

**Islamic Republic of Iran**

**United Nations Development Programme**

**MENARID: INSTITUTIONAL STRENGTHENING AND COHERENCE  
FOR  
INTEGRATED NATURAL RESOURCES MANAGEMENT**

**Brief Description:**

The project will contribute to the removal of barriers to climate-resilient integrated natural resources management (INRM) in Iran by providing coordination mechanisms, policies, inventories of good practice, degradation assessments and INRM training. Participatory, gender sensitive, community-driven demonstration activities of INRM will be undertaken in four watersheds totaling 49,230 hectares, representing a range of dryland situations where land use types co-exist in the same landscapes and where cross-sectoral coordination is essential. Global environmental benefits will include: enhancement of ecosystem services; carbon sequestration in forest, range and rainfed agriculture; further mainstreaming of biodiversity; and balancing the use of surface and groundwater resources.



**United Nations Development Programme  
Government of the Islamic Republic of Iran  
PROJECT DOCUMENT**



**Project Title:**

MENARID: Institutional Strengthening and Coherence for Integrated Natural Resources Management

**UNDAF Outcome(s):**

Global environmental concerns and environmentally sensitive development integrated in national development frameworks and implemented

**UNDP Strategic Plan Environment and Sustainable Development Primary Outcome:**

National capacity to manage the environment in a sustainable manner is strengthened while ensuring adequate protection of the poor.

**UNDP Strategic Plan Secondary Outcome:**

Environmental and energy issues are mainstreamed into development planning; finance for improved environmental management is mobilized; increasing threats from climate change are addressed; and local capacity to better manage the environment and deliver services, especially water and energy are built.

**Expected CP Outcome(s):**

1. Mitigating and adapting to climate change and providing energy for sustainable development.
2. Global environment commitments integrated into development planning and implementation capacity developed.
3. Sustainable land/water and biodiversity management in critical ecosystems.

**Expected CPAP Output (s)**

1. Country enabled to fulfill its commitments as a signatory party to global conventions and capacity developed to implement these conventions.
2. Community-based resource management policies and practices developed and piloted/demonstrated.

**Implementing Partner:** Forest, Range and Watershed Management Organization (FRWO) of the Ministry of Jihad Agriculture (MoJA)

**Implementing Entity/Responsible Partners:** Forest, Range and Watershed Management Organization (FRWO) of the Ministry of Jihad Agriculture (MoJA)

Programme Period:	2010-2015
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Project ID:	00074811
PIMS #	3232
Start date:	Sept 2010
End Date	Aug 2015
Management Arrangements	NEX
PAC Meeting Date	18 Aug 2010

Total resources required	US\$20,057,000
Total allocated resources:	US\$20,057,000
• Regular UNDP TRAC I	US\$200,000
• UNDP TRAC (thru parallel funding to SMLWR II)	US\$937,000
• Other:	
○ GEF	US\$4,320,000
○ Government	
In-kind	US\$5,600,000
Cash	US\$9,000,000

**Agreed by (Implementing Partner):**

Ali Salajegheh  
Deputy Minister and Head of FRWO, MoJA

28 September 2010

NAME

SIGNATURE

Date/Month/Year

**Agreed by (UNDP):**

Consuelo Vidal,  
UNDP Resident Representative

28 September 2010

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Date/Month/Year



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## Acronyms

APR	Annual Project Review
ATR	Action Taken Report
AU	Animal Unit
AWP	Annual Work Plan
BD	Biodiversity
BTE	Bureau of Technical and Engineering
CBD	Convention on Biological Diversity
CBO	Community Based Organisation
CCA	Common Country Assessment
CC	Climate Change
CDR	Combined Delivery Report
CHTO	Cultural Heritage and Tourism Organization
COP	Conference of the Parties (for global environment conventions – CBD, UNCCD, UNFCCC)
CP	Country Programme
CPAP	Country Programme Action Plan
CTA	Chief Technical Advisor
DG	Director General
DOE	Department of Environment
DWPA	Department for Women and Pastoral Affairs
EB	Executive Board
ERC	Evaluation Resource Centre
FAO	Food and Agriculture Organization of the United Nations
FE	Final Evaluation
FFS	Farmers' Field School
FRWO	Forest, Rangeland and Watershed Management Organisation
FSP	Full Size Project
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Green House Gases
GIRI	Government of the Islamic Republic of Iran
GMS	General Management Support
HACT	Harmonized Approach to Cash Transfer
HR	Human Resources
INRM	Integrated Natural Resources Management
IR	Islamic Republic
IUCN	International Union for Conservation of Nature
ISS	Implementation Support Services
IW	International Waters
LD	Land Degradation
MDGs	Millennium Development Goals



MENARID	Middle East and North Africa Regional Development Programme for Sustainable Land Management
M&E	Monitoring and Evaluation
MOE	Ministry of Energy
MOI	Ministry of Interior
MoJA	Ministry of Jihad Agriculture
MTR	Mid Term Review
NAB	Nomadic Affairs Bureau
NCCD	National Committee to Combat Desertification
NAPCD	National Action Programme to Combat Desertification
NBSAP	National Biodiversity Strategy and Action Plan
NCSD	National Committee on Sustainable Development
NDP	National Development Plan
NEX	National Execution Modality
NGO	Non Governmental Organisation
NPD	National Project Director
NPM	National Project Manager
NPMC	National Project Management Committee
NSE	National Strategy for Environment and Sustainable Development (Iran)
OAI	Office of Audit and Investigation
PB	Project Board
PES	Payment for Environmental Services
PIF	Project Identification Form
PIR	Project Implementation Review
PJAO	Provincial Jihad Agriculture Organisation
PMC	Planning and Monitoring Committee
PMU	Project Management Unit
POPP	Programme and Operations Policies and Procedure
PPC	Provincial Planning Council
PPM	Provincial Project Manager
PPG	Project Preparation Grant
PPMC	Provincial Project Management Committee
PPMU	Provincial Project Management Unit
PPR	Project Progress Report
PPRC	Provincial Project Review Committee
PRA	Participatory Rural Appraisal
PRF	Project Result Framework
ProDoc	Project Document
PTD	Participatory Technology Development
QPR	Quarterly Project Report
RCB	Regional Centre Bangkok (of UNDP)
RFP	Request for Proposal
RIFR	Research Institute for Forests and Rangelands
SMLWR	Sustainable Management of Land and Water Resources
SP	Strategic Programme

STAP	Scientific Technical and Advisory Panel
TC	Technical Committee
TDN	Total Digestible Nutrient
ToR	Terms of Reference
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change

# 1. SITUATION ANALYSIS

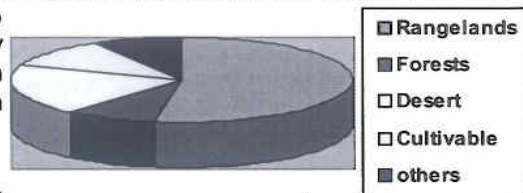
## 1.1 Context and Global Significance

1. The Islamic Republic of Iran covers 164.8 million hectares between latitudes 25° and 40° N. It is situated where three climatic zones meet – the Mediterranean, the arid West Asian and the



humid/semi-humid Caspian zone. Iran is bordered by Turkmenistan, the Caspian Sea for 900 km of coastline, Azerbaijan and Armenia in the North, Afghanistan and Pakistan in the East, the Persian Gulf and the Sea of Oman in the South, and Iraq and Turkey in the West<sup>1</sup>. The country is both a meeting point for many cultures as well as for many types of climate, land, water and biodiversity.

2. The poverty situation in Iran is characterized by significant regional, rural-urban and gender differences; extreme poverty is sporadic. An assessment of national human development indicators and indices reveals wide inter-provincial disparities, consistent rural-urban differentiation and inequitable income distribution<sup>2</sup>. The UN Common Country Assessment (CCA) for Iran signed on 11<sup>th</sup> August, 2003 cites that the most vulnerable accounts for about 20% of the total population.
3. Of the total land area, about 86 million hectares or 52.4% are rangelands; 14.2 million hectares or 8.6% are forests and 32 million hectares or 19.5% are deserts including bare salty lands. Approximately 18.5 million hectares are under cultivation, of which 8.5 million hectares are irrigated and 10 million hectares are rainfed<sup>3</sup>.
4. Being dominantly in an arid environmental zone, approximately 85 % of Iran's agro-ecologies are arid, semi-arid and hyper-arid<sup>4</sup>. Iran's location and geographic features thus cause the country to receive less than a third of world average precipitation. As a result, most rivers are seasonal and their flows depend heavily upon the amount of rainfall.



<sup>1</sup> Source: <http://www.mfa.gov.ir/cms/cms/Tehran/en/Tourism/>

<sup>2</sup> Source: <http://www.undp.org.ir/DocCenter/reports/npd/CPD.pdf>

<sup>3</sup> FRWO, 2005

<sup>4</sup> Badripour, Hussain et.al (2006), *Rangelands of Iran: An Overview*, FRWO, pp.14

5. The mean annual rainfall is only 246 mm. The total annual volume of precipitation equals 413 billion cubic meters of which 44.5 billion cubic meters are controllable and potentially available for utilization. Presently, 36 billion cubic meters of underground water are utilized which could be developed to 116 billion before 2021<sup>5</sup>.
6. Iran's agricultural sector accounts for about 26% of national GDP, more than 33% of employment and more than 80% of food supply<sup>6</sup>. Agricultural activities are diversified, including production of various crops, fruits and nuts, agro-forestry, poultry, small and large livestock, honey bee, silk worm and fisheries. Crop production is practiced under both: rainfed and irrigated conditions. According to the 2005 statistics, 9.61 percent of country's total land area was under annual and permanent crops. Out of the total 70 million tons of annual crops produced, more than 89.6 percent was from irrigated lands. Cereals, particularly wheat, are the primary crops produced in the country.
7. Geological structures and their different susceptibilities to erosion, as well as the Alborz mountain range in the North and Zagros in the East lead to the formation of steep slope plains and playas with specific climatic and soil conditions. These include precipitation with varying distribution and volume, high temperature fluctuations in different regions, formation and evolution of soil types with physio-chemical and biological characteristics.
8. The complex and varied climates, topography, geological formations and anthropological management of natural resources have led to a varied and unique biological diversity. The Iranian ecosystems support over 8,000 species of plants<sup>7</sup>, 140 species of mammals, 293 species of birds, 219 species of reptiles, 112 species of fishes and 23 species of amphibians<sup>8</sup>. This includes a large number of wild relatives of commercial species – both plants and animals, confirming Iran's status as a centre of genetic biodiversity. Also, a large number of Iran's plant and tree species have traditional uses such as medicines, aromas and pigments.
9. Iran's forest per capita is 0.2 hectares as compared with the global standard of 0.8 hectares. Iran's forests are divided into two areas including the Caspian forests in the North and dry and semi-dry forests to the South<sup>9</sup>.
10. The Caspian forests or Hyrcanian forests belong to the end of the third geological era, and are known as the oldest forests in the world. They cover an area of nearly 1,925,125 hectares<sup>10</sup>. Fertile soil, proportionate precipitation and high humidity have created a varied collection of plants in this region, including about 80 species of trees - mainly deciduous - as well as four species of conifers and 50 species of shrubs, of which the most important are: *Fagus orientalis*, *Acer insigne*, *Acer cappadocicum*, *Ulmus glabra*, *Fraxinus excelsior*, *Tilia begonifolia*, *Cerasus avium*, *Quercus castaneifolia*, *Zelkova carpinifolia*, *Alnus subcordata* and *Carpinus betulus*.
11. The Arasbaran forests cover an area about 15,000 hectares and are located in the North-east of Azerbaijan province. This region has been registered as the world's foremost genetic reserve for this significant biological variety, and to date more than 775 plant species have been identified in



<sup>5</sup> Badripour, Hussain et.al (2006), *Rangelands of Iran: An Overview*, FRWO, pp.15

<sup>6</sup> Source: <http://www.maj.ir/english/Main/Default.asp>

<sup>7</sup> Source: <http://www.jstor.org/pss/3186171>

<sup>8</sup> Source: [http://earthtrends.wri.org/pdf\\_library/country\\_profiles/bio\\_cou\\_364.pdf](http://earthtrends.wri.org/pdf_library/country_profiles/bio_cou_364.pdf)

<sup>9</sup> Source: <http://www.lfccc.net/forestry1.htm>

<sup>10</sup> Source: <http://www.lfccc.net/forestry1.htm>

protected areas alone, of which 55 species have been reported for the first time from Iran. These forests have also been registered in UNESCO's biosphere reserves list, and are the main habitat of some of the world's rarest fauna.

12. The Zagros Mountains extend from the North-west border up to the Straits of Hormoz alongside Hassan Longi River in the west of Minab. The most important plant species in this region includes *Quercus infecturiae*, *Quercus libani* and *Quercus brantii*. Zagros forests not only protect the soil and land, but also provide the source for approximately 45% of the water supply in Iran, and contribute to the development of the economy in the country.
13. The forage availability from the rangeland is 5.9 million tons total digestible nutrients (TDN) which can feed only 36 million Animal Units (AUs) during a seven months grazing period. However, the current AU is 83 million, which is 2.2 times the capacity of Iranian rangelands<sup>11</sup>.
14. Iran is also very susceptible to the impacts of climatic variability and climate change. A recent study<sup>12</sup> conducted by Faculty of Natural Resources and Soil Sciences of Tehran University reveals that a drop of one millimetre annual precipitation may lead to 1.36 kg/hectare reduction in forage production in Iranian rangelands. Based on another study conducted by FRWO in 2005<sup>13</sup>, the economic value of one hectare of rangeland is estimated as US\$232 of which 75% is attributable to environmental values.
15. Simulations of the future climate change in Iran<sup>14</sup> indicate that changes in the amount and distribution of rainfall as well as temporal and spatial changes in air temperature will increase the occurrence of flooding and drought events in the country.
16. The per capita annual CO<sub>2</sub> emission in Iran is 5.69 tons<sup>15</sup>. Being an oil producing country, Iran emits large amounts of Green House Gases (GHGs) in the energy sector, which is associated with exploration and production of fuels and oil products that are mainly consumed in other countries. According to inventory statistics, about 83% of the total GHGs are emitted from the energy and industrial processes sectors. The remaining 17% of the total is generated from non-energy sectors including forests, agriculture and waste sectors. Relevant indicators forecast an annual rise of 5% to the current level of GHGs<sup>16</sup>.
17. Studies on the global warming effect on hydrology and water resources in Iran indicate that the temperature rise will increase the runoff volume during winter and decrease it during spring. It also indicates that temperature increases affects runoff of basins and decreases the amount of runoff variation of rainfall<sup>17</sup>. The predicted increase in temperature may lead to spikelet sterility in rice, loss of pollen viability in maize and reduced formation of tuber bulking in potato for areas near to threshold. The changing climate will severely affect wheat production, which is main staple crop<sup>18</sup>.
18. Climate change has profound impact on the forestry sector. This includes changing the habitat location of forest species, especially the less tolerant ones and the extinction of low tolerant

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<sup>11</sup> Source: <http://www.lfccc.net/forestry2.htm>

<sup>12</sup> Azkia, M & Jafari, M (2005) *Mathematical Dynamic Model of Sustainable Management of Rangeland Ecosystems in Iran*, University of Tehran, Iran

<sup>13</sup> Eskandari, Shiri (2005) *General Features of Rangelands in Iran*, FRWO, MoJA, Iran

<sup>14</sup> Khorsandi, Farhad et.al. (2008) *Vulnerability and Adaptation Assessment of the Agriculture, Livestock and Fishery Sector in Iran*, Tehran, Iran, pp. 7

<sup>15</sup> Source: <http://www.climate-change.ir/en/publications/PDF/Irans-Initial-Communication.pdf>

<sup>16</sup> Source: <http://www.climate-change.ir/en/publications/PDF/Irans-Initial-Communication.pdf>

<sup>17</sup> Source: <http://www.aqu.org/pubs/crossref/2009/2008WR007615.shtml>

<sup>18</sup> Source: <http://ncsp.undp.org/sites/default/files/319.pdf>

species. Environmental conditions for wildlife in forest areas decline sharply as does forage production in rangeland, which can in some cases signal the onset of desertification<sup>19</sup>.

