



UNITED NATIONS DEVELOPMENT PROGRAMME

Project of Islamic Republic of Iran

PROJECT DOCUMENT

**Project number:** IRA/01/10/01/NEX

**Project Title:** Preparation of the Second National Human Development Report of the Islamic Republic of Iran (2<sup>nd</sup> NHDR)

**Duration:** One Year

**Executing Agency:** Management and Planning Organisation (MPO)

<u>Summary of UNDP &amp; Cost-sharing Inputs</u>	
<u>UNDP</u>	
TRAC 1&2:	\$105,500
<hr/>	
<b>TOTAL:</b>	<b>\$105,500</b>

**Implementing Agency:** International Co-operation Bureau, MPO

**Estimated start date:** April 2002

**Estimated end date:** April 2003

**Brief description:** The aim of this project is to support the Government in preparing the second National Human Development Report (NHDR) of I.R. Iran. The NHDR will explore human development indices and social development issues in the country. The report will provide public policymakers, researchers, and civil society actors with a detailed profile of human development in Iran.

On behalf of:	Signature	Date	Name/Title
Government:	<i>Mojtaba Khalesi</i>	7/4/2002	Mojtaba Khalesi Director General International Co-operations Bureau, MPO
UNDP:	<i>F. Bastagli</i>	7/4	Francesco M. Bastagli Resident Representative

## **SECTION A. CONTEXT**

### **Human Development Problem: HDR and NHDRs**

Prior to the 1960s, economic growth was generally considered by development policy-makers to be the only measure of human welfare. In view of the fact that economic growth does not reflect the long-term features of human well being, it has since been substituted by broader concepts. In particular, the human development index (HDI), suggested by Mahbub Al-Haq, was introduced in 1990 as a new way to measure development by capturing the social aspects of human life. HDI has three components: life expectancy, education, and income. UNDP has published annual Human Development Reports (HDR) since 1990 that focus on human development concepts, ideas and plans of action, and human development indicators on a global scale. HDR provides a useful reference point for policy makers and development practitioners to compare the state of human development across the world.

National human development reports (NHDR), produced in co-operation with UNDP, are valuable documents that present the challenges and opportunities faced by a country in terms of human development and suggest alternative ways to improve people's lives. They allow for the incorporation of nationally significant criteria and indicators into globally applied mechanisms for measuring development. NHDR presents a country's more specific characteristics, priorities, and bottlenecks as well as national efforts to implement development plans. The preparation of NHDR on the one hand reflects the social achievements of the country. On the other hand, it helps identify shortcomings and areas in need of more attention.

### **Previous Experience: The First National Human Development Report of I.R. Iran**

Published in 1999, the first National Human Development Report of I.R. Iran provides an overall picture of human development in Iran. It analyses the state of human development in a wide range of areas including: national income and macroeconomic policies, education, health, emigration, population, urbanisation, employment, refugees, nutrition and food security, women, environment, narcotic drugs, and political development. Valuable lessons were learnt in the process of preparing Iran's first NHDR in terms of both required resources to produce the country's report and agenda for future NHDRs. These lessons will be used in the preparation of the new NHDR.

### **The Development Objective**

The Third Five-Year Development Plan (TFYDP) of I.R. Iran follows the objectives of equitable growth and balanced development. Among its main goals are poverty alleviation, employment generation, and reduction of economic and social disparities. These goals are based on some of the main principles written into the Constitution and have become part of the guiding doctrines and working practices of the Government.

## **Strategy**

Through this project, financial support is provided to Iran's Management and Planning Organisation in preparing a national human development report for the country. The new NHDR will contribute to the country's development objectives by both assessing human development achievements and identifying shortfalls. Further, human development indices produced in the new NHDR will provide a reliable measure for international comparisons.

## **Beneficiaries**

NHDR will establish the human development profile of the country. It will provide a rich statistical reference for development policymakers and practitioners. The main beneficiaries of this project are government agencies, social and economic researchers, and the NGOs and other civil society actors.

