

# Country Systems Report 9 | **Uruguay**

Policies and regulatory systems for  
environmental & social licensing and enforcement



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## Table of Contents

<b>I. Constitutional and policy framework for sustainable development</b>	4
a. Constitutional basis for environmental protection	4
b. National policies on the environment and sustainable development	4
Table 1: Key national policies, plans, and programs	4
<b>II. Legislative and institutional framework for environmental licensing and enforcement</b>	6
a. Overview	6
1. Legislation on the ESIA process and environmental licensing	6
2. Modernizing governance of the environment, water resources, and climate change	6
b. Competent government institutions	7
Table 2: Institutions with a central role in environmental licensing and enforcement	7
c. Other key institutions	
Table 3. Inter-agency coordination	9
<b>III. Environmental licensing</b>	9
a. Overview of ESIA and licensing functions	9
b. Public consultation and conflict avoidance	10
<b>IV. Monitoring and enforcement</b>	10
a. Overview: monitoring and inspections	10
Table 4: Quality Management System	12
Table 5: Statistics on licensing and enforcement	12
b. Environmental Enforcement Programs and the selection of enforcement priorities [under development]	13
c. Sanctioning regime	14
Table 6. Application of fines established by Article 30 of Decree No. 349/005	15
d. Prosecution and environmental tribunals [Information pending]	15
e. Compliance promotion programs	15
<b>V. Information systems and technology tools for case management and monitoring</b>	15
a. The National Environmental Observatory (OAN)	15
<b>VI. Cost recovery and funding for licensing and enforcement tasks</b>	16
a. Budget allocations	16
b. Fees for services: processing environmental license applications	16
c. National Fund for the Environment	16



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## Country Systems Report 9 | Uruguay

Policies and regulatory systems for environmental licensing and enforcement



### I. Constitutional and policy framework for sustainable development

#### a. Constitutional basis for environmental protection

Uruguay's Constitution provides a mandate for environmental protection in general and concise terms, leaving most topics within the ambit of the environment and natural resources to legislation. Article 47 of the Constitution states that:

“The protection of the environment is of common interest. Persons should abstain from any act that may cause the serious degradation, destruction or pollution of the environment. The law shall regulate this disposition and may provide sanctions for transgressors.”<sup>1</sup>

The Constitution was amended three times since its adoption in 1967, adding provisions to Article 47 that recognize access to drinking water and sanitation as fundamental human rights and reserving the provision of drinking water and sanitation services exclusively to state control.

#### b. National policies on the environment and sustainable development

National policy provisions on the environmental and sustainable development are defined in a number of pieces of legislation, with Law 17,283 of 2000 (the General Law of the Environment) establishing core policy objectives in conformity with the Constitution.<sup>2</sup> The General Law asserts a fundamental national interest in the prevention, avoidance, mitigation and compensation of adverse environmental impacts, while linking environmental policy to sustainable development.<sup>3</sup> Article 6 of the General Law proclaims Uruguay's intent to distinguish itself among nations as a “Natural Country” from an economically, culturally, and socially sustainable development perspective, pursuing an increasingly transformative, cross-sectorial pathway for economic growth.<sup>4</sup> These provisions set the stage for more explicit policy objectives.

#### Key national policies, plans, and programs

In the past decade, two national policies have provided significant contributions toward integrating environmental protection with sustainable development in Uruguay.

**1. National Action Plan for the Promotion of Sustainable Production and Consumption 2010-2015.** In 2010, Uruguay's environmental directorate (DINAMA) issued the five-year Action Plan and created the *National Roundtable for Sustainable Production and Consumption*.<sup>5</sup>

<sup>1</sup> Constitution of the Oriental Republic of Uruguay 1967, with the amendments passed by plebiscite in 1989, 1994, December 8, 1996 and 2004.

<sup>2</sup> Law 17,283 of 2000 (the General Law of the Environment).

<sup>3</sup> *Id.*, Art. 1(G).

<sup>4</sup> Law 17,283, Art. 6.

<sup>5</sup> MVOTMA (2010-07-28) *Se creó la Mesa Nacional de Producción y Consumo Sostenible*. Available at: <http://www.mvotma.gub.uy/portal/sala-de-prensa/noticias/item/999882-2010-07-28-se-cre%C3%B3-la-mesa-nacional-de-producci%C3%B3n-y-consumo-sostenible.html>.



