a Concept Note on Strengthening Uruguay's climate services, in order to ensure its more effective and efficient results in synergies with the CN development.

	<p>zone” presented to GCF Secretariat received the first review in August 2021 and gaps have been detected to address the Secretariat comments.</p>			<p>Activity 4.1.1b Conduct a training in the framework of the national Climate Services Working Group on the WMO Climate Services Global Framework and the building of a National Framework, and a workshop to apply the acquired knowledge to the project’s goal and components. Participants: at least two staff of each institution integrating the Climate Services Working Group (Uruguayan Institute of Meteorology-INUMET-, Directorate of National Emergencies System-SINAE-, National Water Directorate-DINAGUA-, National Directorate of Climate Change-DNCC-, CND, Universidad de la República-UdelaR-) and additional beneficiaries that might have been detected throughout the CN elaboration process. Estimated duration of the training and workshop: 4 days/12 effective hours</p>	<p>Deliverable 4.1.1b (i) One training and workshop report on the WMO Climate Services Global Framework and the building of a National Framework, including recommendations to adjust the project’s goal and components, the participants’ list and results of pre and post evaluations of participants.</p> <p>Deliverable 4.1.1b (ii) Training materials, which will also be published on CND’s website.</p>
				<p>Activity 4.1.1c Assess and quantify gaps and needs (in terms of technology, human resources and expertise, institutional arrangements, etc) for registering extreme events impacts related to the CN goal and components. Provide recommendations to adjust the CN.</p> <p>This data will allow to strengthen the CN baseline and confirm the project’s expected size.</p>	<p>Deliverable 4.1.1c One technical report on gaps and needs for registering extreme events impacts, including quantified gaps related to the CN goal and components, and recommendations to adjust the CN.</p>

			<p>Output 4.1.2 The Concept Note on “Increasing resilience in cities, ecosystems and communities of Uruguay’s coastal zone” is finalized, including a pre-feasibility study Annex, GCF review remarks addressed, aligned to the sector guide issued by the Secretariat. Accredited entity defined and PPF grant request finalized.</p>	<p>Activity 4.1.2a Elaborate flood risk maps, incorporating climate change vulnerability and the social and gender perspective, for three of the prioritized sites included in the Concept Note.</p> <p>The activity will include consultations with local stakeholders (population, CSO, private sector, women groups, academia, key local services operators) and subnational governments.</p> <p>The three sites will be selected among the six pilot sites included in the CN according to i) availability of information to address the Concept Note review comments, ii) technical and economical complexity in the alternative solutions needed, iii) potential to crowd-in private sector</p>	<p>Deliverable 4.1.2a Three Flood Risk Maps incorporating the results of the climate change risk assessment in the coastal zone completed under IH Cantabria Methodology and the social and gender perspective, in prioritized sites in the Concept Note.</p> <p>Each Flood Risk Map deliverable will include: (i) the hazards and vulnerability atlas, (ii) the risk map in itself, (iii) the methodological procedure, including consultations and workshops, (iii) quantification of the population and services affected by flooding, (iv) and recommendations to address flood risks.</p>
				<p>Activity 4.1.2b In the same three sites as activity 4.1.2a, elaborate the pre-project assessment for implementing adaptation measures, based on the coastal risk assessment under IH Cantabria methodology (2019) and the prioritized climate change impacts by the subnational governments.</p>	<p>Deliverable 4.1.2b Three pre-project assessments for implementing adaptation measures, in prioritized sites in the Concept Note.</p> <p>Each pre-project assessment will include: (i) a study of the socioeconomic context and general aspects; (ii) a study of the alternative technical solutions, technologies and practices; (iv) an environmental and social impact screening; (v) a cost (or, if possible, a cost-benefit) and financial analysis.</p>

				<p>Activity 4.1.2c Estimate the expected size of the trust fund to be established by the project, including through the analysis of the economic and financial information generated in activity 4.1.2b. Consider non-grant instruments for the project and detect information gaps that need to be addressed to define if those instruments could be used. Hold meetings with the project key stakeholders (MA, MEF, OPP, CND, coastal subnational governments) and elaborate a proposal for the basic elements of the trust fund governance structure.</p>	<p>Deliverable 4.1.2c Proposal on the size and governance structure of the trust fund to be established by the project, including detected information needs to consider non-grant instruments for the fund.</p>
				<p>Activity 4.1.2d Compile key information generated in activities 4.1.2a, 4.1.2b., 4.1.2c.</p> <p>Undertake technical revision and quality assessment of information, align it to the sectoral guide on “Cities, building and urban systems” issued by the Secretariat (first version in September 2021).</p> <p>Prepare the pre-feasibility study Annex of the Concept Note.</p>	<p>Deliverable 4.1.2d Pre-feasibility study Annex to the Concept Note, aligned to the sectoral guidance issued by the GCF Secretariat.</p>
				<p>Activity 4.1.2e Address the comments to the Concept Note issued by GCF Secretariat in the review sheet.</p> <p>Hold meetings with the GCF Secretariat expert assigned for the Concept Note follow up, if needed.</p> <p>Finalize the Concept Note, also integrating key information generated in activities 4.1.2a, 4.1.2b, 4.1.2c and 4.1.2d.</p>	<p>Deliverable 4.1.2e</p> <p>Finalized CN and submitted to GCF.</p>

				<p>Activity 4.1.2f Identify an accredited entity to support the preparation of a funding proposal, taking into consideration the status of CND’s accreditation process and its viability to be the Direct Access Entity for this project. Potential accredited entities will previously shortlisted by the NDA.</p>	<p>Deliverable 4.1.2f Report on the assessment of potential accredited entities and recommendation presented to the NDA.</p>
				<p>Activity 4.1.2g Detect key gaps and needs to be included in the PPF grant request, revise the existing PPF grant request draft and finalize it. This activity will be implemented in coordination with the accredited entity defined under activity 4.1.2e.</p>	<p>Deliverable 4.1.2g Finalized PPF grant request.</p>