## **Regulatory Framework**

The project will be overseen and implemented by the Management and Planning Organisation (MPO) as a national execution modality. MPO will in turn seek for co-operation from national and international researchers as well as other government agencies.

## **SECTION B. STRATEGY FOR USE OF UNDP RESOURCES**

### **How the Project Relates to UNDP Mandate**

UNDP has the mandate to support national governments in publishing national human development reports as a means to produce more precise country data on human development. The information produced in NHDR could be used in development policy making by national organisations and civil society as well as UNDP and other international agencies.

The project relates to the internationally accepted framework of global conferences on primary health care (Alma-Ata, 1978), children (New York, 1990), education (Thailand, 1990), environment (Rio de Janeiro, 1992), population (Cairo, 1994), social development (Copenhagen, 1995), women (Beijing, 1995), habitat (Istanbul, 1996), food needs (Rome, 1996), and refugees (Geneva, 1951).

### **How UNDP Resources Are Used**

The Management and Planning Organisation will utilise UNDP financial support in the preparation of the second NHDR for I.R. Iran. It will also benefit from technical assistance provided by international consultant(s) specialised in the preparation of NHDR. This includes the implementation of training programmes to convey the HDR approach and close contact with the NHDR Office at the Headquarters. Further, UNDP will ask for contributions from other UN agencies in Iran based on their mandate.

## **SECTION C. PRIORITIES, IMMEDIATE OBJECTIVES, OUTPUTS, INDICATORS AND ACTIVITIES**

### **Priorities of the Second National Human Development Report**

Whereas the first NHDR was general in nature, covering all economic, social, cultural and political aspects of the country, the new NHDR will focus on specific issues. Specifically, to set the targets, outputs and activities of the project, the following issues have been taken into consideration:

- A major objective of the report is to study the human development strategies and goals foreseen in the Third Five-Year Development Plan (TFYDP) of the I.R. Iran.
- Upon proposal by the Islamic Republic of Iran, the United Nations named the year 2001 as The Year of Dialogue among Civilisations. A main outcome of this initiative is strengthening Iran's international relations. This, in turn, results in higher economic security and stability required for reducing the risk of investment. Furthermore, human development and dialogue among civilisations have the common goal of "providing a suitable environment to enable people to have a sustainable well being". Hence, a chapter of the new NHDR is devoted to dialogue among civilisations and its relevance to human development.
- The human development indicators common in all global, regional and national human development reports are income, education and health. Therefore, the new NHDR will also be based on these indicators.
- Income is one of the main components of HDI. The new NHDR gives attention to income by analysing macroeconomic indicators such as production, investment and employment. Further, the report will evaluate past economic policies as well as those formulated in the TFYDP.
- The report will study four social development areas, namely education, culture, health, and public participation. Within each area, recent achievements and their impact on human development will be studied. TFYDP will also be examined in these areas.
- The report will attempt to provide disaggregate data at provincial level as much as possible.
- The report will cover some crosscutting issues in social development. These are poverty and disparity, population, empowerment of women, drug abuse, environment, and human movements. In addition to review the recent trends, the report will evaluate the objectives, strategies and policies of TFYDP in terms of each issue.

### **Immediate Objective**

The objective of this project is to support the Iranian government to prepare the second NHDR for the country.

## Outputs

Based on the aforementioned priorities, the proposed outline of the report is provided below. Brief comments are provided to highlight the differences between the first and the second NHDR of the country.