The National Action Plan explicitly called for strong environmental monitoring and enforcement capabilities for preventing environmental degradation and initiated a strategic process for creating a more environmentally sustainable economy, built on public and private sector collaboration.<sup>6</sup>

**2. National Environmental Plan for Sustainable Development** - Conceived as a strategic and dynamic document, the Plan identifies Uruguay's principal environmental challenges, using a participatory approach to guide policies and actions going forward. The plan articulates objectives and lines of action for the key actors, public and private, who influence environmental affairs at the national, departmental and municipal levels. The plan has a time horizon of 2030 and aims to increase the incorporation of environmental considerations into economic activities through legal frameworks, better technologies and practices, and improved environmental performance and competitiveness.<sup>7</sup> In addition, the Plan prescribes a governance approach that coordinates and integrates the various sectors in the national policy-making process, but executes licensing and enforcement tasks in connection with specific projects at the department (province) or local level.<sup>8</sup>

**3. National System for Competitiveness** - In 2016, Uruguay's legislature built upon earlier progress in preparing the country for green economic growth by enacting Law 19,472, which established the *National System for Competitiveness*. Law 19,472 articulated the underpinnings for economic growth, which are linked to maintaining "environmental and land use balance" and social equity.<sup>9</sup> The National System's agenda includes goals that emphasize innovation, technology, and entrepreneurial competitiveness, as well as new activities that will generate new capacities in the workforce.

**4. National Plan for Climate Change Response** - This document was created in order to incorporate climate change into Uruguay's long-term strategy for sustainable development. It provides a diagnosis of the country's vulnerability to climate change and establishes strategic lines of action for implementing and managing climate adaptation and mitigation measures.<sup>10</sup> The adaptation plans address different industry sectors or topics, such as water resources, energy, biodiversity, production and consumption, and tourism, while mitigation plans concern the reduction of emissions in those areas.

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<sup>6</sup> DINAMA (2010), *Plan de acción nacional para la promoción de la Producción y el Consumo Sostenible 2010-2015*, Available at: <http://www.fadu.edu.uy/patio/wp-content/uploads/downloads/2010/03/Plan-PCS-Uy-febrero-2010.pdf>.

<sup>7</sup> MVOTMA (2018), *Plan Ambiental Nacional para el Desarrollo Sostenible, Documento síntesis para la Consulta Pública*, Available at <http://www.mvotma.gub.uy/novedades/noticias/item/10011290-plan-ambiental-nacional-para-el-desarrollo-sostenible>

<sup>8</sup> *Id.* at 13.

<sup>9</sup> Law 19.472, Art. 4 and 10.

<sup>10</sup> Gabinete Nacional Ambiental (2017), *Política Nacional de Cambio Climática*, [https://www.mvotma.gub.uy/politica-plan-y-proyectos/politica-nacional-de-cambio-climatico/item/download/8718\\_05d1a18e92ebc64854d681e5961a01b8](https://www.mvotma.gub.uy/politica-plan-y-proyectos/politica-nacional-de-cambio-climatico/item/download/8718_05d1a18e92ebc64854d681e5961a01b8).



## II. Legislative and institutional framework for environmental licensing and enforcement

### a. Overview

Environmental legislation in Uruguay is currently undergoing a process of modernization that is paired with the objective of decentralizing environmental licensing and enforcement functions, where feasible. The foundation for the current legislation in force is the General Law of the Environment (Law 17,283 of 2000), Uruguay's framework law on environmental protection. The Law proclaims Uruguay's general interest in protecting the environment and elaborates seven core objectives, including the prevention, elimination, mitigation and compensation of negative environmental impacts.<sup>11</sup> Article 4 of the Law provides that "it is a fundamental duty of the State, and public entities in general, to promote an environmentally sustainable development model, protecting the environment and, if it is degraded, restoring it or demanding that it be recovered."