19. Iran has high potential for alleviating the amount of GHGs emission. According to a study carried out by Sharif Energy Research Institute (SERI)<sup>20</sup>, energy conservation potential is estimated to be 31% in the year 2021. In the non-energy sector, the major mitigation measures may include improved farm and livestock management, protection of forestlands and other natural resources, control and treatment of wastewater, disposal management and recycling of solid waste. Afforestation, reforestation and switching from wood to fossil fuel in the forestry sector are also important mitigation measures.

## 1.2 Policies and Institutions

20. Following UNCED in June 1992, the **National Committee on Sustainable Development (NCSD)** was formed in 1996 to follow up and deliver the UNCED main objectives. In 1993, formulation of a **National Strategy for Environment and Sustainable Development (NSE)** started under UNDP and World Bank funded Capacity 21. The NSE is linked to the **National Development Plan (NDP)**, which is prepared every five year and delineates Iran's principal environment and development objectives, establishing linkages with cross-sectoral plans.
21. The Enabling Activity Project known as "**The National Biodiversity Strategy and Action Plan (NBSAP)**" started in 1998 in collaboration with UNDP, GEF and IUCN. In 2001 four strategies were ratified as follows: promotion of the public awareness and participation; formation of biodiversity information systems; sustainable use of biodiversity resources; and integrated conservation of biodiversity.
22. The **National Action Programme to Combat Desertification (NAPCD)** was finalized in 2004. A National Committee for Combating Desertification (NCCD) was formed, chaired by the Minister of Jihad Agriculture and comprised of deputy ministers of various ministries and concerned public organizations. The Committee is mandated to coordinate government organizations and institutes as well as to establish the macro-policies for desertification control activities.
23. The NAPCD framework has four pivotal objectives, namely: *identification and control of the factors contributing to desertification; support for the sustainable use and management of natural resources through conservation and reclamation; promotion of sustainable livelihoods in affected areas through job creation, income generation and the improvement of socio-economic standards; and strengthening the role of rural communities in terms of decision-making, planning, designing, implementation, monitoring and evaluation.*
24. Customary rights of the indigenous and local communities are recognized in all forestry projects and their involvement in the process of decision making is encouraged. Land tenure rights of local communities are also officially recognized and respected by law.
25. Iran is divided into 30 **provinces**, each headed by a Governor appointed by the Ministry of Interior<sup>21</sup>. The provinces are further divided into **counties**, each headed by an executive appointed by the Ministry of Interior on the recommendation of the provincial Governor. Each county includes two or more districts, which are headed by District Commissioners appointed by the county executive. The **districts** are subdivided into urban municipalities and rural areas. Each municipality has an elected council; the rural areas encompass a number of villages, each run by elected village councils. The **local councils** have the power to regulate zoning and issue building permits. They also organize the provision of, and assess fees for, various public services.

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<sup>19</sup> Source: <http://www.climate-change.ir/en/publications/PDF/Irans-Initial-Communication.pdf>

<sup>20</sup> Source: <http://sharif.ir/~werc/first.htm>

<sup>21</sup> Source: <http://www.moi.ir/Portal/Home/Default.aspx?CategoryID=Home>

26. **Ministry of Jihad Agriculture (MoJA)** plays a key role in natural resources management and rural development. The MoJA was formed by the merger of two large ministries namely: *Ministry of Jihad, and Ministry of Agriculture*. Since the merger, many organizational changes have taken place within the Ministry<sup>22</sup>.

27. The MoJA is responsible for forest, rangelands and agricultural lands. It is also responsible for watershed management and for nomadic affairs. The responsibilities include implementing physical infrastructure projects, controlling land-use on state-owned land – especially forest land, and projects providing technical support to communities. It implements projects aiming to improve agricultural and rural development.

28. Key agencies within the MoJA include:

- Research Institute for Forest and Rangelands (RIFR) – responsible for research, monitoring and policy preparation<sup>23</sup>;
- Forests, Rangelands and Watershed Management Organization (FRWO), comprises of six (6) Bureaus and five (5) Departments with 32 Natural Resources Management administrations at provincial level<sup>24</sup>. Its main objective is the protection, conservation, reclamation, development and utilization of forests, rangelands, forested lands, natural woods and coastal lands, as well as soil conservation throughout the country.
- Nomadic Affairs Bureau (NAB) – largely responsible for overall policy regarding nomads, for integrating nomadic concerns into other policies and related coordination, and for providing social services to nomadic communities;
- Department of Women and Pastoral Affairs (DWPA), with programmes to support women and female-headed families in rural areas, including training and micro-credit programmes.

29. Other key agencies involved in natural resource management include:

- The Water Organization within the Ministry of Energy<sup>25</sup> is responsible for water management, including construction of water management infrastructure, distribution of water to users. In some cases, it also has responsibilities related to catchments protection;
- The Cultural Heritage and Tourism Organization (CHTO), with responsibilities related to protecting cultural and natural heritage, and to promoting eco-tourism.

30. In line with the ongoing decentralization process, Provincial governments play an increasingly important financial, political and technical role in supporting sustainable development in Iran. The leading decision-maker at provincial level is the Provincial Governor, who is the direct representative of the President. One Deputy-Governor is responsible for sustainable development including natural resource management. Key responsibilities of the Governor's office may include:

- Allocation of the provincially generated budget;
- Ensuring that programmes funded by the national government are implemented appropriately;
- Participating in the recruitment and management of human resources that are funded by the national programmes.

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<sup>22</sup> Source: <http://www.maj.ir/english/AboutUs/programme.asp?p=aboutus>

<sup>23</sup> Source: <http://www.rifr-ac.ir/MDweb/aboutE.htm>

<sup>24</sup> Source: <http://www.frw.org.ir/Home/pageid/34/language/en-US/Default.aspx>

<sup>25</sup> Source: <http://www.moe.org.ir/HomePage.aspx?TabID=1&Site=DouranPortal&Lang=en-US>

31. In each province, the Provincial Governor has established Provincial Planning Councils (PPCs) to ensure the coordination of all nationally funded policies and programmes. All main government departments are represented on the PPCs. In order to facilitate natural resources management and coordination across related sectors, PPCs have established nine working groups (WGs), in which the provincial FRWO takes a leading role.
32. The fourth Five-Year Development Plan was ratified by the Parliament in 2004. **Article 17** of the Plan highlights the government's duty to manage water resources in an integrated manner. **Article 18** mentions the government's duty to prepare agricultural and natural resources management plan with due consideration to self sufficiency and sustainability. **Article 69** specifically highlights government's duty to formulate and implement the programme for conservation, reclamation, improvement, development and utilization of renewable natural resources. **Article 70** concerns government's duty to initiate the range management plan, giving due priority to designated nomad households in the framework of Nomad Settlement Scheme aiming at sustainability of natural resources, management of a grazing regime and protection of genetic reserves.

### 1.3 Threats, Root Causes

33. In broad terms, 75 million hectares of land in Iran are exposed to serious water erosion, 20 million hectares to wind erosion and five (5) million hectares to other types of chemical and physical degradation which includes two (2) million hectares where decrease in vegetation productivity has been serious, two (2) million hectares exposed to salinization and one (1) million hectares threatened by other types of degradation<sup>26</sup>.
34. Up to 1960, one of the greatest factors contributing to forest degradation was fuel wood collection. In 1962, Iran's forests were nationalized. Since then, although forest exploitation was licensed only for traditional animal husbandry, population growth exacerbated by the drive for higher standards of living have substantially increased demand on food and crop lands; they have aggravated the deforestation trend and have increased urbanization and expanded industrial production<sup>27</sup>. In recent years, on the basis of new laws any land use change of agricultural lands is officially forbidden.
35. Factors contributing to degradation of rangelands include overgrazing and drought. Other contributing factors are:
  - Excess exploitation in relation to human population (5.7 times carrying capacity of land);
  - Fuel wood collection;
  - Conversion of rangelands to rainfed farmlands.
36. Iran has been one of the major centres of endemism in plant and animal diversity. Twenty two percent (22%) of Iranian plant species are endemic. Increasing population pressure, including deforestation, intensification of agriculture, drainage of wetlands and industrial development, have great impacts on the growth, survival and distribution of rare and endemic species in the country.
37. The IUCN<sup>28</sup> identified the number of threatened species in Iran in 2002-2003 as follows: plants: 1; mammals: 22; birds: 13; reptiles: 8; fish: 7 and amphibians: 2. The Red Data Book of Iran<sup>29</sup> has highlighted that 32% of the vulnerable and endangered plant species have been affected by

<sup>26</sup> FRWO (2004) *The National Action Programme to Combat Desertification and Mitigate the Effect of Drought in Islamic Republic of Iran*, pp.13

<sup>27</sup> National Report to the Fifth Session of the United Nations Forum on Forests, January, 2005, pp. 3

<sup>28</sup> Source: [http://earthtrends.wri.org/pdf\\_library/country\\_profiles/bio\\_cou\\_364.pdf](http://earthtrends.wri.org/pdf_library/country_profiles/bio_cou_364.pdf)

<sup>29</sup> Jalili, Adel et.al. (1999) *Red Data Book of Iran*, Research Institute of Forests and Rangelands, Tehran, Iran, pp.8



human. Either they are grazed or harvested as a medicinal plant or they are used for other purposes. For example, *Allium hirtifolium* (bulbous perennial) and *Danae racemosa* (a shrub) from the *Liliaceae* family face over harvesting, and are categorized as endangered species. The bulbs of *Allium hirtifolium* are used as a spice, while *Danae racemosa* are used in flower arrangement.

38. Mountains in the west of Iran prevent the penetration of the humid air from the Mediterranean Sea and North Atlantic Ocean to penetrate the lowlands of Iran, thereby creating a more continental climate with hotter summers and colder winters. The location of Iran exacerbates the arid and hyper-arid climate which has made the natural ecosystems more sensitive and fragile. The extreme variability in both temperature and precipitation create a natural vulnerability to disturbance and environmental degradation. Any human-induced changes are, therefore, a much greater threat than in a more equable climate.
39. Various studies on effect of climate change in Iran indicate that the areas which are most prone to soil degradation (intensive farming, wind and water erosion, salinity and water logging) will be more vulnerable to negative impacts of future climate change. According to the short term climate prediction of Iran<sup>30</sup>, the Western and South-western provinces will experience decreased rainfall. The reduction in natural and agricultural vegetative covers and acceleration of erosion in these areas are very likely. The possibility of flooding is predicted to increase in coastal areas of Sistan and Baluchistan. Therefore, further acceleration of soil erosion in these areas is to be expected.
40. According to the long term climate prediction of Iran, most parts of the country will experience decreased rainfall. Therefore, due to expected decrease in vegetative covers the possibility of wind and water erosion in most parts of the country will increase. Rainfed agriculture is very much dependent on the rainfall, and thus, storage of moisture in the soil. The long term climate predictions indicate that soil moisture content in the West and North-western provinces of the country will decline in the spring by 10-50 mm<sup>31</sup>. A principal driver for this is environmental degradation itself: as soil organic matter is depleted by erosion, the plant-available water capacity also declines. This leads to reduced vegetative cover, and hence further erosion. This spiral of environmental degradation is evident in many parts of Iran, especially in the rainfed arable areas. Since these are where most of the rural poor in Iran live, the impact of decreased rainfall and further environmental degradation falls largely on the people who can least bear it.
41. According to the latest statistics, about 44.5 million hectares of the soils in the country are salt-affected to some degree<sup>32</sup>. In areas, where evaporation demand increases due to climate change, the potential danger of salinization also increases. In areas where the rainfall is expected to increase due to climate change, the natural leaching of salts from soils may increase. Therefore, soil salinization hazard will be more severe, particularly in arid and semi-arid areas.
42. Climate change will impact animal husbandry directly by affecting the animal physiology, and indirectly by affecting the forage and animal feed production. Based on the temporal analogical results, it is predicted that small livestock, such as goats and sheep, will be more vulnerable to future climate change in the country. Warmer temperatures during winter reduce feed requirement and energy costs. However, warmer temperatures during summer will increase the possibility of death, particularly in poultry. Reproduction, meat quality and milk production generally reduces by heat waves. Changes in temperature and humidity will impact the reproduction and population of pests and pathogens.