4. THEORY OF CHANGE

4.1. Theory of change narrative

Uruguay has achieved a solid country programming to access the GCF, with a Country Programme endorsed by the Secretariat in 2021, and has advanced towards direct access, with CND achieving Stage II of the accreditation process in 2021. It has progressed in establishing strategic frameworks involving the public and private sectors to access climate finance, aiming to scale up its low-emissions climate-resilient development. This has allowed to plan a country-driven projects pipeline to the GCF. However, Uruguay has not yet achieved access to GCF funding for climate implementation projects. Potential Direct access (CND) and executing entities require strengthened capacities to comply with standards from innovative finance mechanisms such as GCF. Key stakeholders to detect project opportunities, such as subnational governments at the territorial level or productive sectors such as the public infrastructure and private construction sector, are not sufficiently engaged in the climate agenda and PNCC implementation. Also, two of the country-driven Concept Notes that Uruguay has developed to present to the GCF show technical and information gaps in order to be finalized and its quality approved.

The goal of the current Readiness request is to catalyze Uruguay's access to climate finance, in particular GCF funding, towards achieving low-emission climate-resilient pathways consistent with its PNCC, NDC, NAPs and LTS. Suppose capacities of potential direct access/executing entities and technical baseline of Concept Notes are enhanced to comply with GCF standards, and strategic frameworks are developed at the territorial/sectorial level. In that case, Uruguay will progress in its access to climate finance for building low carbon climate-resilient pathways consistent with its NDC and NAPs, because it will achieve direct access to GCF funding and two finalized quality Concept Notes.

The Readiness request is designed to overcome five major barriers reflecting the existing limited capacities, insufficient strategic frameworks reaching the territorial/sectorial level and gaps in the baseline robustness of projects in Uruguay's pipeline to GCF:

Barrier 1: Limited capacities within CND staff to address Stage II review and additional GCF documentation requests to complete the accreditation process.

Barrier 2: Lack of technical capacities and knowledge in specific GCF standards and financial structuring and budgeting tools among national executing entities and potential executing entities for climate change projects.

Barrier 3: Limited projects opportunities detected at territorial level in the current version of Uruguay's Country Programme.

Barrier 4: Limited capacities, knowledge on opportunities and guidance on tools to incorporate initiatives and planning for GHG emissions estimation/reduction or increased climate resilience among the public infrastructure sector and the private construction sector.

Barrier 5: Limited specific capacities and available information to complete a robust technical baseline and financial structure for the Concept Note on "Strengthening Uruguay's climate services" and to address GCF Secretariat review and finalize the Concept Note on "Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone". This barrier can be further disaggregated into:

Barrier 5a) Specific barriers regarding Concept note on "Strengthening Uruguay's climate services"

- Limited capacities for analyzing the viability of economic/financial instruments and detecting potential co-financing;
- Limited knowledge among the potential project beneficiaries on the WMO Global Framework Climate Services and its potential application at the national level;
- Limited knowledge on existing gaps and needs (e.g. in technology, human resources and expertise) for registering extreme events impacts;

Barrier 5b) Specific barriers regarding Concept note on "Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone"

- Limited available and processed information to address the GCF Secretariat review of the Concept Note received on August 6th 2021;
- Additional data and GCF specific guidance on "Cities, building and urban systems" not included in the current version of the Concept Note;

- Undefined Accredited Entity for the project, therefore a PPF grant request cannot yet be submitted.

The current Readiness request is designed to contribute to the achievement of **Outcomes 1.2., 1.3., 2.1., 2.2. and 4.1** via the delivery of nine (9) outputs which are jointly improving Uruguay's access to climate finance and in particular to GCF funding:

CND progress in its accreditation process will augment Uruguay's potential for direct access to GCF funding. This will require the update of CND's accreditation application form in the OAS, the preparation and compilation of relevant supporting documentation and the elaboration of additional required procedures and policies (activities 1.2.1a and 1.2.1b). This will result in GCF Accreditation Panel and/ or GCF Board receiving complete and pertinent documentation and information to assess CND accreditation in its final stage (**Output 1.2.1**). Activities under this output will use as inputs CND's last accreditation application form submitted to the OAS in December 2020, the Accreditation Stage II review comments from the Independent Accreditation Panel received in August 2021, institutional policies and procedures developed and implemented by CND, information gathered from different areas/departments within CND, and the NDA advice and guidance. Activities under this output will address *Barrier 1* by supporting CND to update its accreditation application form in the OAS and elaborate additional documents and procedures, based on the Accreditation Panel Stage II review and any additional GCF Secretariat's feedback.

Targeted capacity building to key (potential) executing entities of climate change projects (activities 1.3.1, 1.3.2 and 1.3.3) will result in national entities such as BROU, Ministry of Environment, MEF, ANDE, OPP and subnational governments, acquiring the adequate technical capacity to comply with GCF standards and to develop quality climate finance structuring and budgeting (**Outputs 1.3.1., 1.3.2 and 1.3.3**). Activities under these outputs will convene key staff within the national institutions in order to ensure impact and sustainability. They will address *Barrier 2* by undertaking trainings in two specific subjects (environmental and social risk assessment and management and PS 1-8; and financial structuring of climate change projects). Also, a specific support to CND will allow to identify gaps and opportunities for improving climate change project budgeting and costing process, apply them in two pilot activities related to climate change projects, and present the results to CND staff for capacity building.

To assess potential climate change project ideas and investments at territorial level with the subnational governments as a key partner (activity 2.1.1.) will further engage this stakeholder in the climate agenda. This will result in Uruguay Country Programme receiving inputs on new opportunities and needs detected at territorial level to engage with GCF (**Output 2.1.1.**). The selection criteria will include: (i) potential GHG emissions reduction and/or number of beneficiaries, (ii) paradigm shift potential, (iii) alignment with the PNCC, NDC, NAPs and LTS, (iv) potential environmental and social risks, (v) alignment and complementarity with the Country Programme to the GCF, (vi) alignment with the GCF strategic impact areas and Investment Criteria. This activity will address *Barrier 3* by detecting at least two potential projects and/or investments ideas (e.g. on the subject of smart and sustainable cities) to inform the Country Programme. Synergies will be made with URY-RS-006 activities on updating the Country Programme (URY-RS-006 output 2.2.1) and on implementing a training program for technical staff, decision makers and relevant stakeholders of subnational governments to advance integration of climate change into subnational planning (URY-RS-006 output 1.3.1).