### Chapter 1. Human development and dialogue among civilisations

#### Human development

- Introducing the concept
- Human development trends in Iran (*Data on HDI will be updated to cover 1998-99 period*)

*“Dialogue” against “conflict” (Recent efforts of the country towards détente and its recent activities to facilitate dialogue among civilisations will be highlighted)*

*Dialogue among civilisations: laying grounds for human development (Dialogue leads to international cooperation. From a social point of view, for example, it can facilitate the transfer of knowledge and technology. From an economic viewpoint, it can establish the economic security and stability required for a less-risky investment)*

### Chapter 2. Human development in Iran

*Economy (This part of the report is different from that of first NHDR in that it will examine production, investment and employment in different sectors and sub-sectors of the economy and compares the Second FYDP with the Third one. Based on the guidelines of the TFYDP, the chapter will highlight the most important features of economic policies)*

- Macroeconomic indicators
- Production (by sector)
- Investment
  - Public and private investment
  - Foreign investment
- Foreign trade
  - Oil exports
  - Non-oil exports
  - Imports
- Manpower and employment
  - Employment (by sector)
  - Regional disparities in employment
  - Employment (by gender)
- Economic measures undertaken and policies designed to improve human development (with emphasis on policies for employment generation)

*Education (In this section, a comparative study of the educational systems in selected countries [including Iran] will also be provided. Further, it focuses on the main policy guidelines of TFYDP in the sector)*

- Education system in Iran
  - Public and private education

- A comparative study of Iran and other countries
- Recent educational trends
  - Primary
  - Secondary
  - Tertiary
  - Vocational and technical
- Education and income
- Education objectives and strategies in TFYDP

Science, Technology, and R&D (*This is a new subject area covered in this second NHDR*).

- The state of science and technology
- Research and development
- Information technology
- Science and technology objectives in TFYDP

Culture (*the importance of culture in the process of human development would be discussed. The TFYDP will provide a good basis for appraisal of cultural performance during the last few years*).

- The role of cultural factors in human development
- Dialogue among civilisations and cultural enhancement
- Recent cultural trends
- Cultural objectives and strategies in TFYDP

Health-care (*the analysis of health-care goals in the TFYDP is a new subject in this report comparing the first one. Iran is among the countries with the lowest rate of HIV/AIDS. In addition to a quantitative study of the situation in Iran, the report will discuss the actions required to prevent the spread of HIV/AIDS within the country*)

- Recent health-care trends
- HIV/AIDS: present situation
  - An internationally comparative study of HIV/AIDS
  - Study of the present situation in Iran
- Health-care objectives and strategies in TFYDP

Public participation (*During the last few years, Iran has witnessed many changes in public participation in governance. Islamic Council elections, balanced empowerment of various political parties, incumbency reduction, and peaceful transfer of power have been some of the recent achievements of political life in Iran. In addition to the analysis of such achievements, the report will highlight the above factors within the TFYDP framework*)

- Recent trends in public participation
  - Civil society institutions
  - NGOs
  - Decentralisation and government rightsizing
- Objectives and strategies of TFYDP for public participation

### Chapter 3. Crosscutting issues in social development

Poverty and disparity (*Poverty and disparity is a subject of importance which had not been covered by first NHDR.*)

- Poverty concept and definitions
- Poverty monitoring mechanisms in Iran
- Present situation and future outlook of poverty and disparity
- Poverty alleviation strategies in TFYDP

Population (*in addition to updating the first report's data on population, this report will review the objectives of TFYDP in this area.*)

- Recent population trends
- Population strategies in TFYDP

Women's participation (*In addition to updating the first report's data on women, this report is going to review the objectives of TFYDP in this area*)

- Women's participation in social and economic activities
- Women's empowerment strategies in TFYDP

Narcotic drugs (*In addition to updating the first report's data on narcotic drugs, this report is going to review the objectives of TFYDP in this area.*)

- Recent trends in drug abuse
- Analysis of drug related control policies
  - Drug abuse control policies
  - International drug transit control policies

#### Environment

- Current state of the environment
- Major environmental issues in Iran
  - Air pollution
  - Soil pollution
  - Water pollution
  - Biodiversity
- Environmental strategies and priorities of TFYDP

