



Montevideo, December 13th 2010

To whom it may concern,

I am writing this letter to strongly recommend Marcelo Caffera to the Fulbright NEXUS Regional Scholar Program.

I met Marcelo Caffera last month when he came to an interview at my office. We at the DINAMA are in the process of hiring an environmental economist to work as a direct advisor to the Ministry and myself. Since its creation in 1990, the Ministry has never had economists formally trained in environmental economics as part of its staff. This has been, and still is, a major problem for the ministry because, on the one hand, the ministry is unable to calculate the benefits and costs of the environmental impacts of some development initiatives and environmental policies. On the other, the Ministry frequently finds itself without the right tools to discuss with the other ministries in charge the economy, such as the Ministry of Economics and Finance, Ministry of Transport, Ministry of Industry, etc. The Ministry of the Environment is nowadays pursuing a change in this respect. As part of an institutional reform at the Ministry, we are planning to change the approach we have had to environmental regulation. Specifically, we are planning to provide help the government with better information on the costs and benefits of the different economic and environmental policy measures. At the same time, the Ministry is considering the development of new environmental policy instruments based on

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cost-effective economic incentives as a strategy to include the necessary environmental regulation in the economic development agenda of the rest of the government. For all these reasons, the Ministry is in the process of hiring an environmental economist.

As Marcelo is the only economist in the country holding a Ph.D. in Environmental Economics, and also the only one formally educated at a graduate level in this discipline, his name came out as a natural candidate to fill in the available position. I personally called Marcelo for the interview. Unluckily, Marcelo's responsibilities at the Universidad de Montevideo do not allow him to work as a part-time advisor to the Ministry of the Environment and myself. (The position offered was a six-hour-a-day position). Nevertheless, Marcelo offered himself to collaborate with the Ministry in whatever was needed from his position at the University of Montevideo. We discussed some possible ways of collaboration in the same interview. We are considering exploring a type of agreement between the University of Montevideo and the Dirección Nacional de Medio Ambiente (DINAMA). With this agreement the University of Montevideo could provide the DINAMA with: (a) training in environmental economics for its staff, (b) undergraduate and graduate students majoring in environmental economics that could serve as temporal interns in DINAMA, and specific qualified works by Marcelo and his team of research assistants.

Marcelo has demonstrated his leadership qualities and abilities for team work as a founding member of the Uruguayan Society of Ecological Economics and member of the Organizing Committee of the First Uruguayan Congress of Ecological Economics. I was invited to deliver a speech at the inauguration of the Congress, manifesting the support of the DINAMA for the Society in general and the Congress in particular. After my speech, Marcelo delivered the inaugural keynote lecture, on the lessons that can be drawn from the Latin American experience with economic instruments for pollution control. In his presentation, based on a forthcoming paper at a special issue on Latin America of the *Environment and Development Economics* journal, Marcelo

demonstrated his profound knowledge of the Latin American environmental policy in particular, and the discipline of environmental economics in general.

Marcelo's project will shed light of the very important questions of how to design environmental policy and its enforcement strategy. As Marcelo says in his article, some of the mistakes in the design of environmental policies in the past obeyed in part to the fact that they were designed based on seminal environmental economics papers. Today, the discipline offers a much safer guide to environmental policy makers. In this respect, Marcelo's project will provide us, and the regulatory community elsewhere, with the opportunity to test the theoretical guides that nowadays offers the discipline. We look forward to receiving Marcelo's advice in the design of environmental policy, based on his results.

For all these reason, I repeat here what I stated at the beginning of this letter of recommendation: I strongly recommend Marcelo Caffera to the Fulbright NEXUS Regional Scholar Program.

Please do not hesitate to contact me in case of any doubt.

Yours sincerely,



Arq. Jorge Rucks  
Director Nacional de Medio Ambiente