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<sup>30</sup> Institute of Climatology (2008), *Modelling of Iran's climate 2010-2039 with Small Scaling Output Data of ECHO-G Model*, Mashhad, Iran

<sup>31</sup> Research Institute of Planning & Agricultural Economy (2004) *Searching Global Climate Models in the Middle East & Iran*, Tehran, Iran

<sup>32</sup> Moamani A. et.al. (1999), *The Extent, Distribution and Management of Salt Affected Soils in Iran*, FAO Global Network for Integrated Soil Management for Sustainable Use of Salt Affected Soil, Izmir, Turkey

#### **1.4 Long-term Solution and Barriers to achieving the Solution**

43. Environmental problems in Iran are closely related to human development demands and over-exploitation of natural resources. Therefore, appropriate rural development will aim not only at alleviating poverty and improving living standards, but also to conserve environment. The challenge of eradicating extreme poverty (MDG 1) is to identify and support those 20% or more people in Iran who are the most vulnerable, either because they currently suffer hardship or are likely to suffer with any worsening of the environmental and economic situation, the women could be one of the most sufferers.
44. Along-side an overall focus on rural development, specific prevention of destructive practices and the control of pollution of ecosystems are needed to be taken. These actions must be supported by appropriate monitoring, information dissemination, sustainable financing mechanisms, networking, advocacy and dissemination and capacity building. The long-term solution for Iran shall include co-benefits in both the control of environmental degradation and the attainment of sustainable development.
45. Good governance along with further decentralization is increasingly being recognized as important for achieving sustainable development. The Fourth National Development Plan highlights capacity development and knowledge sharing as crucial in this effort. There is a need to focus on fairness, gender equity and social justice, and ensure equal opportunities in development. Extending the practice of democratic participation and promoting and stimulating the growth and activities of civil society will help to meet the MDGs.
46. The fundamental agricultural and natural resources management strategy to address climate change and increasing population pressure is to increase agricultural production level as close as possible to the optimum agro-ecological potential. In biophysical terms, the increased vegetative cover not only protects the soil from erosion but also sequesters more carbon in the form of soil organic matter, thereby increasing soil fertility and plant-available water capacity. In terms of sustainable soil and water management, the biophysical strategy brings greater livelihood benefits and more investment back into SLM. Activities such as integrated crop management at farm level, transfer of knowledge and technology and influencing policies at national and regional level towards enhancement of job security and motivation for sustainable agriculture in rural communities are essential in overcoming the barriers to reach sustainable solutions to the environmental challenge.
47. The strategy to control soil erosion and desertification should therefore focus on enhancement of soil health, which can be achieved mostly by enhancement of soil organic matter content. The soil is the largest terrestrial sink for carbon and has the most feasible scope for being made more effective: practices that build soil organic matter are the key not only to deriving GEBs but also to support the livelihood strategies of local people. Improving soil fertility and structure are the entry points in the SLM strategy for Iran. In practical terms, this is achieved through various conservation tillage systems that prevent or reduce soil compaction, improve water infiltration and reduce soil moisture evaporation.
48. The propensity of Iran's environment to build soil salinity, coupled often with sodicity (excess sodium ions on the soil exchange complex), is a major barrier to delivering SLM solutions. Excessive consumption and wastage of water, especially in agriculture, brings salts and sodium ions into the plant-root zone. Raising environmental consciousness and adopting stringent policies will help the country to control water wastage. Improvement of vegetative cover of soil greatly reduces evaporation and upward movement of salts in soil. Cultivation of cover crops, mulching, conservation tillage and crop rotations are other appropriate management options available for soil salinity management.
49. The conjunction of exploitable economic and natural resources along with sensitivity of the natural environment to degradation is another critical barrier, requiring carefully-planned long-term solutions. As one of the world's largest oil and gas producers and despite the relative wealth

enjoyed by Iran, achieving sustainable livelihoods and eradicating poverty remains a significant challenge. Unemployment remains high particularly in the 15-24 age groups. Employment generation through human and institutional development is one of the top priorities of the government. Integrated natural resources management also requires the employment of educated people, both to manage the process and to implement the complex array of activities. It is anticipated that the employment-generating possibilities of SLM across the GEF focal areas will assist in overcoming the barrier of inequitable economic opportunities that cause greater pressure on sensitive natural environments.

50. Natural disasters remain a major threat and a constant hazard to development and to environmental sustainability. Iran is one of the most disaster-prone countries in the world<sup>33</sup>, and is extremely vulnerable particularly to earthquakes and extreme climatic events such as floods and droughts. The last decade has seen a number of natural disasters, including four major earthquakes, a number of devastating floods and the worst drought of the last four decades.
51. The INRM in Iran is limited by a variety of factors which can be categorized as: (i) knowledge barriers; (ii) policy barriers; and (iii) technological barriers.

- a. Knowledge Barriers: The information with regards to the nature, extent and severity of natural resources degradation in different parts of the country is limited and scattered. As a result there has been a tendency to focus on the visible symptoms of degradation rather than addressing the underlying causes. Gathering and harmonizing the information from different sources and sectors is a big limitation due to the complexity and scope of issues. In addition, demand to integrate wide range of economic, social and cultural aspect to address sustainable development has made the task more difficult.

There have been some initiatives taken in Iran on sustainable natural resources management, but these are very much localized with little or no documentation on processes and learning. This results in in-accessibility of information from best practices which could be utilized by other projects.

The government extension services have limited exposure to participatory community-based approaches. These do not necessarily address complex issues associated with natural resources degradation. There is a need to broaden community planning tools to ensure that the issue of INRM is given due attention. There is also limited experience with extension approaches based on adult learning methods.

- b. Policy Barriers: Though the Government of Iran has formulated several policies to address natural resources and environmental degradation, lack of a consistent policy framework for a coordinated and integrated approach has been an important barrier for the INRM. The policies of different departments are often many times not in conformity with, and sometimes are against the policies of other departments. Where attempts at integration have been made, they have suffered due to poor political and institutional commitment. Improved capacity and political commitment will be required to implement and sustain integration and coordination between sectors and departments.

High operational costs of government machinery, lack of financial incentives to community and other stakeholders to conserve natural resources, inappropriate funding support and related factors have resulted in the financial resources available for INRM not being commensurate to the needs. The priority for government funding has been to promote poverty reduction, food security and economic development. The INRM has received comparatively less attention so far also because there has been very little relevant experience at field level and few staff trained in the necessary breadth of vision

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<sup>33</sup> CPAP, 2005-2009, pp.5

to capture INRM. Therefore, the influence on provincial and national government for greater financial support to INRM has been sporadic and uncoordinated.

Weak capacity amongst the research and extension services has made it difficult to meet the needs of the local community for technical advice on locally appropriate technologies. Lack of awareness on economic/social context; lack of local competent human resources; limited capacity of government to identify and support the sustainable development approaches are main institutional barriers to promote the INRM.

- c. Technological Barriers: Currently very limited expertise is available within the country on integrated approaches and alternative livelihoods practices. The local community is currently using modern agricultural implements with heavy dependency on machines (tractors, tillers). This result in an increase in the area of uplands cultivated with tractor drawn disc ploughs causing significant soil and water erosion, reduced soil moisture and low crop yields. These modern implements are also largely responsible for the conversion of forests and rangelands into arable lands and loss of biodiversity. The technological improvements on Good Agricultural Practices (GAP), which are in harmony with nature, have been very limited.

## 1.6 Stakeholder and Baseline Analysis

### Key Stakeholders:

52. The immediate stakeholder group for the project is the local community, especially the poorest and most vulnerable who are not only the custodian for critical biodiversity and globally-important environmental assets but are also dependent on the quality of and accessibility to local natural resources. Along with local communities, the government at local, provincial and national levels is a primary stakeholder as it continues to coordinate environmental protection and national development objectives in its actions. In addition to national government, key public sectors will also benefit considerably from the project, particularly those which are directly or indirectly dependent on natural resources. These include tourism, agriculture, food-processing and other selected industries.
53. The private sector is another stakeholder potentially benefiting as opportunities arise for the development and implementation of activities and initiatives that have potential to be commercialised. In particular, more cost-effective and pragmatic approaches will require the evolution of customized technologies and specific services that can be developed and refined by the private sector as investment and business opportunities. For example, eco-tourism, small- and medium-scale rural enterprises will require active involvement of the private sector. The project will aim to develop collaboration with the private sector at an early stage of project development and implementation, based on intervention areas where private sector engagement and support can occur.
54. Civil society/NGOs will have a significant stakeholder role in promoting awareness of INRM, especially in project sites and in developing linkages both to human welfare and to sustainable resources, ecosystem and environmental management. They have already been actively involved in the development of this ProDoc, and will be actively involved in project implementation, particularly for capacity building support.
55. At the demonstration sites, the project will focus on community involvement in planning, implementing and monitoring of the project activities. The project will build capacity at this level by enabling local communities to articulate their needs and to participate in decision-making. The communities will benefit from improvements in resources management and the sustainable maintenance of natural resources, both with regard to their living environment as well as their health and welfare. One area that will require sensitivity is the situation regarding land ownership and rights to natural resources. Additional efforts and careful diplomacy at the community level will be required in order to develop suitable mechanisms for resolving complex and often-conflicting issues in the context of INRM.
56. The demonstration sites were selected through a rigorous process. The selection process (details in [Annex 8.1](#)), conducted against a set of criteria by the PPG technical committee will be presented to the first meeting of the Project Board for its official review and will be subjected to further modifications/shifts as per feedback.
57. [Annex 8.2](#) describes stakeholders' involvement plan in greater detail. Linkages between scales of operation of the project – national, provincial and local – will be especially critical, as will the participation by poor people, women, nomads and other potentially disadvantaged groups.

## Baseline Status

58. INRM is a relatively new concept for Iran, where most efforts to date have been sector-based, initiated by line departments and ministries with little or no coordination between initiatives. The baseline for the project, therefore, includes these previous initiatives and some tentative steps especially at provincial level to manage potential overlaps and possible conflicting actions in rural development. Community involvement in a number of externally-funded projects, such as those by the GEF in the Zagros Mountains, also includes 'integration' through a strong focus on local participation.
59. As earlier mentioned, community level understanding on linkages between environment and livelihoods is currently very low. Influenced by short-term financial gains, local communities and business interests are often engaged in exploitative practices with rampant destruction of natural resources. There has been a significant reduction in the area and quality of Iran's forest resources due to uncontrolled logging, uncontrolled grazing of the undergrowth by livestock, forest fires, and conversion of forest areas into agricultural lands. The FAO<sup>34</sup> has estimated that the country is losing 1.33 percent of its forest resources each year.
60. Iran is an intensive user of water. The overwhelming majority of water use is in agriculture which accounts for 92% of the total. Overall water-use efficiency is low (30%). In 2004, the total agricultural, municipal and industrial water withdrawal was estimated at about 93.3 km<sup>3</sup>, of which 40.0 km<sup>3</sup> from surface water, 53.1 km<sup>3</sup> from groundwater (Qantas and wells) and 0.2 km<sup>3</sup> desalinated water. Groundwater depletion is estimated as 3.8 km<sup>3</sup>/year. Most of the overexploitation happens in the central basins where less surface water is available. The total surface water and groundwater withdrawal represents almost 68 percent of the total actual renewable water resources<sup>35</sup>.
61. Prior to the Taliban regime in Afghanistan there was an agreed flow of 27 m<sup>3</sup>/s (850 million m<sup>3</sup>/year) of the Helmand River entering Iran. However during the Taliban regime, this agreement ceased completely which caused an economic and environmental disaster in the provinces of Sistan and Baluchistan<sup>36</sup>.
62. Although the natural resources degradation has been a concern of the government, it is anticipated that it will continue in the future if the identified barriers are not addressed. The different government departments have their own activities to control natural resources degradation. They are aware of the potential impact of the climate change and biodiversity loss, and are doing their own efforts to improve the situation. However, they do this individually in their own way and at their own pace. Coordination, through cross-sectoral and integrated approaches as embraced by INRM, is urgently needed.
63. The project will operate in an environment that has evolved considerably with the work of the Millennium Ecosystem Assessment (MEA) on drylands ecosystems, which has contributed to improved understanding of the biophysical and socio-economic trends in global drylands, and their impacts on human and ecosystem well-being. In addition, the Land Degradation Assessment in Drylands (LADA) project, executed by FAO with funding from GEF, UNEP and other partners, assesses the causes and impacts of land degradation at global, national and local levels in order to detect hot spots and identify remedial measures. The project approaches land degradation as a biophysical, social, economic and environmental issue that must be dealt with through a combination of geo-informational, scientific and knowledge tools.

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<sup>34</sup> Source: <ftp://ftp.fao.org/docrep/fao/008/a0400e/a0400e00.pdf>

<sup>35</sup> Source: <http://www.fao.org/nr/water/aquastat/countries/iran/index.stm>

<sup>36</sup> Source: <http://www.fao.org/nr/water/aquastat/countries/iran/index.stm>

64. The project strategic approach of INRM will build on a limited but nevertheless significant baseline of activity that addresses management of various aspects of the natural resource base of Iran, including water, forests and land, in the context of developing cross-sectoral linkages especially between the needs of local communities and the natural environment. So in terms of baseline activities, Iran has a number of recent and current projects that support not only the sectoral components of the current project but also some of its cross-cutting aspects. The most relevant are presented in the table below:

**Table 1: Baseline Projects in Iran and Link with the Current Project**

Projects	Department	Objectives/Focus	Link with current project
Carbon Sequestration Project	MoJA, FRWO	The project is promoting a carbon model in dryland ecosystem through participatory approaches to land management. The project encompasses community mobilization principles based on decentralized decision making and control and ownership of financial, natural and material assets necessary for sustainable rural livelihoods.	The current project components on sustainable forests management and carbon sequestration are based on the models developed by this project.
Ahwaz & Shiraz Water Supply & Sanitation Project	DOE	The project assists Provincial Water Supply and Sewerage Company in improving service levels for urban and rural sanitation through rehabilitating existing infrastructure, expanding network coverage and modernizing operation and management systems. The project also provides technical assistance towards encouraging private sector participation.	Project interventions on public-private partnership and involvement of private sector in the conservation and protection of the environment are based on learning from this project.
Sustainable Management of Land and Water Resources in Hableh-Rud Basin (SMLWR) -1 <sup>st</sup> Phase	MoJA, FRWO	The project demonstrated that participatory planning has generated the self-confidence amongst the communities to organize themselves, prepare their own micro-projects, and seek technical and financial support from other sources. The project also demonstrated that through organizing women-only groups and conducting gender sensitization activities with the men has given women more confidence to raise their concerns in mixed group meetings convened to discuss, and decide on, village development issues.	Participatory planning processes and gender integration components of the current project are based on learning from this project. The current project also follows the joint management arrangement with phase-II of SMLWR project.
Conservation of Iranian Wetlands	DOE	The project demonstrates participatory approaches to protection and sustainable use of wetland ecosystems. It aims to assist in the recovery, protection and development of wetland areas, and demonstrate a way for biodiversity to be preserved globally by creating better living conditions for species that have their natural habitat in the project areas.	The project interventions on environment conservation through promoting pilots/demonstration sites are based on learning from this project.