#### Human movements

- Incoming refugees and socio-economic impacts
- Outgoing emigrants and socio-economic impacts
- Recent measures and policies

### Chapter 4. Human development: challenges and opportunities in the new millennium

#### Globalisation

- Needs, advantages and disadvantages of globalisation for Iran
- Dialogue among civilisations, globalisation and regional cooperation

#### Summary, conclusion and Policy recommendations

### Statistical annex

- Calculation of aggregate and regional human development indices (HDI)
- Calculation of aggregate and regional gender-related development indices (GDI)
- Calculation of aggregate and regional human poverty indices (HPI)
- Discussion of alternative adjustment methods for human development indicators in various global, regional and national reports
- Providing suggestions for adjustment of the indicators based on the main priorities in Iran

### SECTION D. INPUTS

Description	Pers./Month National	Pers./Month Int'l
Preparation of TOR		0.25
National Team Leader	7	
Human Development	1	
Dialog among civilization and Human Development	3	
Economic Situation	3	
Educational performance	3	
Science & Technology – R &D	3	
Cultural situation	2.5	
Health care situation	3	
Public participation	3.5	
Poverty and disparity	3	
Population	2	
Women's participation	2.5	
Narcotic drugs	2	
Environmental issues	3	
Human movements	3	
Globalisation	1	
Summary conclusions & policy recommendations	2	
Human development Indicators	4	
Editing and translation	6	0.25
Training on Human Development		
Workshop on Human Development		
Publishing – Persian (3000)		
Publishing – English (2000)		
Equipment		



UNDP financial contribution is listed above. List of activities within each category is provided under 'Activities'. The project is a national execution modality and Government contributions are in kind. MPO will ensure the following contributions:

- A National Project Director
- Office support staff
- Local transportation
- Office space

## **SECTION E. RISKS AND PRIOR OBLIGATIONS**

Based on the experience from the preparation of the first NHDR, the risk of not achieving the desired results is minimal. However, there are delay risks, which may be reduced by careful monitoring of project progress, performed by the National Project Director (NPD) and UNDP. The NPD is required to:

- Designate a National Team Leader (NTL) who will work with the international consultant on the preparation of TORs and is responsible for day to day activities of the project.
- Supervise the NTL in timely formation of working groups.

MPO is also responsible to provide the government in-kind contributions as stated in the document.

## **SECTION F. MANAGEMENT**

The project is managed using a national execution modality as per UNDP Standard Guidelines. The International Co-operation Bureau (ICB) of Management and Planning Organisation (MPO) will be the executing agency of the project. ICB Director General will carry out the management of this project, as the NPD. After signing the project document, the NPD will designate a National Team Leader (NTL) in due course who, in co-operation with the international consultant and within one month, will prepare general TORs for the working groups on the basis of project targets, outputs, activities and timetable. Advance payment modality will be preferably used for the project. If this is not possible, at the request of the NPD and after the assurance of satisfactory work, UNDP will pay the national sub-contractors directly in accordance with the relevant contracts.

### The Technical Working Group Committee

The committee, chaired by NPD, will consist of NTL as well as heads of working groups of the project. The 11 working groups, established according to subject areas to be covered in the second NHDR, will be as follow (outputs refer to those specified under 'Activities'):

- Group 1) Economy (outputs 1, 3, 9, 15, and 16)
- Group 2) Dialogue among civilisations and culture (outputs 1, 2, 6, and 15)
- Group 3) Education (output 4)

- Group 4) Science and Technology, and R&D (output 5)
- Group 5) Health care (output 7)
- Group 6) Public participation (output 8)
- Group 7) Population and Human Movements (outputs 10 and 14)
- Group 8) Women (output 11)
- Group 9) Drug abuse (output 12)
- Group 10) Environment (output 13)
- Group 11) Statistics (output 16)

The heads of working groups will be designated by NPD. They are responsible for the preparation of the final report of their relevant groups. The NTL must report the work progress of groups to the NPD at least once a month (unless asked otherwise). UN agencies' representatives for each working group will be introduced to NPD.