Continue strengthening national capacities for planning and investing in resilient and sustainable public infrastructure, and for implementing best practices in the private construction sector (activities 2.2.1. and 2.2.2a, 2.2.2b, 2.2.2c) will enhance strategic frameworks and sectoral expertise for GCF programming. This will result in the public infrastructure and construction sector (demand and offer) acquiring knowledge and tools to incorporate the climate and environmental sustainability dimension into infrastructure planning and construction works (**Outputs 2.2.1 and 2.2.2**). Activities under these outputs will consider the NDC objective on reduction of CO2 emissions intensity per unit of GDP in the Energy sector, subsector transport and industrial processes, as well as the National Decree No. 402/018 Regulation of Art. 23 of Law 18.834 and Arts. 81 and 82 of Law 18.362 related to the sustainable public purchasing policy, and the methodology for calculating GHG emissions in infrastructure projects developed by CND. Activities under these outputs will address *Barrier 4*, by conducting workshops with the national and sub-national public sector for planning, investment and best practices implementation for resilient and sustainable infrastructure, and advising and providing tools for GHG emissions reduction to the construction sector.

Building specific capacities and generating required information to address gaps in the technical baseline, financial structure and governance of the Concept Notes on "Strengthening Uruguay's climate services" and "Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone" (activities 4.1.1a to 4.1.1c and 4.1.2a to 4.1.2g) will allow to progress towards accessing GCF funding for implementation projects. This will result in two finalized quality Concept Notes, with strong scientific basis, a sound baseline and a defined financial structure, and a PPF request for one of them (**Outputs 4.1.1 and 4.1.2**). Activities under these outputs will use as inputs the two Concept Notes drafted with URY-RS-003 and URY-RS006, GCF Secretariat review, prioritized sites by the subnational governments under the NAP Coastal zone, consultations with local stakeholders, among others. Activities under this output will address *Barrier 5*. *Barrier 5a*) on the Concept Note on "Strengthening Uruguay's climate services" will be tackled by

drafting a final proposal for the financial structure of the project, conduct a training on the WMO Global Climate Services framework, and quantifying gaps and needs for registering extreme events impacts related to the CN goal and components. *Barrier 5b)* on the Concept Note on “Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone” will be addressed by conducting technical assessments to increase available information to respond to the Secretariat’s review to the CN, improve and finalize the CN including a Pre-feasibility Annex and aligning it to the sectoral guidance on “Cities, building and urban systems”, select an Accredited Entity for the project considering the status of CND’s accreditation process, and finalize the PPF grant request for the project.

Key assumptions:

- Independent Accreditation Panel will reply timely to CND response document to Stage II review in order to progress towards the final accreditation stage within the Readiness project timeframe;
- National (potential) climate change projects executing entities other than CND, are interested in building their capacities in GCF standards and financial structuring and budgeting tools for climate change projects;
- In order for the NDA to consider the results eligible to incorporate in the Country Programme, all the specified criteria are met and justified in the consultancy deliverables;
- Strong engagement with subnational governments will be maintained through the NDA as a continuation of the NAP Coastal zone process and through CND’s role as subnational projects implementer;
- Public bodies are interested in including resilience and sustainability in infrastructure planning; construction companies are interested in developing cleaner production processes;
- The “Strengthening Uruguay’s climate services” project is a priority for the government, in particular the institutions within the Climate Services working group.

Risks:

- Poor coordination with ongoing relevant readiness activities in the country/region
- Difficulty finding providers for the services proposed due to their specificity.
- New COVID19 outbreak slows down the realization of consulting and / or training activities and makes it difficult to achieve quality and / or timely products.
- The post-Covid19 public budget restriction discourages changes in the planning of public infrastructure works, and the incorporation of best practices in the procurement of public works.
- Demands received by CND at territorial level for assessing potential climate change projects are not sufficiently aligned with the PNCC, NDC or NAPs or don’t have enough impact potential.
- A shift in government priorities emerges and the “Strengthening Uruguay’s climate services” project is no longer a priority in the GCF Country Program.

The diagram below demonstrates the Theory of Change, which underpins this proposal, presenting the pathways that will guide the efforts to address the identified barriers for catalyzing Uruguay’s access to climate finance, in particular GCF funding.