#### 1. Legislation on the ESIA process and environmental licensing

The administration of the ESIA and environmental licensing process in Uruguay is defined by Law 16,466 and its regulation, Decree 349/005 of 2005. Projects that are included in a list of activities in Article 2 of the Decree are subject to a mandatory ESIA requirement before an environmental authorization (license) can be issued.<sup>12</sup> A concerted effort is underway to streamline the licensing process, but this has not yet resulted in an updated ESIA regulation. Although Decree 349/005 provides rules for the imposition of sanctions for violations of environmental license requirements, procedural rules for monitoring and assuring compliance are currently prescribed only in the most general terms in Uruguay's legislation. However, Decree 434 of 2008 establishes the key responsibilities of DINAMA and its dependencies that play a role in monitoring and enforcement.

#### 2. Modernizing governance of the environment, water resources, and climate change

In recent years, the government has recognized the need to integrate and harmonize the regulation of the environment, climate change, and the use of water resources. In 2015, Law 19,335 created the *National Secretariat of Environment, Water and Climate Change* (SNAACC) to unite strategic planning for these issues under a single body.<sup>13</sup> Six months later, Uruguay began the process of implementing a new institutional framework for environmental management. Executive Decree 359 of 2016 established the **National Environmental System** (SNA), whose mission includes the design of public policies that protect goods and services provided by ecosystems, promote the conservation and rational use of water, and facilitate adaptation on an increasing basis in response to climate change.

The SNA is headed by the President of the Republic and includes a new **National Environmental Cabinet** (GNA) and other environment-related public bodies. The National Environmental Cabinet, also created by Decree 359, is comprised of the President, SNAACC, the Ministries of Housing, Territorial Planning and Environment (MVOTMA); Livestock, Agriculture and Fisheries; Industry, Energy and Mining; National Defense; Public Health; and Economy and Finance.<sup>14</sup> The GNA's

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<sup>11</sup> Law 19,472, Art. 1.

<sup>12</sup> MVOTMA, <http://www.mvotma.gub.uy/portal/evaluacion-de-impacto-ambiental.html>.

<sup>13</sup> Law 19,335 (December, 2015), Art. 33.

<sup>14</sup> Decree 359/016 (2016), Art. 4.



principal mandate is to propose an integrated and equitable environmental policy for a sustainable and territorially-balanced national development.

### *b. Competent government institutions*

**Table 2. Institutions with a central role in environmental licensing and enforcement**

**1. The Ministry of Housing, Land Use Regulation, and the Environment (MVOTMA)**

MVOTMA is Uruguay's top-level authority for environmental management, MVOTMA, was established by Law 16.112 of 1990. Its mission is to design and implement participatory and integrated public policies on housing, environment, territory and water, to promote equity and sustainable development, contributing to an improved quality of life of the country's citizens. Responsibility for the day-to-day execution of ESIA, licensing, and enforcement are in its divisions:

**2. The National Environmental Directorate (*Dirección Nacional de Medio Ambiente—DINAMA*)** is the directorate under MVOTMA that has responsibility for executing MVOTMA's policies. This includes administering the ESIA process, as well as for enforcing environmental legislation and license requirements arising from the ESIA process. In addition, DINAMA is charged with developing and implementing Uruguay's environmental protection plans and harmonizing its environmental priorities with sustainable development. DINAMA also serves as a focal point for national communications on climate change.<sup>15</sup>

**3. The Division of Environmental Impact Assessment** is responsible for overseeing the Uruguay's ESIA system, reviewing and following up environmental impact studies, and issuing environmental authorizations (licenses). The Division is also responsible for coordinating with the Division of Environmental Control and Performance on implementing and compliance with technical requirements and administrative procedures for the process of Special Environmental Authorization (AAE) and the first Environmental Authorization for Operation (AAO) license issued.

**4. The Division of Environmental Control and Performance (*División Control y Desempeño Ambiental*)** is a body within DINAMA that has high-level responsibility for administering the system of environmental control for public and private sector activities that have the potential for adverse impacts on the environment, as well as overseeing approved recovery and restoration plans. In addition, the Division ensures the implementation of and compliance with the technical requirements and administrative procedures for the environmental license (Environmental Operating Authorization – "AAO") application process.

**5. The Department of Control for Activities (DCA)** of the Division of Environmental Control and Performance carries out compliance assurance functions on the ground.<sup>16</sup> Mechanisms used by the

<sup>15</sup> UNEP/Regatta, DINAMA, <http://www.cambioclimatico-regatta.org/index.php/es/instituciones-clave/item/direccion-nacional-de-medio-ambiente-ministerio-de-vivienda-ordenamiento-territorial-y-medio-ambiente-dinama>.