#### The Advisory and Editing Committee

In order to guarantee the independence and high quality of the report, the advisory and editing committee will consist of two independent experts and researchers and two representatives from MPO. The committee will advise NPD for guidance, supervision and monitoring the progress of technical working groups. It is also responsible for the preparation of the final text of the report. The international consultant is also going to serve both committees.

### **SECTION G. MONITORING AND EVALUATION**

The project is a National Execution (NEX) modality annex, under which the NPD is responsible for financial recording and accounting of all transactions requested or initiated under the project. The NTL, supervised by the NPD, is responsible for the programming, monitoring, evaluation, reporting and day-to-day, timely and effective operational management of the project. The NTL will provide a structured plan to the Advisory and Editing Committee in the first month of the project and will also prepare the terminal report of the project endorsed by the Advisory and Editing Committee.

Necessary revisions to the project will be undertaken at the Tri-Partite Review (TPR) meeting. Subject to agreement of MPO and Ministry of Foreign Affairs (MFA), revisions leading to significant changes to the targets, outputs and activities of the project will have to be approved by the parties involved in the project.

Monitoring reports by NPD will be based on physical work and financial progress of component activities. The production of each component's output will require a separate evaluation report. The NTL will prepare and provide these reports to the NPD.

The executing agency is subject to an audit at least once in its lifetime. For this purpose, UNDP on behalf of the executing agency will engage the services of a national audit firm and sign a standard contract with the selected firm at the commencement of the project.

## SECTION H. LEGAL CONTEXT

The I. R. Iran is not a signatory to the Standard Basic Assistance Agreement (SBAA). Therefore, this project document will be the instrument in the Supplemental Provision to the Project Document, attached hereto.

## SECTION I. WORK PLAN

OUTPUT	ACTIVITY	TIME SCHEDULE (MONTHS)												
		1	2	3	4	5	6	7	8	9	10	11	12	
	TORs for experts	X												
1. INTRODUCTION/ HUMAN DEVELOPMENT	Introducing the report and its contents					X	X	X	X	X				
	Human development trends in Iran		X	X	X	X	X	X						
2. DIALOGUE AMONG CIVILISATIONS AND HUMAN DEVELOPMENT	Dialogue among civilisations: Introduction		X	X	X	X	X	X						
	Dialogue against conflict			X	X	X	X	X	X					
	Iran's recent activities to facilitate the dialogue			X	X	X	X	X	X					
	Social impact of dialogue			X	X	X	X	X	X					
	Economic impact of dialogue			X	X	X	X	X	X					
3. ECONOMY	Macroeconomic indicators		X	X	X	X	X	X	X					
	Production (by sector)			X	X	X	X	X	X	X				
	Investment			X	X	X	X	X	X	X				
	Foreign trade			X	X	X	X	X	X	X				
	Manpower and employment			X	X	X	X	X	X	X				
	Economic measures undertaken towards human development			X	X	X	X	X	X	X				
4. EDUCATION	Educational system			X	X	X	X	X	X					
	Analysis of recent educational trends			X	X	X	X	X	X	X				
	Education and income			X	X	X	X	X	X	X				
	Education objectives and strategies in TFYDP			X	X	X	X	X	X					
5. SCIENCE, TECHNOLOGY, AND R & D	The state of science and technology		X	X	X	X	X	X	X					
	Research and development			X	X	X	X	X	X	X				
	Information technology			X	X	X	X	X	X	X				
	Science and technology objectives in TFYDP			X	X	X	X	X	X					
6. CULTURE	The role of cultural factors in human development		X	X	X	X	X							
	Dialogue among civilisations and cultural enhancement			X	X	X	X	X	X	X				
	Recent cultural trends			X	X	X	X	X	X	X				
	Cultural objectives and strategies in TFYDP			X	X	X	X	X	X					
7. HEALTH CARE	Analysis of recent health care trends		X	X	X	X	X	X	X					
	HIV/AIDS: present situation			X	X	X	X	X	X	X				
	Health care objectives and strategies in TFYDP			X	X	X	X	X	X					
8. PUBLIC PARTICIPATION	Analysis of recent trends in public participation		X	X	X	X	X	X						