Projects	Department	Objectives/Focus	Link with current project
Alborz Integrated Land and Water Management project	MoJA, Ministry of Energy	The project assists the Government in conserving upper watershed area through sustainable livestock/forest management and reduction of soil erosion and sediment yield; rehabilitating and improving downstream irrigation/drainage system for improving water use efficiency and management building the community's and the government's institutional capacity with emphasis on the mainstreaming of environmental and social aspects and managing water resources in an integrated manner.	The project strategies on holistic watershed development by targeting both up and down streams are integrated in the current project. The CB initiatives under the Alborz project will guide in developing interventions on institutional capacity for the current project.
Conservation of Biodiversity in the Central Zagros Conservation Landscape Conservation Zone	DOE	This project aims to conserve the biodiversity by using participatory approaches that ensure the active involvement of local people. To this end the project promotes partnerships at national and international levels, developing models for how agriculture, water, rangeland and forestry sectors can preserve the biodiversity.	The biodiversity conservation component of the current project through community based participatory approaches has been based on Zagros project.
Northern Cities Water Supply and Sanitation project	Provincial government; Guilan Water and Sewerage Company (WWC) and Mazandar an WWC	The project assists Provincial Water Supply and Sewerage Companies (Rasht, Anzali, Babol and Sari) in: <ul style="list-style-type: none"> <li>improving service levels of urban water supply and sanitation;</li> <li>improving the quality and efficiency;</li> <li>improving environmental conditions and promoting efficient reuse of effluent from sewage treatment plants for agricultural purposes;</li> <li>improving cost recovery and financial capacity; and</li> <li>providing technical assistance to develop private sector participation.</li> </ul>	Project learning on rehabilitation of water resources to efficient re-use of effluents for agricultural purposes are linked to current project.  The learning on cost recovery, sustainable financing mechanism and promotion of public-private partnerships are integrated in the current project.
Rehabilitation of forest landscapes and degraded lands with particular attention to saline soils and areas prone to wind erosion	MoJA, FRWO	The objective of the project is to reduce land and forest degradation by upgrading the protected status of important forest ecosystems, investing in sustainable land and forest management in three target provinces and developing national and local capacity to support the widespread implementation of these techniques across the whole of the country.	The land and forest interventions to be carried out under the current project are in accordance with the initiatives taken up by this project. The project learning are integrated into current project activities.



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## 2. STRATEGY

65. Based on an analysis of the baseline situation and consultations with project stakeholders, the project will take an integrated approach to natural resources management; demonstrating its usefulness, feasibility and rationality in four demonstration sites to maintain ecosystem services, control land and water degradation, and support rural livelihoods.
66. To remove barriers to taking an INRM approach both at local/provincial and, critically, at national level, the project will build a monitoring and information system for land use change, land & water degradation, inventory at least 40 'best' practices, undertake four model assessments of the loss of ecosystem services and build human resource capacity in these areas. It will also create an enabling environment for INRM that will use the information, tools and capacity through planning and natural resource coordination groups, fostering the development of policies and regulations for INRM and providing relevant information to all stakeholders through a web portal.
67. Project actions are integrated in at least four ways:
- (i) Taking an integrated approach to promote the delivery of global environmental benefits for four GEF focal areas (BD, CC, IW, LD) through a dual focus on sustainable land and water management and on ecosystem goods and services.
  - (ii) Taking a landscape and watershed approach, wherein land uses are seen in their totality rather than as separate activities. Trade-off assessments focused on the loss of ecosystems goods and services will support the landscape approach enabling a more realistic balance of management considerations between, for example, surface water and groundwater recharge, and forest/rangeland encroachment and needs for additional rainfed agricultural land.
  - (iii) Balancing critical human livelihood needs with global environmental benefits, through identifying approaches and techniques that deliver co-benefits for both. An example is the development of more intensive organic agricultural and permaculture systems that both sequester more carbon and support ecosystem provisioning services such as crop yield and reliable water supply.
  - (iv) Providing a spatial continuum of INRM promotion from the local community level, to provincial and onto national government levels. While the project will build demand for INRM through its local demonstration sites, critical support and monitoring of the benefits to be gained and the further promotion (up-scaling) will be handled through provincial and national coordinating committees.

### 2.1 Project Rationale and Policy Conformity

68. The current project is being developed under the **Middle East and North Africa Regional Development (MENARID)** Programme which was approved by the GEF Council on 19<sup>th</sup> February 2008. It will provide valuable lessons and experiences for promoting INRM in arid, semi-arid and dry sub-humid environments, not only of the Middle East and North Africa but also in other regions suffering severe land degradation and loss of ecosystem services. A notable and innovative feature of this project is its multi-focal area approach that will build a body of lessons and experiences on how to coordinate SLM in complex, degraded landscapes and how to create synergies between focal areas in order to maximise impact.
69. The project is aligned with GEF policies and priorities in four focal areas: Land Degradation, Biodiversity, Climate Change mitigation and International Waters.

- Land Degradation: The project objectives align closely with SP 1: Supporting Sustainable Agriculture and Rangeland Management in the land degradation focal area strategy. It is consistent with SO 1 to develop an enabling environment that will place Sustainable Land Management (SLM) in the mainstream of development policy and practices at the national and local levels in Iran. The project will also contribute to mainstreaming of land degradation concerns into regional and national level policies and regulatory frameworks through the MENARID partnership.
- International Waters: The project objectives are consistent with SP3: Balancing Overuse and Conflicting Uses of Water Resources in Surface and Groundwater basins that are Transboundary in Nature in the International Waters focal area strategy. By identifying interactions between different sources and the multiple use demands of water, the project will ensure that water is not over-used and supplies are available to feed above- and below-ground sources for adjacent territories. Underlying the project is the rationale that water in drylands provides the key linkage between human development and the other GEF focal areas.
- Biodiversity Conservation: The project will address the regulatory and institutional constraints to mainstreaming of biodiversity conservation into livelihood activities in the wider agricultural production landscape surrounding protected areas thereby contributing to the biodiversity focal area's SP 4 on Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity in productive sectors and landscapes.
- Climate Change Mitigation: Through its focus on measuring, monitoring and demonstrating carbon sequestration and its attendant benefits to ecosystems and livelihoods, the project will fully support SP6: Management of Land Use, Land-use Change and Forestry as a Means to Protect Carbon Stocks and Reduce Greenhouse Gas Emissions, in the climate change focal area strategy. The philosophy of the project is that C-sequestration can only fully be accomplished by adopting a landscape/watershed approach where land uses are linked, people trade-off activities in one land use type for another and where sequestered carbon provides co-benefits for ecosystem provisioning services.

## **2.2 Country ownership: country eligibility and country drivenness**

70. The Islamic Republic of Iran was one of the early signatories of the UNCCD in 1994, which was subsequently ratified by the Islamic Parliament in 1996. The Iranian government established a National Committee to Combat Desertification (NCCD), and formulated a National Action Programme (NAP) in 2004. The NAP provides the key policy to support national actions for conservation, rehabilitation and enhancement of productivity of natural resources.
71. The government also ratified the United Nations Convention on Biological Diversity (CBD) in June 1996. The Constitution of the Iran states that all legal entities and people have a fundamental duty to protect the environment. The Constitution prohibits all activities, economic or otherwise, that may result in irreparable damage to the environment. Over the past 15 years, the government has increasingly striven to make these objectives operational, by highlighting the importance of environmental issues.
72. The Fourth Five-Year Development Plan was ratified by the Parliament in 2004. It adopted an integrated approach for the management of natural resources aimed at sustainable development, raising public awareness on natural resources and strengthening cooperation and participation of both local communities and land users in natural resources sustainable management.
73. At present there are at least 29 general laws and statutes directly relevant to natural resources management in Iran. They cover aspects ranging from pollution control to conservation of wildlife. The protection of land and water resources features prominently.

74. The Common Country Assessment (CCA) carried out by the United Nations Country Team in 2004 and the subsequent UN Development Assistance Framework (UNDAF) underline the need for reducing the deterioration of land and water resources as a pre-requisite for ensuring the Millennium Development Goals and call for the provision of international assistance in that regard.
75. Furthermore, the UNDP Country Programme 2005-2009 notes that excessive use, as well as wastage, of natural resources has become a critical problem, contributing to deterioration of land and water resources. While the government has taken a series of measures to overcome environmental problems, the country is still beset by desertification, air and water pollution, soil erosion, deforestation and loss of biodiversity. The under-utilization of renewable energy resources presents a major challenge.

### **2.3 Design principles and strategic considerations**

76. The government is concerned about the extent and severity of natural resources degradation, and its effect on the economy at the national, community and individual rural household levels. The natural resources (land, water, forests and rangelands) provide the basis for most of the economically productive activities undertaken in rural areas. The sustainable management of these resources is crucial for the country. There is growing evidence that the country's natural resources have been increasingly subjected to over-exploitation, reducing their potential to sustain the present, let alone meet the needs of future generations.
77. The need for action to combat land degradation in order to restore and preserve the productivity, structure and functional integrity of the country's ecosystem resources is important. The country's land resources have become degraded as a consequence of: (i) pursuing inappropriate land management practices; (ii) overgrazing of the rangelands; and (iii) clearing and over exploitation of the forest and woodland areas. The design principles of this project reflect the need to address cross-sectoral components in an integrated way in order to exploit synergies and minimise negative trade-offs.
78. Water is arguably the key natural resource and must be addressed in any integrated strategy for Iran. The water resources are threatened by: (i) destructive flash floods, siltation and sedimentation – due to increased rainwater runoff from the degraded uplands; and (ii) salt water intrusion associated with the reduced river flow caused by sedimentation.
79. Biodiversity, as already described in Section 1, is not only distinctive in Iran but also a support to human livelihoods, the natural cycling of carbon, water and other minerals, and a potential support to a currently-limited but potentially large ecotourism industry. The biodiversity is already threatened by human need and greed. The poor and marginalized, with no alternative options, are exploiting the natural resources to survive. The impoverishment of natural resources further impoverishes these communities making survival more difficult and uncertain. On the other side, many greedy farmers and business interests are cleaning forests and grazing land for commercial agriculture and for timber. There are two main direct threats to biodiversity in Iran: unsustainable agriculture and over-harvesting of biodiversity products. These are leading to a drastic degradation of biodiversity. At a species level, Iran has already lost two of its most spectacular carnivores, **the Persian Lion and the Caspian Tiger**. There are other threatened species, which demonstrate urgent need for biodiversity conservation
80. Combining with biodiversity and water, land use and land use change are key issues in the global challenge for actions to sequester more carbon in the face of critical climate change trends. Action is urgently needed to check and, where possible, reverse the current downward spiral of natural resources degradation, which, in turn, is exacerbating rural poverty and food insecurity. Given the limited alternative livelihoods sources available in the rural areas, it is only by judicious use of these resources, that rural households will be able to increase their food security and social and economic welfare.

81. The cross-sectoral strategic considerations in the previous paragraphs mean that integrated approaches are essential. INRM is the planned approach of this project to halt and reverse the processes of degradation. Compared to conventional sectoral approaches, it involves a holistic method that aims to ensure productive and healthy ecosystems by integrating social, economic, physical and biological needs and values.
82. The INRM approach recognizes that people (men and women; young and old; rich and poor) and the natural resources on which they depend, directly or indirectly, are inextricably linked. Rather than treating each in isolation, all elements are considered together, in order to obtain multiple ecological and socio-economic benefits. This means combining the indigenous resource management knowledge of local people and communities, with new information obtained from scientific and technical sources. It also means recognising and utilizing the different sectors and knowledge-bases of human society in Iran, including indigenous communities that are often not included in mainstream development.
83. Integration means an inter-disciplinary approach to understanding nature's resources, and the social, economic and political factors that contribute to their disturbance. This leads to identification of appropriate technical, policy, legislative and institutional interventions required to overcome the barriers and to promote productive and sustainable use of natural resources.
84. Effective INRM approach requires gender balanced and equitable multi-stakeholder partnerships to bring together indigenous and scientific knowledge, and to reconcile different stakeholder interests and needs, within both the public and private sectors, including community based and non-governmental civil society organizations (CBOs, NGOs). A multi-sectoral approach requires coordination and cooperation between different government departments (at the national, provincial, district and township levels) as well as other non-government agencies and civil societies.
85. Bringing different stakeholders together requires an enabling environment with open dialogue between the various parties. Therefore, support of favourable government policies is a pre-condition for the INRM. The favourable policies likely to enhance (i) building a common diagnosis and shared vision for the INRM; (ii) sharing information about past, on-going and planned development interventions; (iii) better coordinating and harmonizing existing interventions and investments; (iv) improving the design and alignment of future projects and programmes; and (v) identifying and addressing key barriers and bottlenecks to scaling up successful the INRM approaches. Component 2 of the project has been designed to promote enabling environment for different institutions to come together and work towards ensuring integrated approach to natural resources management in cross-sectoral and participatory way.
86. Promoting an enabling environment is fundamental to support the INRM. Such an environment needs to break down barriers between sectors and disciplines, and to use the concepts and principles of the INRM in everyday operations and plans. The most appropriate initial platform for this integration is at community level, where the concepts of the INRM are naturally understood but often frustrated in its application because of externally-imposed barriers. Within the context of a supportive enabling environment, the project has therefore been designed to test and validate community-based approaches to the INRM at the field level with the aim of enabling rural communities to:
  - a. build on their indigenous knowledge;
  - b. raise their understanding of the nature, extent, severity and consequences of the degradation of their natural resources;
  - c. promote an internal demand to address the problem through the development and adoption of locally appropriate sustainable natural resources management practices; and
  - d. prepare their own resources use and investment plans, for restoring, sustaining and enhancing the productive capacity and protective functions of their natural resources.

## 2.4 Project objective, outcomes and outputs/activities

87. The goal of the project is to *promote climate-resilient and gender sensitive integrated management of renewable natural resources, providing global environment benefits for the four GEF focal areas (LD, CC, IW and BD), while maintaining the capacity of ecosystems to deliver the goods and services needed to support local livelihoods.* The project will contribute to this goal along with the other projects under the MENARID and in the Islamic Republic of Iran. Its **objective** is to *remove barriers to Integrated Natural Resources Management (INRM) by developing and strengthening institutional knowledge, capacity and coordination, and by demonstrating and up-scaling successful sustainable land and water management practices.*
88. The current project is comprised of three (3) substantive and complementary components as below:
- Component 1: Improved knowledge and understanding
  - Component 2: An enabling environment
  - Component 3: Community driven approaches
89. The expected outcomes from each of these components are as follows:
- Outcome 1: Enhanced engendered knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods
  - Outcome 2: An enabling environment for INRM and the use of the enhanced knowledge from Component 1
  - Outcome 3: Community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices
90. The project will adopt a multi-pronged approach to ensure the sustainability of project interventions, regardless of whether such interventions are taken at national level or at community level. Complementary and coordinated activities to contribute to the realization of these outcomes have been designed to remove barriers as necessary. The following paragraphs describe the outputs and activities under each project component.
91. **Outcome 1: Enhanced engendered knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods**

This outcome raises a better and more comprehensive understanding for key stakeholders (government, private sector and civil society, communities) on the causes and consequences of natural resources degradation, sensitizing and enabling them to take these into account for future development interventions. The detail analysis will not only identify the proximate causes for degradation but also the less direct causes such as conflicting policies between sectors and issues of poverty. It will also include meaningful analysis and planning that fully recognizes the role of gender relations, and the contribution of both paid and unpaid women's work to economic growth.