4.2. Theory of change diagram

GOAL	Catalyze Uruguay’s access to climate finance, in particular GCF funding, towards achieving low-emission climate-resilient pathways consistent with its PNCC, NDC, NAPs and LTS.
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GOAL STATEMENT	IF technical capacities of potential direct access/executing entities and technical baseline of Concept Notes are enhanced to comply with GCF standards, and strategic frameworks are developed at the territorial/sectorial level, THEN Uruguay will progress in its access to climate finance for building low carbon climate-resilient pathways consistent with its NDC and NAPs, BECAUSE it will achieve direct access to GCF funding and two finalized quality Concept Notes.				
OUTCOMES	Outcome 1.2. Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF’s accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities	Outcome 1.3 Relevant country stakeholders (which may include executing entities, civil society organizations and private sector) have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF-funded activities	Outcome 2.1 GCF recipient countries have developed Country Programmes to guide GCF investment and programming of readiness support resources	Outcome 2.2 GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment	Outcome 4.1 An increase in the number of quality projects Concept Notes developed and submitted
OUTPUTS	Output 1.2.1 GCF Accreditation Panel and/or GCF Board receive complete and pertinent documentation and information to assess CND accreditation, according to Stage II review	<p>Output 1.3.1. (Potential) national executing entities staff trained in environmental and social safeguards and PS 1-8</p> <p>Output 1.3.2. (Potential) national executing entities staff are trained in climate change financial structuring</p> <p>Output 1.3.3. CND, as climate change projects EE and potential DAE to GCF, has improved budgeting and costing processes for climate change investments.</p>	Output 2.1.1 At least two new project ideas and investments at territorial level are identified, which are aligned to Uruguay’s PNCC, NDC, NAPs, LTS and CP	<p>Output 2.2.1. Stocktaking on the public sector demand and capacities for planning and implementing resilient and sustainable best practices in infrastructure works</p> <p>Output 2.2.2. Construction sector trained and advised in low-GHG emissions construction processes and infrastructure.</p>	<p>Output 4.1.1 The Concept Note on “Strengthening Uruguay’s climate services” is finalized, with an improved technical baseline and a defined financial structure</p> <p>Output 4.1.2 The Concept Note on “Increasing resilience in cities, ecosystems and communities of Uruguay’s coastal zone” is finalized, including a pre-feasibility study Annex, GCF review remarks addressed, aligned to the sector guide issued by the Secretariat. Accredited entity defined and PPF grant request finalized.</p>
INPUTS	CND’s last accreditation application submitted to the GCF Online Accreditation System (December 2020); Accreditation process Stage II review comments from the Independent Accreditation Panel (received in August 2021); inputs from different areas within CND to gather	Institutional policies and procedures developed and implemented by CND; Key E&S personnel begun to strengthen its competencies to cover PS 1 – 8; Recent CND experience in structuring climate change projects; Other (potential) executing entities interest in capacity building.	PNCC, NDC, NAPs and LTS; ESS; Uruguay endorsed Country Programme to the GCF; GCF strategic impact areas and sectorial guides; GCF Investment Criteria; CND’s Climate Change Pipeline	The 1 st NDC’s goal to reduce the intensity of CO2 emissions per unit of GDP by 29% in the Energy sector, including Transportation and Industrial processes, and the 2022 revised NDC goal in the same sector; Decree No. 402/018 Regulation of Art. 23 of Law 18.834 and Arts. 81 and 82 of Law 18.362, related to the sustainable public purchasing policy; Environmental management certificate of CND;	The two Concept Notes drafted with URY-RS-003 and URY-RS006;GCF Secretariat review remarks to one of them; WMO Global Climate Services framework; Consultation with GCF Secretariat expert in climate services and early-warning; CND’s experience in financial trusts; Río de la Plata and Atlantic Ocean coastal climate change risk assessment elaborated under IH Cantabria methodology (2019); DINAGUA expertise/ methodology in elaborating flood risk maps; Prioritized sites under the NAP Coastal zone by the subnational governments;

	requested information; NDA advice and guidance.			Methodology for calculating GHG emissions in infrastructure projects carried out by CND.	Technical information and follow up provided by subnational governments staff; Consultations with local stakeholders (population, CSO, women groups, academia).
BARRIERS	Limited capacities within CND staff to address Stage II review and additional GCF documentation requests to complete the accreditation process	Lack of technical capacities and knowledge in specific GCF standards and financial structuring and budgeting tools among national executing entities and potential executing entities for climate change projects.	Limited projects opportunities detected at territorial level in the current version of the Country Programme.	Limited capacities, knowledge on opportunities and guidance on tools to incorporate initiatives and planning for GHG emissions estimation/reduction or increased climate resilience among the public infrastructure sector and the private construction sector	Limited specific capacities and available information to complete a robust technical baseline and financial structure for the Concept Note on "Strengthening Uruguay's climate services" and to address GCF Secretariat review and finalize the Concept Note on "Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone".
KEY ASSUMPTIONS	Independent Accreditation Panel will respond timely to CND response document to Stage II review in order to progress towards the final accreditation stage within the Readiness project timeframe.	National (potential) climate change projects executing entities other than CND, are interested in building their capacities in GCF standards and financial structuring and budgeting tools for climate change projects.	In order for the NDA to consider the results of this output eligible to incorporate in the Country Programme, all the specified criteria are met and justified in the consultancy deliverables.	Public bodies are interested in including resilience and sustainability in infrastructure planning; construction companies are interested in developing cleaner production processes.	The "Strengthening Uruguay's climate services" project is a priority for the government, in particular the institutions within the Climate Services working group. Strong engagement with subnational governments will be maintained through the NDA as a continuation of the NAP Coastal zone process and through CND's role as subnational projects implementor. Subnational governments are key stakeholders for the finalization of the Concept Note "Increasing resilience in cities, ecosystems and communities of Uruguay coastal zone".
RISKS	<ul style="list-style-type: none"> - Difficulty finding providers for the services proposed due to their specificity. - New COVID19 outbreak slows down the realization of consulting and / or training activities and makes it difficult to achieve quality and / or timely products. - The post-Covid19 public budget restriction discourages changes in the planning of public infrastructure works, and the incorporation of best practices in the procurement of public works. - Demands received by CND at territorial level for assessing potential climate change projects are not sufficiently aligned with the PNCC, NDC or NAPs or don't have enough impact potential. - A shift in government priorities emerges and the "Strengthening Uruguay's climate services" project is no longer a priority in the GCF Country Program. - Poor coordination with ongoing relevant readiness activities in the country/region. 				

5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

5.1 Budget plan

Please complete the Budget Plan in Excel using the template available in the [Library](#) page of the GCF website.

5.2 Procurement plan

Please complete the Procurement Plan in Excel using the template available in the [Library](#) page of the GCF website. For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in section 2, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

5.3 Implementation Plan

Please complete the Implementation Plan in Excel using the template available in the [Library](#) page of the GCF website.

5.4 Disbursement schedule

Please specify the proposed schedule for requesting disbursements from the GCF. For periodicity, specify whether it's quarterly, bi-annually or annually only.

Readiness Proposal that requires a bilateral Grant Agreement

- The first disbursement *amounting* USD 210,000 will be transferred upon approval of the readiness request and effectiveness of the Grant Agreement;
- The second disbursement *amounting* USD 170,000 will be transferred upon submission of an interim progress report and audited financial report, in form and substance acceptable to the Fund; and
- The third disbursement *amounting* USD 48,703 will be made upon submission of a completion report and financial report, in form and substance acceptable to the Fund, including an audited expenditure statement.