OUTPUT	ACTIVITY	TIME SCHEDULE (MONTHS)												
		1	2	3	4	5	6	7	8	9	10	11	12	
	Participation indicators			X	X	X	X	X	X	X				
	Objectives and strategies of TFYDP for public participation			X	X	X	X	X	X					
9. POVERTY AND DISPARITY	Poverty and disparity		X	X	X	X	X	X						
	Poverty monitoring mechanisms			X	X	X	X	X						
	Poverty situation and future outlook of poverty and disparity			X	X	X	X	X	X	X				
	Poverty alleviation strategies in TFYDP			X	X	X	X	X	X					
10. POPULATION	Recent trends of population indicators		X	X	X	X	X	X						
	Population strategies in TFYDP			X	X	X	X	X	X					
11. WOMEN'S PARTICIPATION	Women's participation in social and economic activities		X	X	X	X	X	X	X	X				
	Women's empowerment strategies in TFYDP			X	X	X	X	X	X					
12. NARCOTIC DRUGS	Recent trends in drug abuse		X	X	X	X	X	X						
	Analysis of drug abuse control policies			X	X	X	X	X	X					
13. ENVIRONMENT	Current state of the environment		X	X	X	X	X	X						
	Identification of the most important environmental issues			X	X	X	X	X	X	X				
	Study of environmental strategies and priorities of TFYDP			X	X	X	X	X	X					
14. HUMAN MOVEMENTS	Incoming refugees and socio-economic impacts		X	X	X	X	X	X	X	X				
	Outgoing emigrants and socio-economic impacts		X	X	X	X	X	X	X	X				
	Recent measures taken to reduce the impacts of refugees and immigration			X	X	X	X	X	X					
15. GLOBALISATION/ REGIONAL CO-OPERATION/ SUMMARY, CONCLUSIONS AND POLICY RECOMMENDATIONS	Dialogue among civilisations, globalisation and regional co-operation		X	X	X	X	X	X						
	Iran's needs, advantages and disadvantages in the globalisation age		X	X	X	X	X	X	X					
	Summary conclusion and recommendations					X	X	X	X	X	X			
16. CALCULATION OF HUMAN DEVELOPMENT INDICATORS AND SUGGESTIONS FOR ADJUSTMENTS	Calculation of aggregate and regional human development indices (HDI)		X	X	X	X	X	X	X					
	Calculation of aggregate and regional gender-related development indices (GDI)		X	X	X	X	X	X	X					
	Calculation of aggregate and regional human poverty indices (HPI)		X	X	X	X	X	X	X					
	Discussion of alternative adjustments methods of human development indicators in various global, regional and national reports			X	X	X	X	X	X	X				
	Providing suggestions for adjustment of the indicators based on the main priorities in Iran			X	X	X	X	X	X	X				
17. EDITING THE FINAL REPORT	Preparation and submission of working group reports				X	X	X	X	X	X	X			
	Writing the final report up						X	X	X	X	X			
	English translation							X	X	X	X	X		
18. OTHER TRAINING	Training on Human Development		X	X	X	X	X	X	X					

OUTPUT	ACTIVITY	TIME SCHEDULE (MONTHS)											
		1	2	3	4	5	6	7	8	9	10	11	12
	Workshop on Human Development			X							X		
	Publication											X	X