<sup>16</sup> MVOTMA official website, *Control ambiental de emprendimientos y actividades*, <http://www.mvotma.gub.uy/portal/control-ambiental-de-emprendimientos-y-actividades.html>.



DCA include conducting inspections and audits, responding to complaints, imposing sanctions, conducting online monitoring of air emissions for large enterprises, and ensuring that regulated entities fulfill self-monitoring and reporting requirements.<sup>17</sup> The Division of Environmental Control and Performance includes an **Inspection Body**, whose duties include developing and proposing environmental control strategies, establishing the logistical requirements necessary for securing adequate compliance, Implementing and monitoring the operation of control plans, and coordinating with DINAMA's other units concerning the monitoring of activities.<sup>18</sup>

6. DINAMA's **Environmental Laboratory Division** provides testing services that support the programs undertaken by DINAMA's divisions, including the analysis of water, air, soil, and effluent samples collected during monitoring and inspection visits.<sup>19</sup>

### c. Other key institutions

#### National Secretariat of Environment, Water and Climate Change (SNAACC)

SNAACC was established in December 2015 by Article 33 of Law 19,335 with the aim of unifying high-level nation planning and policy-making for issues related to the environment, water resources, and climate change. SNAACC's mission is to monitor compliance with the agreements issued by the National Environmental Cabinet and provide it with technical and operative support. It is also responsible for articulating actions that the GNA undertakes jointly with other institutions and organizations that comprise the National Environmental System

The **National Development Agency** promotes Uruguay's economic development, by creating programs aimed at improving business and territorial competitiveness that is implemented in a sustainable manner, with social equity and balanced with environmental and land use concerns.<sup>20</sup> The Agency's work focuses on programs for micro, small, and medium-sized enterprises. The Agency seeks to be a national and international reference point for the articulation of policies and actions that contribute to the sustainable economic development of the country. The Agency was created by Law No. 18,602 and is integrated with the *National System of Productive Transformation and Competitiveness* via Law No. 19472.

### d. Non-government institutions

The **Technical Advisory Commission for the Protection of the Environment** (COTAMA) is a non-government, stakeholder body that plays a key role in proposing ways to link Uruguay's environmental policy with green growth. It is comprised of representatives of all government ministries, as well as delegates from industry groups, workers, rural associations, and environmental NGOs.<sup>21</sup>

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<sup>17</sup> *Id.*

<sup>18</sup> Decree controlfor/008 (2008), Art. 9.

<sup>19</sup> MVOTMA, *Laboratorio Ambiental*, <http://www.mvotma.gub.uy/portal/laboratorio-ambiental.html>.

<sup>20</sup> Law No. 18,602, Art. 2.

<sup>21</sup> La Comisión Técnica Asesora de la Protección del Medio Ambiente (COTAMA); COTAMA was established by Law 16.112, which also created MVOTMA; <https://www.latinno.net/es/case/18078/>.



**Table 2. Inter-agency coordination**

**1. Coordination among DINAMA divisions in the licensing and enforcement process**

Decree No. 434/008 instructs DINAMA's Environmental Control and Performance Division to design inter-institutional relationship strategies with other government entities with competence over public and private sector activities that are subject to environmental control.<sup>22</sup> The Decree also directs the Division to coordinate with the Environmental Impact Assessment Division (DEIA), regarding the implementation and compliance with technical requirements and administrative procedures for environmental licenses. A reciprocal mandate applies to the DEIA. Further study is needed to determine how these relationships work in practice.