6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

6.1 Implementation arrangements

Please describe how implementation arrangements will be made and how funds will be managed by the NDA and/or the Delivery Partner.

The **Corporación Nacional para el Desarrollo (CND)** will be the **Delivery partner (DP)** for the current Readiness request. It will therefore be responsible for its implementation and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with its policies and procedures and with the Bilateral Grant Agreement to be signed with GCF or its fiduciary agent. The DP will ensure high quality control and facilitate monitoring, evaluation, and learning.

Since the CND is in Stage II of GCF accreditation process to become Uruguay's first Direct Access Entity, is also an executing entity for existing and future climate change projects, has a regular engagement with subnational governments, has a role as a facilitator of public infrastructure projects in Uruguay and as construction services contractor, it is considered of great effectiveness and efficiency that CND is the Delivery partner. CND has also lessons learned and successful completion of previous Readiness activities. This will give continuity to the entity's institutional strengthening process as executing entity and potential DAE, and will facilitate the strengthening of two Concept Notes that are being carried out with CND collaboration (since it is expected to be the Executing or Accredited Entity for those projects).

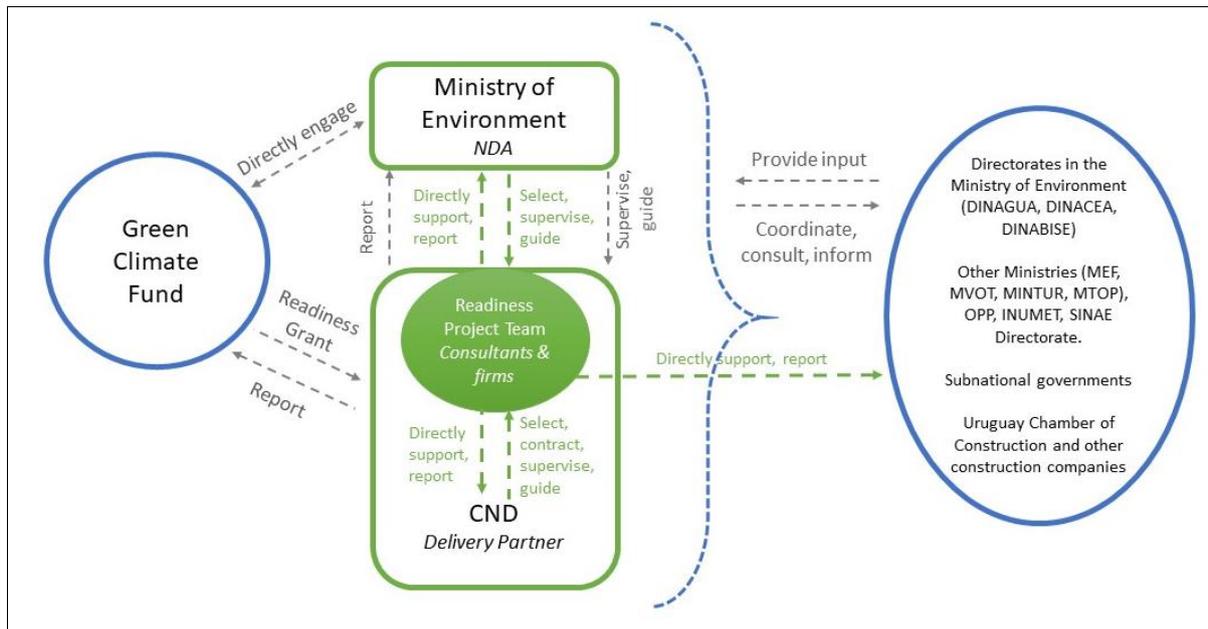
CND's Departmental Government Manager will lead and monitor the Readiness request implementation, and will report the Readiness request progress to GCF Secretariat and the NDA. A **Project Coordination Unit (PCU) under CND** will be responsible for the execution and implementation of the activities. It will include two consultants: (1) the Specialist in institutional strengthening and finance, and (8) the Project manager and administrative assistant; they will be hosted in the offices of CND. The acquisitions will be in charge of the Management of Administration and Finance of CND, and the HR management of CND will conduct the consultancy contracting processes.

The **National Climate Change Directorate in the Ministry of Environment**, as the **NDA** to the GCF, will be CND partner in the implementation of this proposal. It will provide strategic oversight, leadership and guidance to the CND and the PCU for the implementation of the Readiness, in order to ensure country ownership, alignment with the PNCC, LTS, NDC, NAPs, synergies with other projects as detailed in section 1.11, and achievement of high quality results and outputs. The NDA will provide inputs to the Terms of References (ToRs), will participate in the selection committee of consultants and professional firms, and will approve the technical and financial reports of the Readiness request. The NDA will also facilitate engagements with other government ministries and agencies as well as other relevant stakeholders, as required.

Both CND and the NDA will supervise the Readiness team (consultants and professional firms) and will articulate with other beneficiaries, according to each activity.

Six departmental governments (Colonia, San José, Montevideo, Canelones, Maldonado and Rocha) will provide their local technical knowledge in order to prepare Terms of Reference and inputs for several project activities. **Relevant Ministries, Subnational governments, the Uruguayan Chamber of Construction, and construction companies** will provide inputs for several activities.

Implementation Arrangements Map:



6.2 Implementation and execution roles and responsibilities

Please briefly describe how the activities will be implemented and outputs delivered by project staff and consultants.

Below are the main roles and responsibilities among **CND staff**:

Departmental Government Manager (staff):

- Responsible for the Readiness request management
- Approval of: contracts, reports to the GCF Secretariat and deliverables of consultants.

Procurement personnel (staff):

- Preparation of calls for consultancies and advice for the award.

HR personnel (staff):

- Planning and contracting workshops / trainings.

Finance and administrative personnel (staff):

- Payments, accounting, reconciliation of bank accounts.