## SECTION J. BUDGET

SBLN	DESCRIPTION	TOTAL (USD)
	<b>PERSONNEL</b>	
	<b>International Consultants</b>	
	Preparation of TORs	8,000
	Advising and Editorial Committee	8,000
	<b>Line Total</b>	<b>1,6000</b>
	<b>National Consultants</b>	
	Advising and Editorial Committee	4,000
	National Team Leader	7,000
	Translation	2,000
	<b>Line Total</b>	<b>13,000</b>
	<b>PROJECT PERSONNEL TOTAL</b>	<b>29,000</b>
	<b>CONTRACTS</b>	
	<b>Contract A</b>	
	Human Development	1,000
	Dialogue among Civilisations and HD	3,000
	Economy	3,000
	Education	3,000
	Science, Technology and R&D	3,000
	Culture	2,500
	Health Care	3,000
	Public Participation	3,500
	Poverty and Disparity	3,000
	Population	2,000
	Women's Participation	2,500
	Narcotic Drugs	2,000
	Environment	3,000
	Human Movements	3,000
	Globalisation	1,000
	Summary, Conclusion and Recommendations	2,000
	Human Development Indicators	4,000

	Line Total	<b>44,500</b>
	<i>CONTRACTS TOTAL</i>	<b>44,500</b>
	<b>EQUIPMENT</b>	
	Non Expendable Equipment	
	Equipment	9,000
	Line Total	<b>9,000</b>
	<i>EQUIPMENT TOTAL</i>	<b>9,000</b>
	<b>Training</b>	
	Training on Human Development	2,000
	Workshop on Human Development	4,000
	Line Total	<b>6,000</b>
	<i>TRAINING TOTAL</i>	<b>6,000</b>
	<b>Sundries</b>	
	UNDP Sundries and Support Cost	3,500
	Government Sundries	500
	Line Total	<b>4,000</b>
	<i>SUNDRIES TOTAL</i>	<b>4,000</b>
	<b>Reporting Costs</b>	
	Publishing (English and Persian)	13,000
	Line Total	<b>13,000</b>
	<i>REPORTING TOTAL</i>	<b>13,000</b>
	<i>BUDGET TOTAL</i>	<b>105,500</b>

# ANNEX

## STANDARD TEXT

### Supplemental Provisions to the Project Document:

#### The Legal Context:

#### General Responsibilities of the Government, UNDP and the Executing Agency

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting system.
2. The Government shall remain responsible for this UNDP assisted development project and the realization of its objectives as described in this Project document.
3. Assistance under this Project Document being provided for the benefit of the Government and the people of the Islamic Republic of Iran, the Government shall bear all risks of operations in respect of this project.
4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.
6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.
7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.

7. Arrangements may be made, if necessary, for the temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.
8. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title of such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly therefrom. The UNDP may, however, at its discretion, retain title to part or all of such equipment.
9. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.
10. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

#### Rights, Facilities, Privileges and Immunities

1. In accordance with the Agreement concluded by the United Nations Development Programme (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations Organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.
2. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.
3. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:
  - (a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;
  - (b) Be immune from national service obligations;
  - (c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;



- (d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;
  - (e) Be accorded together with their spouses and relatives depended on them the same repatriation facilities in the event of international crisis as diplomatic envoys.
4. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.
5. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:
- (a) The salaries or wages earned by such personnel in the execution of the project;
  - (b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;
  - (c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and
  - (d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn therefrom upon departure of such personnel.
6. The Government shall ensure:
- (a) Prompt clearance of experts and other persons performing services in respect of this project;
  - (b) The prompt release from customs of:
    - i} equipment, materials and supplies required in connection with this project; and

(a) Participation of the Government

1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.
2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co- operating Agency.
3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.
4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.
5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.
6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.
7. The Government shall make available to the project-subject to existing security provisions- any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.
8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.

9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.
10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.
11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

1. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.
2. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.
3. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.
4. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.
5. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.
6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.

ii) property belonging to an intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

7. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.
8. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.
9. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

#### Suspension or Termination of Assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgment of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.
2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.
3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.