2. The **Technical Advisory Commission for the Protection of the Environment (COTAMA)** has a mandate to assist in the coordination the government and non-government actors involved in minimizing adverse impacts of infrastructure projects and commercial activities that comprise Uruguay's economic development, although it does not play a central role. Decree 349/005 directed COTAMA to create a mechanism for inter-institutional coordination, stating that that COTAMA's role requires an adequate balance between the centralization and decentralization of environmental management functions in order to assure effective coordination, as well as broad, multidisciplinary participation by non-government actors, including technicians and institutions.<sup>23</sup>

### III. Environmental licensing

#### *a. Overview of ESIA and licensing functions*

Law 16,466 and its regulation (Decree 349/005 of 2005) constitute the principal legislation that define the administration of the environmental licensing process in Uruguay. Projects and activities that are included in paragraphs 5 and 6, 9 to 13, 15 to 17, and 19 to 23 of Article 2 of the Decree 349/2005 are subject to a mandatory ESIA requirement before an environmental authorization (license) can be issued.<sup>24</sup>

The licensing process involves the issuance of two consecutive authorizations, which are described below. Each project proposal must be endorsed with the signature of a professional university technician with expertise in the relevant subject matter, who will be responsible for the procedures corresponding to the Environmental Authorizations.<sup>25</sup> The consultant responsible for planning the project (including conducting the ESIA) must be registered with DINAMA.<sup>26</sup> DINAMA has published a

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<sup>22</sup> Decree No. 434/008 (2008).

<sup>23</sup> *Id.* at Par. IV.

<sup>24</sup> MVOTMA, <http://www.mvotma.gub.uy/portal/evaluacion-de-impacto-ambiental.html>.

<sup>25</sup> Decree 349/005, Reglamento de Evaluación de Impacto Ambiental (2005), Art. 19.

<sup>26</sup> Decree 349/005, Art. 27.



*Guide to Applying for a Prior Environmental Authorization* to assist entities that are planning to undertake activities that require ESIA studies.<sup>27</sup>

### *Step 1: Obtaining a Prior Environmental Authorization*

First, the project proponent must obtain a **Prior Environmental Authorization** (*Autorización Ambiental Previa* or **AAP**), a preliminary environmental license granted following a successful record of decision on an ESIA. During this stage, the proponent's consultant must propose the mitigation measures that will be adopted. If DINAMA approves these measures (after revising and supplementing them, as necessary) they will later become legally-binding environmental performance obligations. The consultant must also calculate the residual impacts that are likely to remain after mitigation, considering the following aspects of the project proposal:<sup>28</sup>

- a. Mitigation measures for reducing the environmental impacts that were identified;
- b. Risk prevention and contingency plans;
- c. Compensatory or restorative measures that will be necessary;
- d. Environmental management plans;
- e. Decommissioning programs for the end of the project's life.

The consultant must also present a proposed follow-up, monitoring, and auditing plan that takes into account the relevant environmental factors within the area of influence of the project.

### *Step 2: Public hearing and review of the applications for projects with a high level of complexity*

For proposed projects with the highest level of complexity, once DINAMA has received the application for an AAP, it grants a public hearing in order to review the proponent's documents and make any necessary corrections. In advance of the hearing, the applicant must draft and make available a concise *Summary Environmental Report*, which includes a chapter on conclusions regarding the project's principal impacts and the corresponding mitigation measures to be implemented. DINAMA then evaluates whether the project's residual negative impacts are permissible, taking into account the environmental impact study and other pertinent information generated in the application process. If the residual impacts are within a permissible range, DINAMA must grant the AAP.

### *Step 3: Confirming the feasibility of the project location*

As early in the application process as possible, the proponent must inform DINAMA of the current type of property ownership (rent, lease, own) and the legal relationship of the proposed project to the properties involved. The proponent must also provide a document on the feasibility of the proposed project site, which must include a description of the area of execution and influence, a study of the location, and an analysis of alternative sites, if any.

### *Step 4: Obtaining an Environmental Authorization for Operation*

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<sup>27</sup> MVOTMA, *Guía para la Solicitud de Autorización Ambiental Previa*,

<https://mvotma.gub.uy/component/k2/item/10009585-guia-para-la-solicitud-de-autorizacion-ambiental-previa>.

<sup>28</sup> Decree 349/005, Art. 11, Part III.



Once the first two steps are completed and MVOTMA has confirmed compliance with the AAP, an **Environmental Authorization for Operation** (*Autorización Ambiental de Operación* or **AAO**) is granted, which must be renewed every three years. An AAO is the long-term license that contains the legal environmental mitigation and monitoring requirements applicable to the project owner.