92. *Output 1.1 Monitoring and information system for land use change, land and water and ecosystem degradation assessment*

The project will work towards establishing a monitoring and information system for updated information on changes occurring in ecosystems. While the Iranian government has prioritized environment protection and poverty alleviation through sustainable development, it does not have adequate information on the degradation taking place at different levels as well as the implications of such information on the longer term livelihoods of the poor. Establishment of a monitoring and information system at national level will provide vital information to the government and other development partners to effectively address such issues. Gender sensitive tracking and monitoring system, such as gender budgeting will also be applied. The information system will be developed in coordination with Bureau of Technical and Engineering (BTE) at FRWO, which is responsible for remote sensing and GIS. The NPM will supervise the development of monitoring and information system, and the Monitoring Officer at PMU will be responsible for maintaining and updating it.

93. *Output 1.2 Documented analysis and results of the economic, non-monetary and trade-off costs of the degradation within watersheds and landscapes at demonstration sites*

A key bottleneck to integrating the NRM and the climate change threat has been the lack of knowledge and proper understanding of impacts on the local ecosystem and how current land use practices affect this relationship. Through this output, the project will introduce climate change scenario planning as part of the routine management of forests, agriculture, rangelands and other community lands.

Studies will be undertaken to review relevant literature and government policies governing the management of natural resources (including forests, water and land resources) by both men and women and recommend climate-resilient INRM practices that should be integrated. Existing information and relevant data will be collected and analyzed to ascertain root causes of desertification and natural resources degradation, as well as less direct causes.

A DPSIR framework approach as employed in the LADA project will be used to categorise the driving forces, pressures, state, impacts and responses, so that there is a clear understanding of all relevant economic, non-monetary and trade-off costs of degradation, and of the effects of interventions on the whole system. A highly consultative approach will be employed in developing recommendations, involving inputs from government, non-government, and research institutes. Recommendations will be provided on modifying strategies to minimize the adverse impacts on ecosystems and capitalize on synergies.

Research and studies to provide high quality information on gender relations, women's rights and gender equality to decision-makers in natural resources management will be promoted together with provision of sex-disaggregated and gender-relevant data and statistics to make informed decision.

94. *Output 1.3 Inventory of best practices from research, farmer innovation, PTD and local knowledge*

Several development projects in Iran have worked in challenging situations and produced excellent results. These projects demonstrate integrating and utilizing traditional knowledge and local wisdom in their approach. The traditional knowledge, innovations and practices of indigenous and local communities have been developed from experience gained over the centuries, and is transmitted orally from generation to generation. This output will contribute to strengthen the policies based on evidences from such best practices and indigenous traditional knowledge. It will be done as below:

- I. Making inventories of existing cases/experiments which are already documented, and are available in print or audio video form;

- II. Collating techniques from other dryland environments in, for example, water harvesting in order to build a knowledge base of proven practices;
- III. Documenting those traditional/indigenous knowledge and experiences which are not documented so far, and are relevant for the project.

95. *Output 1.4 Increased awareness at all levels from community to national stakeholders of the need for and benefits from integrated approaches to natural resources management.*

A strategic intervention of awareness and sensitisation will be taken to ensure cross-sectoral understanding of the implications of natural resources degradation and meaningful participation in sustainable integrated natural resources management (INRM) by concerned stakeholders. This strategic intervention will aim to (a) sensitise policy and decision-makers (both private and public sector), to the benefits of the INRM approach in relation to resource conservation and management as well as the economic advantages; (b) raise awareness at the institutional/technical management level awareness to ensure that they understand how to interpret policy and how this is delivered; and (c) raise public awareness of INRM issues within the community, to foster support and action on the part of the community. Appropriate activities (like exposure visits, orientation and training programme) and dissemination mechanisms (like IEC materials, folk media, video documentary, etc.) considering the target audience.

96. **Outcome 2: An enabling environment for the INRM and the use of the enhanced knowledge from Component 1**

This component has been designed to facilitate the mainstreaming of INRM within the country's development priorities. This will be done firstly through addressing the baseline situation of lack of awareness and understanding of integrated approaches and technologies for natural resource management by promoting a set of coordinated multi-scale activities that will highlight the benefits to be gained by INRM. These multi-sectoral activities will be aimed at improving the enabling environment (development policy, legislative and institutional) within the framework of the government's policy for decentralizing responsibility for the management of the natural resources to the provincial and local government authorities. In addition this component will undertake targeted capacity building amongst key service providers, so as improve their capacities to promote INRM through community-based participatory approaches.

97. *Output 2.1 Community-based demand for INRM supported by coordination committees and planning across sectors*

At present the demand from local communities for eco-friendly management of resources is almost absent. On the contrary, many communities are engaged in exploitative practices without realizing the consequences on the environment because such practices are perceived as 'modern' and progressive. The project will support communities and organize them into groups (self-help groups, village committees, Islamic councils), strengthen them to take joint actions to improve their livelihoods through maintaining and improving their natural resources base. The knowledge-base from Component 1 will provide validated and evidence-based information on the benefits of conservative and protective practices. A series of social mobilization, demonstration and capacity-building measures will be undertaken to achieve this output.

98. *Output 2.2 Evidence-based examples of new policies, laws and regulations for INRM*

A key bottleneck in promoting the INRM is conflicting policies and plans of different government departments. For example, while FRWO has developed plans to control over-grazing, the Nomad Affairs Organization has been encouraging pastoralists to increase their number of livestock. Furthermore, there are policies which do not adequately safeguard the use of natural resources exploitation, such as in the exploitation of groundwater. Through this output, the project will provide evidence of negative consequences of such policies and procedures, as well as a national platform for reconciling conflicting policies, laws and regulations. The project will also provide positive effect of favourable policies at the demonstration sites, and will influence policy makers to integrate these concerns during the formulation of new policies.

99. *Output 2.3 Demand for assessments of the degradation status of lands in watersheds, including specific ecosystems and land uses, along with trade-offs between land uses and the impact of changing land use on other parts of the landscape.*

The enabling environment for the INRM will be reinforced by awareness-raising of the need for assessments of the scale and severity and impact of land and water degradation. This output will, therefore, include awareness generation through training, exposure to problem analysis, visits and other activities to sensitize local communities to the multiple issues involved and the development of holistic approaches. As the communities are better informed on the implications of their actions on ecosystem, they will demand assessment of degradation status of natural resources in their surroundings as well as information on different options for making trade-offs between resource uses and impacts of those uses. The communities will be better prepared to take informed actions.

100. *Output 2.4 Community-driven demand for information on approaches and technologies that integrate best practice across watersheds and landscapes*

The project will focus on developing the capacities of community based organizations to take action for sustainable use of local natural resources and demonstrate associated income-generating potential. Once aware of the harmful consequences of exploitative actions, the local communities in the demonstration sites are likely to show interest in and demand for information on approaches and technologies that are economically-viable, socially-acceptable and environmentally-friendly. This output will be geared toward the articulation of INRM demand by communities, along with capacity building measures to appreciate the equitable benefits of such approaches and technologies.

**101. Outcome 3: Community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices**

This outcome will address natural resources degradation in four demonstration sites in order to ensure sustainable rural livelihoods and reduced risks to environment. It is anticipated that the enhanced engendered knowledge and understanding (Outcome 1)) and enabling environment (Outcome 2) will lead to community driven, climate resilient approaches (Outcome 3). The project will demonstrate a multi-sectoral approach to sustainable management and utilization of natural resources. The planning and management of natural resource use will follow a participatory approach directly engaging communities, including marginal and small farming households as well as landless farming households, in decision making and prioritization of activities at the village level. It will ensure the management of natural resources in target villages by representative community organizations.

Further, vulnerabilities to climate change on men and women will be taken into account through community based monitoring of variations in local situations together with documenting any related



changes in farming and natural resource management practices. A vulnerability assessment will be conducted in the first year of the project. The outputs of this process will be used to better interpret the results of national climate change and forecasting efforts. The demonstration of the feasibility and associated benefits of adopting such an approach is likely to motivate others for further uptake and replication.

102. *Output 3.1 Quantitative calculations of global environmental benefits to be derived by integrated approaches to INRM in watersheds and landscapes in Iran, and the impact that could be derived by up-scaling from the demonstration sites using cross-sectoral coordination*

Studies and analysis will be conducted to estimate the quantitative environmental benefits at global as well as local levels from INRM practices at demonstration sites. The studies will also be conducted on the environmental benefits when these successful practices are replicated at wider scale. Information on these quantitative aspects will be fed back to the information-base in Component 1, further to enhance the utility and usefulness of the knowledge for practical application. These studies will assist in making better investment decisions on the INRM and influencing government policies in this direction. These studies will also determine the contributions of local communities in conserving the environment and thereby providing justification for suitable incentives to them.

103. *Output 3.2 Implementation of land use and water management practices that are people-friendly, cost-effective and climate-resilient, that can also improve returns within the constraints of local agro ecological conditions*

A community based approach will be undertaken to enable the rural communities to take more direct responsibility and ownership for assessing the problems and deciding on the solutions to the degradation of land and water resources. The participatory planning process will involve a series of community level sensitization meetings, participatory planning workshops, and field learning exercises. The marginalized population specifically women, poor and landless will be actively involved in this process.

Using a variety of PRA tools, the community will be assisted to; (i) assess the natural resources available; (ii) identify, prioritize and analyze their problems, needs and opportunities in land and water management; (iii) develop possible solutions based on locally appropriate and innovative technologies; and (iv) negotiate and formulate plans for putting these solutions into operation. The technical experts from the provincial and national levels as well as international consultants/technical advisers will provide their services on request. Exchange visits and study tours will also be provided to upscale good practices and demonstrate effective INRM practices.

The communities will also be assisted to develop and implement community based monitoring system. They will gradually assume financial responsibility for the maintenance and management of project activities. Different instruments such as user fee, corpus fund and other similar schemes will be piloted to generate needed financial resources for the management and maintenance of these activities post project.

104. *Output 3.3 Payments for Environmental Services schemes are operative at the demonstration sites or nearby where financial benefits accrue to local land*

A sustainable financing mechanism in terms of PES ([Annex 8.3](#)) to support ecologically-friendly alternative livelihoods and SLM practices will be piloted, and learning will be captured and mainstreamed into other programmes of government and development agencies by linking it with output 1.3 (inventory of best practices through research).

During the PPG phase, assessment of PES applicability in project sites was conducted, and suitable mechanism was identified. The concept of PES will be applied in the project sites in a simplified way, primarily through eco-tourism, which will provide local communities with more sustainable livelihoods, the diversification of income sources, as well as conserve nature.

As the PES is a new concept in Iran and being implemented for the first time, a simplified PES mechanism will be put into place. The PES is understood as: a voluntary transaction where a well-defined environmental service (ES); is being 'bought' by a minimum one ES buyer from a minimum one ES provider if and only if the ES provider secures ES provision conditionally, this concept will be applied in eco-tourism and watershed development services. In the project context, the ES will be biodiversity conservation (in ecotourism), and soil and water conservation (in watershed development). The ES buyer will be the government, who will provide different incentives, concession as well as direct funding to the ES providers (community groups).

The eco-tourism sites will require investments on natural resources improvements, facilities and maintenance as well as expenses on promotional events from government co-funding. The government can recover the cost by charging entry fee to the area from the visitors. The local communities will generate their livelihoods through service provision. The government shall also introduce ceiling in these areas, so that the vested interests should not exploit the local residents and use the facilities for their own profit. Environmental services will be enhanced through maintaining and enhancing the natural resources including wild animals and forests. These will also help in reducing erosion and run-off of rain water.

For the watershed sites, such as at Razin and Kalpush, the farmers in the upper reaches of the catchments area will be persuaded to convert upland at high slopes into rainfed orchards, agro-forestry or organic farming. They will also be persuaded to minimize use of chemicals on upland farming. Together with change in farming practices, soil and water conservation measures will be undertaken. The farmers, for these services, shall be compensated through subsidies in inputs (seeds, organic compost, etc) as well as training and technical support. These activities will result in increased water recharge to the villages and township at lower reaches (low land) as well as improved water quality for domestic purposes.

Though the government will be the primary buyer, at least initially, of these services the communities at low-land shall also be encouraged to financially support the efforts of farmers of the upper catchments, through utilizing Islamic culture of donation i.e. Khoms<sup>37</sup> or Zakat<sup>38</sup>. Where feasible and appropriate, private sector involvement will be encouraged.

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<sup>37</sup> Donating one fifth or 20% of net profit to the Ayatollah , 50% of which go for religious purposes and 50% for the needy people

<sup>38</sup> Donating one ninth of some agricultural products and livestock like Wheat, Barley, Date etc. to needy people

## 2.5 Key indicators, risks and assumptions

105. The project key indicators are shown in the Project Result Framework (PRF) in Section 3. These form part of the parameters that will be monitored during project implementation. The key indicators are presented in the table below.

**Table 2: Key Project Indicators**

Particular	Key Indicators	Baseline Status
<b>Project Objective:</b> To remove barriers to Integrated Natural Resources Management (INRM) by developing and strengthening institutional knowledge, capacity and coordination, and by demonstrating and up-scaling successful sustainable land and water management practices	Hectares of land where climate-resilient, INRM is demonstrated for further replication in other areas	0 hectares
	Overall decrease in trend and/or severity of land degradation as measured by % increase in NPP (Net Primary Productivity) and/ or RUE (Rain Use Efficiency)	Baseline to be measured in Year 1 (Y1)
	Enhanced carbon sequestration in soil and vegetation across landscape in project demonstration sites	Baseline to be measured in Y1
	Change in proportion of project participants in demonstration sites who are vulnerable to climate change, and who are living below the locally-accepted poverty line	Baseline to be measured in Y1
<b>Outcome 1:</b> Enhanced engendered knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods	The project includes gender analysis of drivers of land-use change causing land, ecosystem and water degradation, and measures to identify and address women's specific needs and contributions in INRM.	None
	There is evidence of increased awareness at national/provincial level on the gendered impact of environmental finance and the multiplier effects of financing women's productive activities.	None
	Gender –sensitive monitoring and information system for land-use change, and land and water degradation assessment	None
	Number of engendered NRM and water management best practices characterized in 4 provinces	Limited and dispersed
	Number of market-based (financial), non-monetary and trade-off assessments of the loss of ecosystems services (provisioning, regulating, cultural) in 4 provinces	None
<b>Outcome 2</b> An enabling environment for INRM and the use of the enhanced knowledge from Component 1	Number of natural resource planning and coordination entities working cross-sectorally at national, provincial and local levels	National: 1 Provincial: 4 Local: 0
	Cross-sectoral mechanism for INRM established at national level to link SLM and IWRM planning processes	None
	Government agencies and women's organizations are systematically engaged in dialogue on INRM	None
	Women are consulted in policy-making	None

	processes so that their knowledge and interests are reflected in INRM.	
	Number of policies on approaches and practices involving NRM arising from activities at the project demonstration sites	None
	Number of requests and/or database access events for information on INRM originating from national and provincial stakeholders and other relevant parties, including the private sector and other projects	Originating from: National: 0 Local/prov: 0 Others: 0
<b>Outcome 3</b> Community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices	Increase in global environmental benefits with co-benefits for local development in demonstration sites.	Baseline to be measured in Y1
	Increase in best-practice, organic and traditional /local innovations for rangeland, rain fed farming and irrigation	Baseline to be measured in Y1
	Increase in best-practice management of water resources (surface and groundwater) to mitigate floods and drought, increase groundwater recharge and reduce sedimentation and pollution	Baseline to be measured in Y1
	WRM and WUE strategies in place, with institutional ownership secured and best approaches mainstreamed into national and regional planning frameworks by end of project	None
	Number of PES schemes established (or firmly planned) that bring benefits for local livelihoods through INRM	None
	Measures are in place, including affirmative action, to increase access by women-led businesses and women's organizations to finance for INRM.	None
	Climate change and mitigation policies and programmes are developed that reflect women's concerns and interests, and are monitored for their impact on women's lives so that equality of outcome is achieved.	None
	Gender-responsive policies are in place, linking women's use of natural resources and environment services with their roles and interests in sustainable livelihoods and small business promotion.	None

106. During the PPG phase, all possible major implementation issues were identified and suitable mitigation measures were proposed. As to the possible risk of project complexity, the project would require coordination of different departments in order to effectively implement the agreed activities/interventions and maximize project impact. Experiences from the UNDP-GEF Carbon Sequestration Project and UNDP-Govt. of Iran project on SMLWR Phase I were used in the project design in order to minimize potential project implementation risks. The project management system adopted by these earlier projects will be used in managing timely delivery of key milestones and outputs of project activities.