The Readiness project team will include six (6) national consultants: two (2) international consultants, two (2) training services, four (4) professional firms. The PCU of the Readiness request will include two of the national consultants: the Specialist in institutional strengthening and finance, and the Project manager and administrative assistant.

Below are the main roles, responsibilities and essential skills of **national consultants proposed**:

- (1) Role: Specialist in institutional strengthening and finance** (National consultant; Budget Notes A, B, C and D)

Responsibilities:

- the consultant will assume responsibilities of Project Coordinator and will: lead all the readiness activities under this proposal and technically oversee all consultants and professional firms, provide quality assurance of all deliverables, maintain open and constant communication with CND and the NDA, prepare the bi-annual progress reports and final report in accordance to the monitoring mechanism set, identify and systematize lessons learned
- support the process of Accreditation Stage II and the preparation of the required documents, including OAS resubmission (Activities 1.2.1a and 1.2.1b), conduct a survey on gaps, needs and opportunities among (potential) national executing entities to establish an ESS assessment and monitoring system, and elaborate recommendations (Activity 1.3.1b), explore alternatives for designing the financial structure of

the Concept Note on “Strengthening Uruguay climate services and the potential design of a national climate services fund” (Activity 4.1.1a), and estimate the expected size of the trust fund to be established by the project “Increasing resilience in cities, ecosystems and communities of Uruguay’s coastal zone” (Activity 4.1.2c).

Essential skills: Economist or accountant, with experience in institutional and economic-financial analysis, project management and financial structuring, trust funds design. Experience in climate change and/or environmental issues will be appreciated.

(2) Role: Project Manager and administrative assistant (National consultant; Budget Note Q).

Responsibilities (part-time contract); the consultant will support the Specialist in institutional strengthening and finance in project planning, supervising, monitoring and reporting; prepare ToRs and manage the calls, selection procedure in coordination with CND and the NDA; provide ongoing assistance and support for overseeing all consultants and professional firms work and for adequate budget management; review and ensure completeness and accuracy of financial reports.

Essential skills: experience in projects management with multilateral funding.

(3) Role: Specialist in budgeting and cost analysis (National consultant; Budget Note G)

Responsibilities: the consultant will be in charge of Activities 1.3.3a and 1.3.3b. He/ She will conduct an assessment to identify opportunities for improvement in the CND’s climate change projects budgeting and costing process, implement the recommendations in at least two pilot activities related to climate change projects, assess the results and socialize the lessons learnt from the pilots among CND staff.

Essential skills: Economist or accountant, with vast experience in project financial structuring and institutional costing processes. Experience in climate change projects and innovative financial mechanisms.

(4) Role: Expert in climate-resilient and sustainable infrastructure (National consultant; Budget Note I)

Responsibilities: The consultant will be in charge of Activity 2.2.1. He/ She will conduct two virtual workshops with the national and sub-national public sector (intended attendees: at least 100 officials) for investment planning and best practices implementation for resilient and sustainable infrastructure. He/ She will coordinate the workshops contents and format with the NDA and CND, and will work with consultant (5).

Essential skills: Engineer or Architect with demonstrated training and experience in climate-resilient and sustainable infrastructure, GHG emissions reduction processes in buildings, nature-based solutions for mitigation and adaptation, and knowledge about public biddings processes and requirements.

(5) Role: Specialist in Lean Construction and low-carbon construction methodologies (National Consultant; Budget Note J)

Responsibilities: The consultant will be in charge of Activities 2.2.2a, 2.2.2b and 2.2.2c. He/ She will: (a) implement advice on reducing GHG emissions in the construction sector throughout the entire construction project life cycle, (b) develop contents for a manual of good practices for reducing GHG emissions in the construction sector throughout the entire construction project life cycle. (c) lead two dissemination workshops with the Chamber of Construction and other relevant stakeholders to socialize the results. He/She will coordinate the contents and format of activities with the NDA and CND, and will work with consultant (4).

Essential skills: Engineer or Architect with demonstrated training and experience in Lean Construction methodologies, energy efficiency, waste management and GHG emissions reduction processes in projects life cycle in the construction sector.

(6) Role: Expert in flood risk maps elaboration (National consultant; Budget Note N).

Responsibilities: The consultant will be responsible for Activity 4.1.2a. He/ She will directly support DINAGUA (Ministry of Environment) with the elaborating of the flood risk maps in three of the prioritized sites included in the Concept Note on “Increasing resilience in cities, ecosystems and communities of Uruguay’s coastal zone”. He/ She will ensure that the flood risk maps include the climate change risk rationale and the social and gender perspective.

Essential skills: Environmental hydraulic engineer with specialization in urban hydrology, climate change risk and infrastructure projects. Specific experience in elaborating flood/multi-hazards risk maps is needed. Knowledge in GIS will be valued.

Below are the main roles, responsibilities and essential skills of **international consultants proposed**:

(7) Role: Expert in implementation of the Global Framework of Climate Services (international consultant; Budget note L)

Responsibilities: the consultant will be responsible for Activity 4.1.1b. He/ She will conduct a training on the WMO Global Framework of Climate Services and the building of a National Framework, and a workshop to apply the acquired knowledge to the project's goal and components.

Essential skills: Professional with higher education in areas related to climatology, meteorology, hydrology and others related, with work experience with the World Meteorological Organization (WMO), the Global Framework for Climate Services (GFCS) and Climate Services for Resilient Development partnership (CSRD), in formulation, planning, implementation, or management of climate services projects, and in implementation of projects based on the GFCS value chains.

(8) Role: Expert in Pre-Feasibility drafting and climate change projects elaboration (International Consultant; Budget Note P)

Responsibilities: the consultant will be in charge of activities 4.1.2d to 4.1.2g. He/ She will elaborate the pre-feasibility study Annex, finalize the Concept Note and the PPF grant request, and recommend the AE for the project.

Essential skills: experience in designing climate change adaptation projects and in elaborating Concept Note and Pre-feasibility documents for the GCF, background and experience in infrastructure projects involving nature-based-solutions.