Decree 349/005 established another form of operating license—a **Special Environmental Authorization** (AAE)—for large industrial complexes, large agribusinesses, open-air mines, and operations that manufacture dangerous chemicals and which began their operations prior to ESIA legislation (and therefore lacking an AAP).<sup>29</sup>

#### ***b. Public consultation and conflict avoidance***

Article 16 of Decree 349/005 provides that MVOTMA will arrange for a public hearing for all projects that could be classified in Category C. In all other cases, a public hearing may be arranged, depending on the cultural, social or environmental implications of the project. MVOTMA determines the format and other aspects of the meetings. Any interested party may participate in the hearings. In addition, MVOTMA has an online interface for members of the public to submit complaints concerning environmental harm and nuisances.<sup>30</sup>

### **IV. Monitoring and enforcement**

#### ***a. Overview: monitoring and inspections***

DINAMA's Division of Environmental Control and Performance, through the Department of Control for Activities (DCA), is responsible for carrying out direct control through monitoring and inspections. Any type of activity that has received an environmental license (AAP, AAO, or AAE) is subject to compliance assurance measures by the DCA. DINAMA's mechanisms for environmental control include:<sup>31</sup>

- Inspections and audits
- Responding to citizen complaints
- Imposing sanctions
- On-line monitoring of air emissions for large enterprises
- Self-monitoring by enterprises through the requirement of submitting Environmental Operating Reports.

Since 2012, the Division of Environmental Control and Performance has provided DINAMA and its divisions with a Quality Management System (described below) as a tool for the continuous

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<sup>29</sup> Decree 349.005, Art. 2(19) and 25.

<sup>30</sup> MVOTMA, Denuncias ambientales, <https://www.mvotma.gub.uy/ambiente/conservacion-de-ecosistemas-y-biodiversidad/costa-y-mar/denuncias-ambientales>.

<sup>31</sup> MVOTMA, *Control ambiental de emprendimientos y actividades*, MVOTMA website, <http://www.mvotma.gub.uy/ambiente/prevencion-y-control-para-el-cuidado-del-ambiente/control/control-ambiental-de-emprendimientos-y-actividades>.



improvement of its monitoring and inspection procedures.<sup>32</sup> However, existing regulations provide few details concerning the monitoring and enforcement procedures environmental authorities must follow. To date, details for the operation of these mechanisms have not been prescribed in the text of regulations. In Uruguay, mechanisms for environmental control have largely been addressed in the context of the environmental medium or sector involved, such as water, air, sanitation, forestry, energy, agriculture, and hazardous chemicals.

A lack of legislative clarity on environmental control procedures may be addressed in the near future. Since 2013, an organized program has been underway to strengthen DINAMA's regulatory capacity and support the decentralization of its environmental licensing and enforcement functions. This effort, known as the **Program for the modernization of the institutional framework for management and environmental planning** (Project URU / 07/012) has included the reengineering of DINAMA's administrative and supervisory functions. The program's current phase involves developing measures for coordinating DINAMA's tasks with those of other government entities, an initiative for reducing pollution in the Rio Plata and coastal areas, and the adoption of a system for outsourcing certain environmental control functions to private sector entities that are accredited and endorsed by DINAMA. Through assistance from the Inter-American Development Bank, DINAMA also plans to conduct a pilot program for environmental control and enforcement targeted at the manufacturing and agriculture/livestock sectors.<sup>33</sup>

#### Table 4. Quality Management System

The Quality Management System is a tool for the continuous improvement of environmental monitoring and enforcement tasks. The system was designed, implemented and certified in 2012 by the Uruguayan Institute of Technical Standards (UNIT) based on the UNIT's ISO Standard. 9001: 2008.<sup>34</sup> The system provides quality management procedures and indicators to support environmental regulatory functions in connection with:

- Environmental licenses and permits
- Environmental control and monitoring (inspections, responding to complaints, sanctions, affidavits, environmental audits, administrative intervention, and self-monitoring of environmental management).
- Management of projects and plans for improving the environmental performance of authorized activities.

<sup>32</sup> The Quality Management System was designed, implemented, and certified by the Uruguayan Institute of Technical Standards (UNIT).

<sup>33</sup> IADB (2013), *Fortalecimiento de la Dirección Nacional Ambiental y de la capacidad de gestión ambiental del país*, Project Profile, <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=37767624>.