107. While all possible effort has been made to ensure the effective design and implementation of the project activities in the PPG phase, there are inevitably some unavoidable residual risks that will have to be carefully monitored and managed during the project to ensure its success. The different risks that were identified during the PPG and the recommended mitigation measures are presented in the table below: The details are given in [Annex 8.4](#).

**Table 3: Risks and their Mitigation Measures**

Risks	Risk Level	Mitigation Measure
Sectoral focus of government departments working on NRM may hinder coordinated approach	Medium	<ul style="list-style-type: none"> <li>• Sectoral department representatives will be included in Project Board and Technical Committee</li> <li>• Provincial level staff from these departments will be involved in PPRC as well as in all demonstration and capacity building activities</li> <li>• Commitments will continue to be sought at local, provincial and national levels that the 'integrated approach' is to be preferred and that actions to mainstream it will follow.</li> </ul>
Low levels of participation by poor local people because of limited personal and family resources, suspicion that their natural resources may be alienated or their access restricted.	High	<ul style="list-style-type: none"> <li>• Project will develop social communication and participatory techniques used by other GEF projects to engage with village leaders, social groups and local community.</li> <li>• Fair and equitable benefit sharing mechanism will be instituted including PES</li> <li>• Project will ensure that decisions about rights and access to natural resources are taken at community level</li> <li>• Reduced dependency on natural resources will be offset by alternative income generation activities based on sustainable resource use.</li> </ul>
Impact of climate change on Iran's dryland causes more frequent droughts and water shortage, floods and reduced viability of farming and loss of livelihoods	Medium	<ul style="list-style-type: none"> <li>• The project will strengthen monitoring and information system and integrate it with early drought warning system of National Centre for Agriculture Drought Management (NCADM).</li> <li>• Additional national resources will be mobilized to mitigate impact of serious drought.</li> <li>• All demonstration interventions and practices to be inventoried will be assessed for their climate-resilience, and their climate resilience will be enhanced through build-up of carbon with co-benefit of increasing plant-available water and nutrients.</li> </ul>
Co-financing commitments may not appropriately materialize.	Medium	<ul style="list-style-type: none"> <li>• The national government and the provincial governors have made commitment to dedicate resources to the project from their budgetary allocation.</li> <li>• Proper and timely communication will be maintained so that the co-financing is obtained on time as per commitment</li> </ul>
Staffing and leadership changes in key government departments lead to lack of continuity and reduced priority on building capacity to	Low	<ul style="list-style-type: none"> <li>• The institutional capacities assessment has identified the capacity need of the government departments involved; factoring in staffing changes.</li> <li>• Proper implementation and monitoring of training programme will be done to ensure that the needed capacities are built and utilized</li> <li>• The responsible authorities and expert will receive</li> </ul>

handle INRM.		<p>training and orientation regularly together with continuous guidance and advisory services.</p> <ul style="list-style-type: none"> <li>• UNDP inputs will be sought proactively by FRWO in capacity building and institutional strengthening.</li> </ul>
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## 2.6 Financial Modality

108. The total project cost of the UNDP/GEF component has been estimated at US\$ 18,920,000 over a five year period, and comprises a GEF grant of US\$ 4,320,000 and a co-financing value of US\$14,600,000 from the government counterpart in kind and cash. The SLM component constitutes the core of the project costs and account for US\$ 2,700,000, or 62.5% of the total GEF grant. The project activities on water component accounts for US\$ 730,000 or 16.9% of the GEF grant. The climate change component constitutes for 11.3% or US\$490,000 of the GEF grant, while biodiversity component accounts for US\$ 400,000, or 9.3% of the GEF grant. The following tables represent (i) estimated GEF financing and government co-financing component wise.

**Table 4: Costs and Co-financing Estimation**

Components	GEF Funding (US\$)	Estimated co-financing (US\$)			
		Government (in Cash)	Government (in Kind)*	UNDP Directly through TRAC II	UNDP Through SMLWR II
Enhanced knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods	1,049,000	3,000,000	1,400,000	---	90,000
An enabling environment for INRM and the use of the enhanced knowledge from Component 1	800,000	1,525,000	1,312,000	---	757,000
Community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices	2,041,000	3,842,000	2,038,000	200,000	---
Project Management	430,000	633,000	850,000	---	90,000
<b>Total</b>	<b>4,320,000</b>	<b>9,000,000</b>	<b>5,600,000</b>	<b>200,000</b>	<b>937,000</b>

\* Government in-kind support will be provided through office space, infrastructure facilities, and staff's time.

## **2.7 Expected Global, National and Local Benefits**

109. Through its three-pronged approach, the project will deliver **global environmental benefits** across its four focal areas of operation in an integrated and harmonized way. The GEF increment will: (1) integrate state of the art knowledge on INRM into government policy and institutional planning; (2) help reverse negative impacts of current legal and policy instruments by promoting policy and legislative reform in favour of integrated approaches to NRM that combine developmental and environmental objectives; and (3) work in demonstration sites to promote innovative solutions that are not only suitable for up-scaling in Iran, but also replicable across the MENARID region.
110. Particular emphases will be: promoting mobile pastoralism for rangeland conservation; promoting irrigation technologies based on traditional Qanat systems that are adapted to future climate change scenarios; afforestation and forest management; and exploring changes in farming systems and land use for greater sustainability of land and water use and ecosystem resilience.
111. This approach and these activities will overall set in train a process of sustained positive impact on the ecology and natural resources of Iran's dryland areas that are currently threatened by land use change and land degradation. It will also have beneficial effects on areas further downstream from the demonstration sites where the project will operate.
112. By demonstrating climate-resilient and sustainable land and ecosystem management approaches that can be integrated into the local livelihood system, the project will help reverse land degradation in upland areas, reduce risks to downstream lands and infrastructure, control flooding, improve sustainability of community water harvesting structures, increase agricultural productivity in low-lying areas, improve water quality, and protect local forest and biodiversity resources. Additionally, in the long term, the project will enhance carbon sequestration.
113. A broader range of livelihood options for the local communities and rural poor will be strategically built, thereby reducing pressure to over-exploit natural and common property resources and providing stronger incentives for communities to manage their forest, pastoral and agricultural resources in a sustainable manner.
114. Specifically, the global environmental benefits to be monitored include
- Enhanced structure and functional integrity of Iran's dryland ecosystems threatened by land-use change and land degradation, as evidenced by key indicators related to soil health, land cover and water quality, and;
  - Greater provision of ecosystem services, such as carbon sequestration and CO<sub>2</sub> reduction of 660,000 tons in the demonstration sites;
  - Improved provision of habitats for important species; soil and water retention as well as transboundary benefits from improved land and water management in Iran's many transboundary surfaces and groundwater basins, such as the Kura and Sistan-Helmand.
115. Specific **national environmental benefits** and positive impacts include: (i) reduced dependency on the forests and pasturelands; (ii) increased agricultural productivity leading to increased food security and reduced vulnerability; and (iii) increased participation and empowerment of vulnerable and marginalized groups due to a greater sensitivity to the participation constraints.
116. Through its major focus on capacity development for INRM, the project will train a large group of national experts and staffs, who will, in turn, ensure that the process started with this project will be sustained and disseminated in the country. The global environmental benefits will be reflected at national level in enhanced ecosystem services that support the national economy in especially regulating and provisioning services.

117. The national environmental benefits have important co-benefits for human development in the country. These specifically include: (i) reversing the decline in the productivity of the country's natural resources; (ii) restoration of vegetative cover and habitat diversity in areas of degraded rangelands and forests/woodlands; (iii) increased biodiversity (plant and animal species) within crop, livestock and forest resources; (iv) protection for the cultural diversity of Iran in respect of sustainable ways of utilizing dryland range and forest.
118. The outcomes of the project will, therefore, contribute to the achievement of the poverty alleviation (a key objective of the MDGs, national plans and of UNDP). By promoting alternative livelihoods among the rural communities and reducing pressure on natural resources, sustainable development will be achieved to the benefit of the livelihoods of major rural groups such as small-scale farmers, pastoralists and forest-dwellers.
119. The **project, at local level** will strengthen village leaders and local community to take concerted action on priority community-based initiatives for the use of their local natural resources; and demonstrate the income-generating potential of sustainable land, forestry, and agricultural practices. The project will also contribute to women's empowerment through increased participation and leadership provided by women in the demonstration area.
120. The project will also generate **local benefits** in terms of improved people's livelihoods and economic well-being through increased land productivity and water-use efficiency and maintenance of cultural and aesthetic values of Iran's drylands. The project will also contribute to income generation; improved quality of life through economic benefits and increased health due to reduction in smoke inhalation (from household wood fires). The marginalized groups, specifically women and landless will be benefited through inclusion within government programmes and access to increased economic and social opportunities.
121. Given that each participating village will determine for itself the specific INRM interventions to be implemented within its geographical area it is not possible, at the outset of the project, to quantify with any accuracy exactly what the local benefits of the project might be. As the project will support the preparation of village specific INRM plans for a minimum of 20 villages by the end of the project over 49,000 hectare area directly and 1,266,00 hectares area indirectly through coordinating with Hableh Rud project will have been assessed concerning its degradation status and specific INRM problems, and 20 comprehensive community-based plans will have been prepared, for addressing these problems through the promotion of locally appropriate INRM interventions. The following are indicative of the local benefits that could be expected as a resulting of implementing the various micro-investment projects:
- Soil erosion and other forms of soil degradation controlled, thereby halting and reversing the decline in soil productivity, within some 50% (25,000 hectares) of upland croplands;
  - Water use efficiency increased by 20% within some 20% (10,000 hectares) lowland growing areas;
  - Improvement in vegetative cover with a corresponding restoration in woodland/forest productivity within some 8% (4,000 hectares) of degraded upland natural woodland/ forest areas;
  - Improvement in vegetative cover with a corresponding restoration in livestock carrying capacity within some 4,000 hectares of degraded upland communal rangelands.
122. The participating villages will benefit through restoring, sustaining and enhancing the productive and protective functions (environmental goods and services) of the local natural resources (soils, water, vegetation and wildlife). The local economy will benefit through the implementation of sustainable financing mechanisms in terms of Payment for Environmental Services (PES).
123. The environmental benefits to be derived at different demonstration sites together with key project interventions are presented in the table as below:



**Table 5: Demonstration Site wise Proposed Area, Activities and Environmental Benefits**

<b>Demonstration sites</b>	<b>Area (ha)</b>	<b>Land use type</b>	<b>Proposed Activities</b>	<b>Environmental Benefits likely to be obtained</b>
Semnan and Tehran	Indirect through SMLWR phase II project in 1266000 hectare area	Diversity of Range, Desert, Arable lands (Irrigated and Dry Farming) and a little forest lands	<p>Strengthening of strategic planning and management for sustainable use of land and water resources</p> <p>Improving sustainable land and water knowledge base and management capacity</p> <p>Replication and up-scaling of project learning</p>	<p>Prevention from LD, better erosion and sediment control, improving in biodiversity, more potential for carbon sequestration in the rangelands.</p> <p>Less migration from rural to urban Area, better livelihood condition for local community</p>
Razin watershed in Kermenshah province	14700	Diversity of Range, Forest, Arable lands (Irrigated and Dry Farming) and Protected Area (Under control of Department of Environment which mostly has covered by Forest land)	<p>Multi-stakeholder consultations and coordination, capacity building</p> <p>Soil &amp; Water Conservation measures/practices</p> <p>Improved ground water management (metering, etc.)</p> <p>Introducing alternative livelihoods.</p> <p>Plantation of medicinal plants,</p> <p>Improved farming practices (organic, integrated pest management, drip irrigation, etc.)</p> <p>Improved livestock management (permitting systems, cooperative grazing, rangeland conservation, etc.)</p>	<p>Prevention from LD, erosion and sediment control in up-stream of Karkheh River Basin which is a trans-boundary river, improving in biodiversity, More carbon sequestration in forest and rangelands, better water quality in down stream, less sediment in the Karkheh Dam (Reservoir), Less migration from rural to urban Area, better livelihood condition for local community</p>
Behabad region in Yazd Province	17050	Mostly Rangelands, Irrigated Farming and orchards and forest cover in the top of hills.	<p>Coordination committee strengthening</p> <p>INRM plan development &amp; implementation,</p>	<p>Desertification and wind erosion control in down- stream, water erosion and sediment control in up-stream,</p>

			<p>Soil &amp; Water Conservation measures/practices in terms of biological, bio-mechanical, mechanical and management measures.</p> <p>Improved agriculture practices, afforestation</p> <p>Improved ground water management (metering, etc.)</p> <p>Biodiversity conservation and monitoring</p> <p>Ground water recharge projects, Improving water &amp; crop productivity,</p> <p>Alternative livelihoods (i.e. rural industry, ecotourism).</p> <p>Plantation of medicinal plants</p>	<p>improving in biodiversity, More carbon sequestration in forest and rangelands, better water quality in down stream, Less migration from rural to urban Area, better livelihood condition for local community, Clean energy production (Solar Energy)</p>
Hamoon in Sistan-Baluchistan Province	18250	Range, bare lands, wetlands & Agriculture	<p>Improving water &amp; crop productivity,</p> <p>Wind erosion control measures,</p> <p>Improved ground water management (metering, etc.)</p> <p>Alternative livelihoods (i.e. rural industry, ecotourism),</p> <p>Plantation, green house horticulture, animal husbandry, Public awareness, empowerment of local communities, capacity building</p>	<p>Desertification and wind erosion control, improving in biodiversity, More carbon sequestration in forest and rangelands, Less migration from rural to urban Area, better livelihood condition for local community, Clean energy production (Solar and Wind Energy)</p>

## 2.7 Alternative Strategies and Cost Effectiveness

124. The Government of Iran has been focusing at poverty reduction, combating desertification and sustainable land and water management. Activities aimed at improving the integrated management of the country's natural resources through provincial and local government authorities will enhance the ownership and sustainability of the interventions.
125. The GEF funding will support the mainstreaming of INRM through three related sub-components, namely:
- Component 1: Improved knowledge and understanding
  - Component 2: An enabling environment
  - Component 3: Community driven approaches
126. The project will provide leadership in the alignment, harmonization and coordination of development efforts of the government, bilateral and multilateral donors, international and national NGOs, civil society and the private sector. While the government has promoted a variety of programmes and projects related to poverty reduction and sustainable development, these have by and large been implemented in isolated manner and focused on dealing with localised problems rather than as integral components of a comprehensive management plan. Likewise existing community based planning approaches have typically addressed livelihoods issues in a superficial and project driven manner.
127. The GEF alternative strategies aims at enhancing the community's traditional knowledge so as to enable its members to better understand the nature, extent and severity of the processes affecting the productivity of their natural resources. This knowledge serving as the basis for creating the local demand to change and improve, how they currently utilize and manage these resources.