Below are the **Professional Services Firms** estimated profiles for each activity:

(Firm #1) Professional Services Firm to assess potential projects ideas at territorial level (Budget Note H).

Service required: the firm will be in charge of Activity 2.1.1. It will undertake an assessment to identify needs and opportunities at territorial level for potential project ideas that contribute to the climate change mitigation and adaptation agenda in the PNCC, NDC, NAPs and LTS, and are aligned with the GCF strategic impact areas and Investment Criteria). The selection criteria for the projects ideas will include: (i) potential % of GHG emissions reduction and/or number of beneficiaries, (ii) paradigm shift potential, (iii) alignment with the PNCC, NDC, NAPs and LTS, (iv) potential environmental and social risks, (v) alignment and complementarity with the Country Programme to the GCF, (vi) alignment with the GCF strategic impact areas and Investment Criteria.

Required qualifications: Professional team that incorporates experts in at least: climate change, smart/ sustainable/ resilient cities, transportation, urban planning and waste management, nature-based-solutions, and gender and social perspective.

(Firm #2) Professional Services to adjust the Concept Note on “Strengthening Uruguay’s climate services” (Budget Note M)

Service required: the firm will be in charge of Activity 4.1.1c. It will assess and quantify technological and human resources gaps for registering extreme events impacts related to the Concept Note goal and components, and will provide recommendations to adjust the CN. These professional services will coordinate very closely with the NDA, consultants from URY-RS-006 and the institutional Climate Services working group.

Required qualifications: Professional team that incorporates experts in at least: weather forecasting systems and technology, design of early-warning systems, economist with experience in climate change losses and damages quantification, statistics, information data analysis and processing, social vulnerability with gender perspective.

(Firm#3) Professional services for pre-project assessment for implementing adaptation measures in three prioritized sites (Budget Note O).

Service required: the firm will be in charge of Activity 4.1.2b. It will undertake a pre-project assessment for the three same sites than Activity 4.1.2a. Each pre-project assessment is estimated (according to subnational governments and CND previous experience with local firms) at a value of between USD 30,000-40,000 depending on the size of the site and alternative technical solutions to be analyzed. Each pre-project assessment will include: (i) a study of the socioeconomic context and general aspects; (ii) a study of the alternative technical solutions, technologies and practices; (iv) an environmental and social impact screening; (v) a cost (or, if possible, a cost-benefit) and financial analysis. The deliverables will provide specific information to address the CN review remarks (alternative technical solutions and best available technologies to address climate change vulnerabilities and impacts; costs of these potential solutions and the cost-benefit analysis; financial analysis), but also valuable inputs to elaborate the CN pre-feasibility Annex in output 4.1.2.

Required qualifications: multi-disciplinary team with experience in feasibility assessment in infrastructure works, climate change and economic analysis, integrated at least environmental hydraulics engineer with experience in pluvial drainage, environmental sciences professional with experience in nature-based-solutions, geologist with experience in coastal dynamics, architect with experience in land planning and/or urban projects.

(Firm #4) Audiovisual firm to design the manual of good practices for reducing GHG emissions
(Budget Note K)

Service required: the firm will be in charge of Activity 2.2.2b. It will revise, edit and do the graphic design of the manual of good practices for reducing GHG emissions in Uruguayan construction sector. Contents for the manual will be developed by Consultant 5; the firm will therefore have to coordinate its deliverable with him/her.

6.3 Risks and mitigation measures

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Operational	Difficulty finding providers for the services proposed due to their specificity.	Low	Low	CND will prepare clear ToRs, publish widely, utilize the NDA and key stakeholders network, and incorporate explanatory public events to interested suppliers in the framework of competitive processes.	CND
Operational	New COVID19 outbreak slows down the realization of consulting and / or training activities and makes it difficult to achieve quality and / or timely products	Medium	Medium	Start the selection and contracting processes in the first quarter of project implementation. Provide telework options in ToRs. All trainings can be undertaken in a virtual format.	CND
Development	The post Covid-19 public budget restriction discourages changes in the planning of public infrastructure works, and the incorporation of best	Medium	Medium	Involve medium and long-term policy planning bodies in implementing of the corresponding Readiness activities, such as the Planning and Budget Office, in order to define the best framework in which to engage public bodies to	CND

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
	practices in the procurement of public works			avoid aversion and that best practices can be gradually incorporated into public works contracting either because it is considered an opportunity or once the budget constraint situation is overcome.	
Development	Demands received by CND at territorial level for assessing potential climate change projects are not sufficiently aligned with the PNCC, NDC or NAPs or don't have enough impact potential.	Medium	Medium	Maintain close coordination with the NDA, and other members of the SNRCC if applicable, to validate the projects ideas and proposals from the beginning and throughout the corresponding Readiness activity duration.	CND
Development	A shift in government priorities emerges and the "Strengthening Uruguay's climate services" project is no longer a priority in the GCF Country Program.	Low	Low	The Climate Services working group established in the framework of the National Climate Change Response System (SNRCC) ¹³ was engaged in the Concept Note preparation with URY-RS-006. Continue to engage it in the implementation of this Readiness request.	NDA
Development	Poor coordination with ongoing relevant readiness activities in the country/region	Low	Medium	The implementation arrangements proposed in this Readiness request will ensure that synergies will be realized with other Readiness activities and duplication of efforts will be avoided. The NDA will have direct oversight over the PCU and, since the NDA oversees all ongoing Readiness grants, it will ensure synergies by assigning NDA staff according to their expertise or role to follow up this Readiness request activities and by linking pertinent consultants from other	NDA

¹³ The SNRCC is constituted by Ministry of Environment, Ministry of Foreign Affairs, Ministry of Economy and Finance, Ministry of National Defense, Ministry of Industry, Energy and Mining, Ministry of Livestock, Agriculture and Fishery, Ministry of Health, Ministry of Tourism, Ministry of Social Development*, the Budgeting and Planning Office, the National Emergencies System and the National Mayors' Congress.