<sup>34</sup> MVOTMA, *Control ambiental de emprendimientos y actividades*, <http://www.mvotma.gub.uy/index.php/ambiente/prevencion-y-control-para-el-cuidado-del-ambiente/control/control-ambiental-de-emprendimientos-y-actividades>.



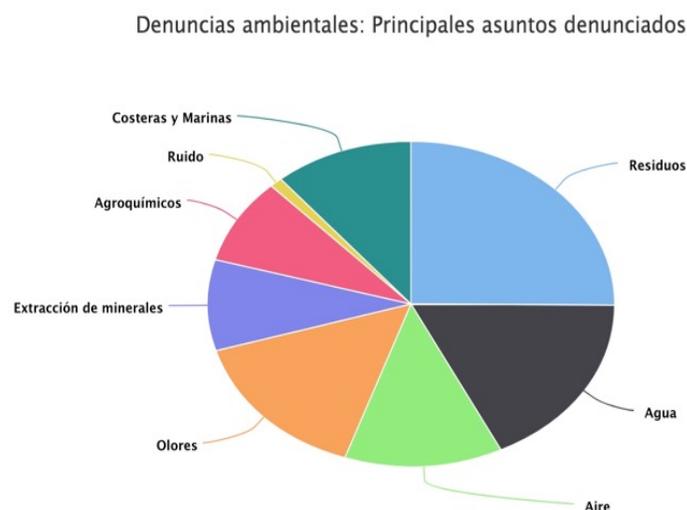
**Table 5. Statistics on licensing and enforcement**

The following statistics were published on the National Environmental Observatory website under its Open Data” environmental indicators listing:<sup>35</sup>

Year	Number of projects Classified by impact level, B or C	Environmental licenses issued (Prior Environmental Authorizations)
2014	211	212
2015	206	218
2016	224	198

Year	Number of inspections performed (Projects subject to control)
2014	707
2015	918
2016	750

Sources of environmental complaints (2014-2016)	%
Wastes	25
Water	17.5
Air	12.5
Odors	15
Mineral extraction	9
Agrochemicals	8.5
Noise	1
Coastal/marine damage	11



**b. Environmental Enforcement Programs and the selection of enforcement priorities**

[This section is under development]

<sup>35</sup> Observatorio Ambiental Nacional, Datos Abiertos, [https://www.dinama.gub.uy/oan/?page\\_id=61](https://www.dinama.gub.uy/oan/?page_id=61).



### *c. Sanctioning regime*

The General Law of the Environment and its regulation, Decree 349/005, prescribe sanctions for noncompliance with environmental licensing requirements. The General Law provides general non-monetary penalties, with the regulation providing additional details that include specific rules for the imposition of fines. Article 15 of the General Law establishes the following penalties

- **Warnings**, if the violation is minor and the offender has no prior record of the same or similar offenses;
- **Publication of the sanction** at the expense of the offender and cumulative with other sanctions, for moderate or serious violations;
- **Confiscation** of the objects used to commit the violation, including vehículos, naves, aeronaves, instrumentos y dispositivo, or products resulting from the violation; and
- **Suspension of licenses**, permits, or other authorizations for up to 180 days, if the violation is serious or has been repeated or continued by the offender. Violations by public sector entities will be reported to the Executive Branch and the General Assembly.
- **Referral to judicial proceedings**, if the offender delays or resists compliance with requirements for restoration of damaged environments, or reducing or mitigating environmental impacts.

Article 29 of Decree 349/005 provides rules for determining the **severity of infractions** (See following page)

#### **Article 29 of Decree 349/005 classifies the following acts or omissions as serious infractions:**

- a) Undertaking an activity that could be classified in “B” and “C” categories without a Prior Environmental Authorization;
- b) Operating an activity that is categorized under Article 2 (activities for which ESIA’s are required) without an Environmental Authorization for Operation;
- c) Executing an activity covered in Article 25 of Decree 349 without a Special Environmental Authorization;
- d) Omitting environmental information or presenting false or incorrect information in the project application documents;
- e) Noncompliance with license requirements that affects or poses risks to the environment;
- f) Failing to comply with monitoring or environmental guarantee requirements; or
- g) Obstructing the work of DINAMA’s comptroller.



Article 29 provides that other infractions will be considered mild to serious depending on the degree to which the project operator’s performance has deviated from regulatory requirements or the licensing obligations. In addition, the repetition of any minor offense is considered serious.