The following table presents the incremental benefits of GEF Alternative Strategies.

**Table 6:** Alternative Strategies and Incremental Benefits

Cost/Benefit	Baseline Status (B)	Alternative (A)	Increment (A - B)
Domestic Benefits	<ul style="list-style-type: none"> <li>• Rural livelihoods dependent on subsistence crop and livestock production</li> <li>• Household level food insecurity and high levels of vulnerability</li> <li>• Non-sustainable exploitation of natural resources resulting in soil erosion, soil productivity decline, deforestation, rangeland degradation and decline in the quantity and quality</li> </ul>	<ul style="list-style-type: none"> <li>• Communities assisted to combat natural resources degradation and increase the productivity of ecosystem resource and improve livelihoods through the preparation and implementation of their own micro plans.</li> <li>• Enhancing the traditional knowledge of local communities by providing them with the skills to: (i) assess the degradation of their local natural resources; (ii) determine the consequences of this degradation for them; and (iii) identify locally</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable management of natural resources reducing poverty, food aid needs, and raising household incomes.</li> <li>• Local communities (men and women) taking primary responsibility for the preparation and implementation of NRM based management plans.</li> <li>• Enhanced local level knowledge on the causes and consequences of natural resources degradation</li> </ul>

	<p>of water resources.</p> <ul style="list-style-type: none"> <li>• Limited awareness on the local level causes and consequences of natural resources degradation.</li> <li>• Agriculture and livestock development that focus on short term production increases rather than long term sustainable land and water management</li> <li>• Weak advisory &amp; extension support services capacity with limited experience of participatory processes</li> <li>• Sectoral approach to combating natural resources degradation with weak coordination between different stakeholders.</li> <li>• Policy environment in which integrated approach is inadequately addressed.</li> <li>• Lack of readily available information on the best NRM technologies and approaches.</li> </ul>	<p>appropriate options for addressing them.</p> <ul style="list-style-type: none"> <li>• Public and private sector agencies assisted to build their capacities to provide support services to local communities.</li> <li>• National, provincial and local government assisted to develop an improved enabling legal, regulatory and policy environment for sustainable management of natural resources.</li> <li>• Supporting policy framework at national level to provide mechanism for integrated approaches to natural resources management.</li> <li>• Inventory of best practices and indigenous knowledge on sustainable natural resources management.</li> </ul>	<p>complimented with strong internal demand to address the problem.</p> <ul style="list-style-type: none"> <li>• Communities with the capacities and confidence to plan and implement their own micro projects for the improved protection and utilization of their local ecosystem resources.</li> <li>• Government, communities and other key stakeholders coming together in a multi-level partnership to promote INRM at all levels</li> <li>• INRM increasingly mainstreamed within national and provincial level economic development policies and programmes.</li> <li>• Knowledge based information system developed to up-scale and disseminates best practices in INRM.</li> </ul>
	<ul style="list-style-type: none"> <li>• Continuing degradation of critical ecosystems</li> <li>• Globally endangered/ vulnerable species of fauna and flora facing increased threats from habitat degradation.</li> <li>• Continuing loss of productive soil resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Ecosystem degradation tackled through the promotion of sustainable management practices within the agriculture lands, rangelands and forest areas.</li> <li>• Proactive protection and restoration of degraded wildlife habitats and native plant species.</li> </ul>	<ul style="list-style-type: none"> <li>• Soil erosion and other forms of soil degradation controlled, thereby halting and reversing the decline in soil productivity;</li> <li>• Water management and salinity controlled;</li> <li>• Improved vegetative cover with a corresponding</li> </ul>

	<ul style="list-style-type: none"> <li>Continuing loss of protective vegetative cover.</li> <li>Continuing loss of forests and rangelands</li> <li>Continuing degradation of national and trans-boundary river systems.</li> <li>INRM not mainstreamed into national and regional development policies and programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity preservation within production landscapes.</li> <li>Restoration of protective vegetative cover through regulation combined with enrichment planting and afforestation.</li> <li>Downstream sedimentation in lowland reduced through improved soil and water management in the uplands.</li> <li>A consensus understanding developed amongst key stakeholders and development partners as to how to mainstream the SLM concepts and principles into the country's national and regional level development policies and programmes.</li> </ul>	<ul style="list-style-type: none"> <li>restoration in forest and rangelands productivity and restoration in habitat diversity;</li> <li>Reduced sedimentation within the lowlands as a result of various sustainable land and water management interventions undertaken</li> <li>Enhanced carbon sequestration as a result of: (i) natural vegetative recovery in rangelands and forest areas; (ii) enrichment planting of trees, shrubs, grasses and herbaceous plants; and (iii) increased soil organic matter levels.</li> </ul>
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128. Cost effectiveness of the project will be enhanced by the activities of the project supporting also key development priorities of the country. The UNDAF approved in Iran in August 2004, identified five key priority areas: strengthening capacities; enhancing good governance; improving economic performance and management; prioritizing sustainable development; and facilitating transfer of science and technology. The project will be working on these key priority areas.
129. The effectiveness and achievements of this UNDP/GEF initiative are greatly enhanced by building on UNDP/GEF earlier experiences in the Carbon Sequestration Project, Zagros Biodiversity project as well as UNDP-Govt. of Iran project on Sustainable Land and Water Management in Hableh-Rud Basin, Phase 1. The project will further coordinate closely with the projects of other agencies such as FAO and World Bank in Iran.
130. The community-based participatory approach will lead to the target communities taking more direct responsibility and ownership of actions that deliver co-benefits for local development and the global environment. This can be expected to lead to an increased willingness amongst local people to invest their own resources (human and financial) in pursuing those activities.
131. The SLM field level activities are expected to provide tangible financial benefits to the communities. Therefore, it is anticipated that they will sustain such practices post project, because any ongoing costs will be more than compensated for by the benefits from pursuing profitable and sustainable livelihoods. The individual communities will be assisted to determine the costs and benefits of different practices, so as to identify the most cost effective option in relation to their local bio-physical and socio-economic circumstances.

132. The demonstration activities of the project will aim at enhancing ecosystem resilience, land productivity, water-use efficiency and carbon sequestration and reducing the vulnerability to drought. The expected global environmental benefits include enhanced structure and functional integrity of Iran's dryland ecosystems threatened by land-use change and land degradation, and enhanced provision of ecosystem services, such as carbon sequestration and CO<sub>2</sub> reduction of 660,000 tons; provision of habitats for important species; soil and water retention as well as transboundary benefits from improved land and water management in Iran's many transboundary surface and groundwater basins, such as the Kura and Sistan-Helmand.
133. The project will also contribute to people's livelihoods and economic well-being through improved land productivity and water-use efficiency and maintenance of cultural and aesthetic values of Iran's drylands. Given the size of Iran and the diverse land management practices and ecosystems that will be targeted, the project can also be expected to contribute significantly to the global store of knowledge on sustainable land, ecosystem and water management.
134. In addition, payment schemes for environmental services (PES) will be piloted in four demonstration sites to identify long-term financing of sustainable land, water and ecosystem management.

## **2.8 Sustainability**

135. The project activities are linked to long-term national programmes on natural resources management and combating desertification to protect the environment. To ensure sustainability beyond the implementation period, the project would:
- Apply lessons from previous initiatives from GEF-UNDP projects in Iran. The project places great emphasis on the design and implementation of sustainable community based structures and ownership;
  - Influence the regulatory framework to ensure adequate financial incentives to promote INRM by communities and enterprises through PES;
  - Build capacity of the central/local authorities and local communities through adequate training and technical support; and
  - Strengthen the awareness and understanding of the benefits of sustainable natural resources management by the local community, general public and key stakeholders, and their involvement in the above-mentioned activities.

The different aspects of project sustainability have been ensured as follows:

### 136. Institutional Sustainability

The stakeholder consultative process followed during the PPG phase, and the linkage with other UNDP/GEF projects has ensured that the proposed investment activities are in line with national and regional level priorities, development strategies and administrative structures. Following a community based participatory approach will ensure that local level development priorities and concerns are well reflected in project design and activities. Involvement of key national and local level institutional stakeholders in the design process is expected to contribute to the long term sustainability of the project's interventions.

The project will be working with existing institutions, at both the national and provincial government levels, all of which will continue post-project. The project's institutional capacity building activities are designed to ensure that the personnel in both government and non-government institutions at

the national, provincial, district, township and village levels will have the skills required to enable them to continue supporting project initiated activities post project.

#### 137. Financial Sustainability

The introduction of sustainable financing mechanism in terms of PES will facilitate the financial sustainability of the project activities post project. The inter-sectoral coordination and cooperation among different stakeholders will support the financial sustainability of the project through mainstreaming the concepts and principles of INRM into the environmental management, and economic development, plans and policies of those institutions with administrative and technical responsibility for economic development and environment management.

The INRM field level activities are expected to provide tangible financial benefits to those rural households involved in their implementation. It will be in their own self interest to sustain such practices post project, because any ongoing costs will be more than compensated for by the benefits from pursuing profitable and sustainable livelihoods.

#### 138. Economic Sustainability

It is anticipated that once the national and local government authorities get evidence that combating desertification and natural resource degradation through INRM offers not only environmental benefits, but also economic benefits at the national as well as community and household level, they will be prepared to allocate more of their revenue budgets to sustain such activities. Likewise the donors can be expected to provide additional financial support for the community-based natural resources management approach of the incremental GEF component, when they see this as an effective way of tackling the interrelated problems of natural resources degradation, rural poverty and food insecurity.

#### 139. Social Sustainability

The project's community-based approach will empower rural communities (men and women) to take responsibility for the sustainable management of their local natural resources. Engaging the different stakeholders (women farmers, herders, foresters etc) in a variety of participatory assessment and planning activities will increase the ability of the communities to control their own natural resources and to promote local ownership.

The project's participatory assessment and planning activities will pay particular attention to ensuring the active participation of women and other marginalized groups, as a failure to take their specific concerns into consideration could negatively affect some of the project outcomes. Ensuring their active involvement in the planning and implementation of the local development plans would contribute to the improved management of the local land resources and the sustainability of the proposed NRM investments.

## **2.9 Replicability**

140. Through the strengthened capacity of the provincial and national government in INRM as well as through enhanced inter-sectoral coordination, the project will create an enabling technical, policy, legal, institutional and investment environment for the promotion of successful NRM technologies and approaches. In turn, this enabling environment will form the basis for demands by other provinces and local communities for the best practices of the project, thereby fulfilling up-scaling objectives and replicability.

141. The field level activities of the project will be concentrated in four demonstration sites. It is expected that once the community-based approach has been validated then this can be scaled up and replicated across the whole country in relevant agro-ecological sites.

142. The project personnel will periodically participate in regional training, meetings, workshops and conferences. This will also contribute to the development of the project knowledge base. It will also allow the project personnel to share the lessons learnt from project implementation with other countries, enabling the successful INRM approaches and practices to be replicated in other dryland environments.



### 3. PROJECT RESULTS FRAMEWORK:

<p><b>This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD:</b></p> <ol style="list-style-type: none"> <li>Mitigating and adapting to climate change and providing energy for sustainable development.</li> <li>Global environment commitments integrated into development planning and implementation capacity developed.</li> <li>Sustainable land/water and biodiversity management in critical ecosystems.</li> </ol>					
<p><b>Country Programme Outcome Indicators:</b></p> <ol style="list-style-type: none"> <li>Mitigating and adapting to climate change and providing energy for sustainable development. Indicators: • Per capita CO2 emitted by target sectors</li> <li>Global environment commitments integrated into development planning and implementation capacity developed. Indicators: • Number of national implementation plans developed and integrated into the fifth SYNDP.</li> <li>Sustainable land/water and biodiversity management in critical ecosystems. Indicators: • level of soil erosion (tons); • Number of flora and fauna under threat; • Percentage increase in productive grasslands; • Percentage increase in income of the disadvantaged groups including women.</li> </ol>					
<p><b>Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): 1. Mainstreaming environment and energy OR 2. Catalyzing environmental finance OR 3. Promote climate change adaptation OR 4. Expanding access to environmental and energy services for the poor.</b></p>					
<p><b>Applicable GEF Strategic Objective and Programme: LD SP1, IW SP3, CC SP6, BD SP4</b></p>					
<p><b>Applicable GEF Expected Outcomes: [Note this project is multi-focal across 4 FAs – the LD FA Outcome for GEF4 specified here] a) SLM is fully supported by policy, regulatory and planning frameworks (e.g., institutional policies and programmes, land tenure and water rights, and other incentives); b) Institutions have the capacity to support SLM at local, sub-national, and national levels; c) Access to sustainable financing for SLM is facilitated (e.g., viable financing plans through national sector budgets, payments for environmental services, and access to small credit schemes)</b></p>					
<p><b>Applicable GEF Outcome Indicators: a) Overall decrease in trend and/or severity of land degradation; b) Protected ecosystem functions and processes, including carbon stocks in the soil, plants, and biota, and fresh water; c) A decrease in the vulnerability of local populations to the impacts of climate change; d) Improved livelihoods of rural (usually resource-poor) land users; d) Diversified funding sources for SLM</b></p>					
Project Objective	Indicator	Baseline	Targets End of Project	Source of verification	Critical Risks
<p>To remove barriers to Integrated Natural Resources Management (INRM) by developing and strengthening gender-sensitive institutional knowledge, capacity and coordination, and</p>	<p>Hectares of land where climate-resilient, INRM is demonstrated for further replication in other areas</p>	<p>0 hectares</p>	<p>4 watersheds totaling 49,230 hectares of forest, range, rainfed agriculture, irrigated land use and water (rivers, groundwater and surface reservoirs)</p>	<p>Reports from community-based monitoring system; mid-term and final independent evaluations</p>	<p>Sectoral departments fail to meet their commitments to collaborate and be coordinated and resist the integration of climate-resilient INRM principles in their work.  Participation of land-user groups, especially the poor who are the primary target group of the project, is limited through fear that their access to natural resources may be restricted.</p>
	<p>Overall decrease in trend and/or severity of land degradation as measured by % increase in NPP (Net</p>	<p>Baseline to be measured in Y1</p>	<p>10% increase in NPP and land productivity over project demonstration sites; 10%</p>	<p>Field surveys; remote sensing</p>	