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
				Readiness activities with the PCU.	
Institutional/reputational	Money laundering and terrorist financing	Low	Low	Apply the CND “Policy for the Prevention of Money Laundering and Financing of Illicit Activities”, the CND “Know your Customer and Acceptance Procedure” and its Code of Ethics. Carry out adequate “Know your customer” due diligence to all the contracts signed and include clauses in order to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by CND do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml .	CND
Institutional/reputational	Prohibited practices	Low	Low	Apply the CND “Anti-corruption Policy” and its Code of Ethics.	CND

6.4 Monitoring

CND will be in charge of the project implementation, monitoring and reporting to GCF and the NDA, and will carry out the technical supervision of the consultancies, trainings and workshops.

Interim Report will be prepared by the Departmental Government Management of CND after 6 months of approval, and sent to the NDA and GCF.

Final Completion Report will be prepared by the Departmental Government Management of CND at the end of the project, and sent to the NDA and GCF.

The NDA will provide strategic oversight, leadership and guidance to the CND and the PCU for the implementation of the Readiness, and will provide technical supervision of the consultancies.

6.5 Other Relevant Information

Record of cooperation between CND and the NDA:

- (a) CND was the Delivery Partner of the GCF Readiness and Preparatory Support for the “CND capacity strengthening for direct access to GCF in Uruguay” approved on December 2018, and the “CND capacity strengthening for direct access to GCF in Uruguay II” approved November 2019. The Ministry of Environment (MA, current NDA to the GCF) monitored these readiness grants.
- (b) Several projects were executed by CND and the MA, NDA (Executor) under the Agreement between the Spanish Agency for International Development Cooperation (AECID), the Uruguay Agency for International Cooperation (AUCI) and CND; EUR 10,489,313. Source: AECID grant/2008-2016. CND was in charge of Fund Management: financial and fiduciary management disbursements, hiring, payments, etc.). Services were provided for the execution of 65 projects, including:
- Environment, Sustainable Development and Fight against Climate Change Program
 - MERCOSUR Environmental Information System (SIAM)
 - Climate Change Program
 - Institutional Strengthening of the National Climate Change Response System
 - Preservation and Sustainable Use of Biodiversity, Resilience of Ecosystems and Climate Change
 - Project on Climate Change and Energy
 - Institutional Strengthening of the National Climate Change Response System
 - Institutional Strengthening of the National Climate Change Response System
 - Strengthening of Uruguay's Ability to Adapt to the Effects of Climate Change in the Coastal Area
 - Program to Support Public Policies in Social, Environment, Climate Change and Governance Issues
 - MERCOSUR Observatory on Health Systems (Phases I, II and III)
- (c) Project: Strengthening of Uruguay's Ability to Adapt to the Effects of Climate Change in the Coastal Area. EUR 130,000. Source: AECID grant. 2016-2017. Executor: Ministry of Environment (MA, NDA). Role of CND: Fund Management: financial and fiduciary management (disbursements, hiring, payments, etc.).
- (d) Agreement between Ministry of Environment (MA, NDA) and CND for the structuring of infrastructure projects in social interest housing by Public Private Participation contracts or other contract modalities. 2017-2018.
- (e) Uruguay is not subjected to any United Nations Office for Project Services restrictive measures.

Exit strategy:

Outputs under Outcomes 1.2 y 1.3 will strengthen capacities of (potential) national executing entities staff including CND, as climate change projects EE and potential DAE; these are all internal outcomes to CND that will remain over time. Trained CND staff will also be able to transfer skills inside CND as well as outside to potential strategic partners and/or the NDA.

Output 2.1.1 is expected to serve as an input for future Country Programme updates and, since the project ideas have a robust selection criterion, it should eventually detect opportunities for elaborating new climate change projects.

Sustainability of outputs under Outcome 2.2 depend on the interest raised among the infrastructure and construction public and private sectors during the workshops and trainings. CND will ensure to invite a wide range of stakeholders and not limit to its clients and suppliers only. If the construction / infrastructure sector shows interest, CND could make a partnership with the Office of Planning and Budget (OPP), which manages the national budget for subnational governments and public works, as well as the Chamber of Construction in order to continue sharing best practices and advisory services. Also, the workshops materials will be uploaded in CND website for public access.

Output 4.1.1 is expected to improve the quality of one Concept Note on “Strengthening Uruguay’s climate services”, prepared with URY-RS-006 and to be submitted to GCF Secretariat for revision. The sustainability of this output will depend on the comments received by the GCF Secretariat to the Concept Note and if CND is finally accredited. They could serve to strengthen the CN and beneficiary institutions baseline, but in case the Concept Note does not continue in Uruguay’s pipeline to GCF, they will have contributed to the implementation of the current NDC and to the NDC revision expected for 2022.

Output 4.2.1. is expected to respond the GCF review remarks (August 2021) to the Concept Note “Increasing resilience in cities, ecosystems and communities of Uruguay’s coastal zone”, submitted to GCF Secretariat in June 2021. The intention is to access to GCF funding to implement adaptation measures in at least six of these pilot sites and additional funding is being requested through other sources in order to undertake the same assessments in the rest of the pilot sites. IH Cantabria climate change risk model elaborated for the entire Rio

de la Plata and Atlantic Ocean coastal zone is a strong science basis and Uruguay is committed to advance in increasing the coastal zone resilience.

At this moment, CND has 5 staff officials dedicated part time to activities related to climate change projects. The Manager of Subnational Governments, who leads this topic into the organization and the dialogue with the NDA, one focal point for environmental and social safeguards, two professionals dedicated to environmental risk analysis and gender analysis in projects, and an assistant.

Preventing financial mismanagement:

In accordance with the provisions of the Code of Ethics and CND's anti-corruption policy, all prohibited practices must be avoided, without exception. This includes bribery, corruption, or any other illegal activity.

CND expressly prohibits any act of retaliation against personnel members and/or third parties, that acting in good faith, file a complaint reporting a corrupt or forbidden practice, or that contribute to the investigation procedure of a complaint.

CND's anti-corruption policy the Code of Ethics and the Complaint procedure against corruption and/or forbidden practices and whistle-blower protection, are posted on the CND website.