<b>Table 6. Application of fines established by Article 30 of Decree No. 349/005</b>	
<b>Infraction:</b>	<b>Fine imposed by MVOTMA for noncompliance with license requirements:</b>
<b>Mild infractions</b>	Between 10 and 1,000 Readjustable Units (RU) (index-linked units) (from ≈ USD \$37.50 to ≈ USD \$37,500)
<b>First serious infraction</b>	Between 200 and 3,500 Readjustable Units (from ≈ USD \$750 to ≈ USD \$13,125)
<b>Second and subsequent serious infractions</b>	Between 300 and 5,000 Readjustable Units (from ≈ USD \$1,125 to ≈ USD \$18,750)

**d. Prosecution and environmental tribunals**

[Information is pending for this topic]

**e. Compliance promotion programs**

DINAMA has undertaken compliance promotion efforts primarily through its support of Uruguay’s Cleaner Production program. A National Cleaner Production Roundtable (NPM + L) was created as a permanent inter-institutional working group of COTAMA in 2004. Since then, it has operated with the objectives of contributing to the development of a policy proposals for cleaner production, coordinating the initiatives of the various sectors, promoting the exchange of information on CP, and promoting inter-sectoral projects that take a preventative approach to environmental sustainability.

On June 23, 2016, COTAMA approved the creation of the **National Roundtable of Sustainable Production and Consumption**, based on the NPM + L. The National Roundtable will support eight sectorial groups:

- 1) Water and protection of its sources
- 2) Construction
- 3) Tourism
- 4) Primary Production
- 5) Sustainable public procurement
- 6) Sustainable industrial production
- 7) Energy Efficiency and Renewable Energy
- 8) Sustainable consumption and education for sustainable consumption.



## V. Information systems and technology tools for case management and monitoring

### *a. The National Environmental Observatory (OAN)*

The OAN is an environmental information platform that is freely accessible to the public, which provides inputs for institutional decision-making and provides transparency. The **Observatory** was established by Law 19.147 as a tool for centralizing, organizing and disseminating all environmental information that is generated in the different regions of the country. MVOTMA has responsibility for its implementation. The OAN has developed a wide range of indicators related to the state of the environment, ecosystems, emissions of pollutants and waste, impacts on the quality of water, air, soil and biodiversity; as well as protection and response measures developed by MVOTMA's institutions. In addition, the Observatory provides detailed information on the status of applications for large projects that are subject to the ESIA process and are under review. It is not clear whether equivalent details are publicly available for projects of lesser complexity that require Environmental Authorizations for Operation.



## VI. Cost recovery and funding for licensing and enforcement tasks

### a. Budget allocations

[Need to acquire data from DINAMA]

**DINAMA general annual budget** (All amounts stated in Uruguayan Pesos)

<b>Table 7. Budget information</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Annual allocation from national treasury	[information pending]	\$127 M (Pesos)	\$80 M (Pesos)
FONOMA contribution	[information pending]		
Budget allocation: ESIA review & licensing	[information pending]		
Budget allocation: monitoring & inspections	[information pending]		
Other	[information pending]		

### b. Fees for services: processing environmental license applications

At the current time, there are no fees for applying for any of the three forms of environmental license (AAP, AAO, or AAE).<sup>36</sup>

### c. National Fund for the Environment (FONOMA)

The **National Fund for the Environment** was created in 1990 by Law 16,170 provide a source of dedicated funds to support MVOTMA's functions and to supplement national budget allocations from the national treasury. Article 454 of the Law establishes the sources of revenue from which the fund will be comprised. The revenue sources are predominantly comprised of fines; periodic penalty payments ("*astreintes*") the proceeds of confiscated goods, materials, and property resulting from environmental violations; inheritances, legacies or donations received for a specific purpose; funds received from the rendering of services; and sales of publications and environmental disclosure material.<sup>37</sup> The extent to which FONOMA supports MVOTMA's annual operating costs is a subject for further study.

<sup>36</sup> See Uruguay's government site for official procedures. For example, AAE application instructions are available at <https://tramites.gub.uy/ampliados?id=1480>.

<sup>37</sup> Law No. 16,170, Art 454.