<p>by demonstrating and up-scaling successful sustainable land and water management practices that address gender concerns as well</p>	<p>Primary Productivity) and/ or RUE (Rain Use Efficiency)</p> <p>Enhanced carbon sequestration in soil and vegetation across landscape in project demonstration sites</p> <p>Change in proportion of project participants in demonstration sites who are vulnerable to climate change, and who are living below the locally-accepted poverty line</p> <p>Overarching improvement in water resource management, quality and availability through appropriate demonstration project execution and concurrent reforms in policy, legislation and institutional arrangements</p>	<p>Baseline to be measured in Y1</p> <p>Approximately xx% of families in target districts/ villages (Baseline to be measured in Y1)</p> <p>Weak policies, communication &amp; coordination resulting in fragile or non-existent IWRM &amp; WUE approaches in place</p> <p>None</p> <p>Baseline to be measured in Y1</p>	<p>increase in RUE</p> <p>10% increase of total system carbon at project demonstration sites</p> <p>10% decrease of project participants living below the locally-accepted poverty line in demonstration sites</p> <p>IWRM and Water Use Efficiency Strategies in place</p> <p>Integration of gender analysis in the project analytical reports.</p> <p>10% increased national awareness of the gendered impact of environmental finance and the multiplier effects of financing women's productive activities.</p>	<p>Field surveys of changed practices (e.g. no-till, not burning residues; rangeland rehabilitation); GEF Carbon tracking tool</p> <p>Vulnerability assessment exercise</p> <p>Socio-economic survey of beneficiary groups conducted as part of monitoring activities</p> <p>Project mid term and end term evaluation report</p> <p>National IWRM Plans and WUE strategies paper</p> <p>The project analytical reports.</p> <p>1 research paper, Consultation mechanism, publicity campaign on gendered impact of environmental finance and the multiplier effects of</p>	<p>Climate change and climatic variability has adverse impacts on food security and ecosystem services.</p> <p>Stated co-financing commitments do not materialize.</p> <p>Lack of adequate build-up of indigenous knowledge and previous experiences gained through UNDP/GEF Environment programme in Iran</p> <p>Participatory and decentralized approaches not to be taken at full scale by the project.</p> <p>Gender –analysis of INRM and gender concerns/needs are not integrated into the programme.</p>
<p><b>Outcome 1</b></p> <p>Enhanced engendered knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods</p>	<p>The project includes gender analysis of drivers of land-use change causing land, ecosystem and water degradation, and measures to identify and address women's specific needs and contributions in INRM.</p> <p>There is evidence of increased awareness at national/provincial level on the gendered impact of environmental finance and the multiplier effects of financing women's productive activities.</p>	<p>None</p>	<p>Integration of gender analysis in the project analytical reports.</p>	<p>The project analytical reports.</p>	

<p><b>Outcome 2</b> An enabling environment for INRM and the use of the enhanced knowledge from Component 1</p>	<p>Gender-sensitive monitoring and information system for land-use change, and land and water degradation assessment</p>	<p>None</p>	<p>System developed and verified; RS/GIS techniques applied on gender sensitive monitoring and information system.</p>	<p>financing women's productive activities</p>
	<p>Number of engendered NRM and water management best practices characterized in 4 provinces</p>	<p>Limited and dispersed</p>	<p>At least 3 practices per province with capability for up scaling; most derived from demonstration or adjacent sites.</p>	<p>Project Board Meeting Minutes APPR</p>
	<p>Number of market-based (financial), non-monetary and trade-off assessments of the loss of ecosystems services (provisioning, regulating, cultural) in 4 provinces</p>	<p>None</p>	<p>Four comprehensive, integrated assessments of market based, non-monetary and trade-off in ecosystem services.</p>	<p>Reports from community-based monitoring system; mid-term and final independent evaluations</p>
	<p>Number of natural resource planning and coordination entities working cross-sectorally at national, provincial and local levels</p>	<p>National: 1 * Provincial: 4 * Local: 0 * see R&amp;A col.</p>	<p>National: 2 active Provincial: 4 active Local: 4 active</p>	<p>Market Assessment (MA) methodology assessment reports</p>
	<p>Cross-sectoral mechanism for INRM established at national level to link SLM and IWRM planning processes</p>	<p>None</p>	<p>One</p>	<p>Project final evaluation</p>
	<p>Government agencies and women's organizations are systematically engaged in dialogue on INRM</p>	<p>None</p>	<p>One consultation mechanism is established</p>	<p>Project mid-term and final evaluation</p>
	<p>Women's organizations, including those representing poor women, contribute actively to planning and management processes for INRM.</p>	<p>None</p>	<p>One consultation mechanism is established</p>	<p>Project mid-term and final evaluation</p>

<p><b>Outcome 3</b> Community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices</p>	<p>Women are consulted in policy-making processes so that their knowledge and interests are reflected in INRM.</p> <p>Number of policies on approaches and practices involving NRM arising from activities at the project demonstration sites</p> <p>Number of requests and/or database access events for information on INRM originating from national and provincial stakeholders and other relevant parties, including the private sector and other projects</p>	<p>None</p> <p>None</p> <p>Originating from: National: 0 Local/prov: 0 Others: 0</p>	<p>One consultation mechanism is established</p> <p>At least three per demonstration site</p> <p>Originating from: National: 100 Local/prov: 50 Others: 20</p>	<p>Project mid-term and final evaluation</p> <p>Monitoring activities to compile policy statements; Survey conducted as input to final evaluation</p> <p>Information system on-line counter; compilation of written requests; Survey conducted as input to final evaluation</p>	
	<p>Increase in global environmental benefits with co-benefits for local development in demonstration sites</p> <p>Increase in best-practice, organic and traditional /local innovations for rangeland, rain fed farming and irrigation</p>	<p>Baseline measured in Y1</p> <p>Current use measured in Y1</p>	<p>a. 180,000 tonnes increase in total system carbon</p> <p>b. irrigation area of 4000 hectares rehabilitated and delivering 30% increased water use efficiency</p> <p>c. rainfed agriculture area of 4000 hectares has water and/or wind erosion rates reduced by 20%</p> <p>d. forest land cover in project area increased by 10%</p> <p>e. 20% decrease of sediment into reservoirs and rivers</p> <p>Increased by at least 100%</p>	<p>a) Carbon – GEF CBP tracking tool</p> <p>b) WUE – direct measurements at demo sites</p> <p>c) &amp; e) Erosion rates and sediment delivery – field methods and farmer estimates</p> <p>d) Forest land cover – NDVI remote sensing</p> <p>Field Survey, photo documentation, inputs to information system</p>	

	<p>Increase in best-practice management of water resources (surface and groundwater) to mitigate floods and drought, increase groundwater recharge and reduce sedimentation and pollution</p> <p>IWRM and WUE strategies in place, with institutional ownership secured and best approaches mainstreamed into national and regional planning frameworks by end of project</p>	<p>Current use measured in Y1</p> <p>Weak policies, communication &amp; coordination resulting in fragile or non-existent IWRM approaches in place</p> <p>Water Use Efficiency is poorly understood and often not considered in water management decisions</p> <p>None</p>	<p>Increased by at least 30%</p> <p>IWRM and Water Use Efficiency Strategies in place.</p> <p>Technical, management, participatory and advocacy lessons from demonstration sites developed into presentation packages with best practices mainstreamed into national and regional approaches by end of project</p> <p>Four</p>	<p>Field Survey, photo documentation, inputs to information system</p> <p>Mid term and end term evaluation reports</p> <p>Regional partnership meetings and workshop reports.</p> <p>Project evaluation</p> <p>Project evaluation</p> <p>Project evaluation</p>	
	<p>Number of PES schemes established (or firmly planned) that bring benefits for local livelihoods through INRM</p> <p>Measures are in place, including affirmative action, to increase access by women-led businesses and women's organizations to finance for INRM.</p> <p>Climate change and mitigation policies and programmes are developed that reflect women's concerns and interests, and are monitored for their impact on women's lives so that equality of outcome is achieved.</p>	<p>None</p> <p>None</p> <p>None</p>	<p>Four</p> <p>Four</p> <p>Four</p>	<p>Project evaluation</p> <p>Project evaluation</p> <p>Project evaluation</p>	

	Gender-responsive policies are in place, linking women's use of natural resources and environment services with their roles and interests in sustainable livelihoods and small business promotion.	None	Four	Project evaluation	final
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4. TOTAL BUDGET AND WORKPLAN

Award ID:		00059713		Project ID(s):		00074811						
Award Title		PIMS 3232 MFA FSP MENARID: Institutional Strengthening and Coherence for Integrated Natural Resources Management										
Business Unit:		/RN10										
Project Title:		PIMS 3232 MFA FSP MENARID: Institutional Strengthening and Coherence for Integrated Natural Resources Management										
PIMS no.		3232										
Implementing Partner (Executing Agency)		Forests, Rangelands and Watershed Management Organization (FRWO), Ministry of Jihad Agriculture, Government of Islamic Republic of Iran										
GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)	Budget Note
<b>OUTCOME 1:</b> Enhanced engendered knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods	FRWO	62000	GEF	71200	International Consultants	\$100,000	\$70,000	\$80,000	\$80,000	\$100,000	\$430,000	1
				71300	Local Consultants	\$60,000	\$50,000	\$50,000	\$50,000	\$50,000	\$260,000	2
				72100	Contractual services-training & exposure	\$20,000	\$30,000	\$22,000	\$20,000	\$20,000	\$112,000	3
				72100	Contractual services-workshops and consultations	\$30,000	\$20,000	\$22,000	\$20,000	\$20,000	\$112,000	4
				74500	Miscellaneous	\$10,000	\$5,000	\$5,000	\$5,000	\$10,000	\$35,000	5
				71600	Travel	\$25,000	\$20,000	\$15,000	\$15,000	\$25,000	\$100,000	6
					<b>sub-total GEF</b>	<b>\$245,000</b>	<b>\$195,000</b>	<b>\$194,000</b>	<b>\$190,000</b>	<b>\$225,000</b>	<b>1,049,000</b>	
<b>OUTCOME 2:</b> An enabling environment for INRM and the use of the enhanced knowledge from Component 1	FRWO	62000	GEF	71200	International Consultants	\$50,000	\$40,000	\$50,000	\$50,000	\$60,000	\$250,000	7
				71300	Local Consultants	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000	8
				72100	Contractual services-meetings & workshops	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$140,000	9
				72100	Contractual services-training	\$20,000	\$30,000	\$30,000	\$30,000	\$20,000	\$130,000	10

<p><b>OUTCOME 3:</b> Community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices</p>	<p><b>FRWO</b></p>	<p><b>62000</b></p>	<p><b>GEF</b></p>	71600	Travel	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$20,000	\$80,000	11		
				74500	Miscellaneous	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	12
					<b>sub-total GEF</b>	<b>\$145,000</b>	<b>\$155,000</b>	<b>\$165,000</b>	<b>\$165,000</b>	<b>\$170,000</b>	<b>\$170,000</b>	<b>\$170,000</b>	<b>\$170,000</b>	<b>\$800,000</b>	
				71200	International Consultants	\$60,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$220,000	13
				71300	Local Consultants	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$40,160	\$160,160	14
				72100	Contractual services-field activities	\$156,000	\$235,000	\$275,000	\$255,000	\$159,000	\$159,000	\$159,000	\$159,000	\$1,080,000	15
				72100	Contractual service-PES pilot	\$56,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$216,000	16
				72100	Contractual services-training to communities	\$48,000	\$45,000	\$45,000	\$45,000	\$50,840	\$50,840	\$50,840	\$50,840	\$233,840	17
				71600	Travel	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000	18
				74500	Miscellaneous	\$6,000	\$5,000	\$5,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$31,000	19
					<b>sub-total</b>	<b>\$376,000</b>	<b>\$415,000</b>	<b>\$455,000</b>	<b>\$435,000</b>	<b>\$360,000</b>	<b>\$2,041,000</b>	<b>\$2,041,000</b>	<b>\$360,000</b>	<b>\$2,041,000</b>	
				<p><b>PROJECT MANAGEMENT UNIT</b></p>	<p><b>FRWO</b></p>	<p><b>62000</b></p>	<p><b>GEF</b></p>	71300	Local Consultants	\$42,200	\$42,200	\$41,000	\$40,000	\$40,000	\$40,000
71400	Contractual Services-Individ	\$12,000	\$12,000					\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000	21	
71600	Travel	\$6,000	\$6,000					\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$30,000	22	
72100	Contractual Services-Companies	\$20,000	\$5,000					\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$40,000	23
72400	Communications	\$3,000	\$2,000					\$2,000	\$2,000	\$4,000	\$4,000	\$4,000	\$4,000	\$13,000	24
72500	Office Supplies	\$15,000	\$3,000					\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$27,000	25
73100	Rental & Maintenance-Premises	\$6,000	\$6,000					\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$29,600	26
74100	Professional Services	\$3,000	\$3,000					\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$15,000	27
74500	Miscellaneous	\$2,000	\$2,000					\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$10,000	28
	<b>Sub-total</b>	<b>\$109,200</b>	<b>\$81,200</b>					<b>\$80,000</b>	<b>\$79,000</b>	<b>\$80,600</b>	<b>\$430,000</b>	<b>\$430,000</b>	<b>\$80,600</b>	<b>\$430,000</b>	
	<b>PROJECT TOTAL</b>	<b>\$875,200</b>	<b>\$846,200</b>					<b>\$894,000</b>	<b>\$869,000</b>	<b>\$835,600</b>	<b>\$4,320,000</b>	<b>\$4,320,000</b>	<b>\$835,600</b>	<b>\$4,320,000</b>	



Summary of Funds:		Amount Year 1	Amount Year 2	Amount Year 3	Amount Year 4	Amount Year 5	Total
GEF		\$890,000	\$831,000	\$880,000	\$856,000	\$863,000	\$4,320,000
Donor 2 UNDP TRAC I (directly)		\$50,000	\$50,000	\$50,000	\$50,000		\$200,000
UNDP TRAC I (through SMLWR II Project)		\$ 130,000	\$ 250,000	\$ 250,000	\$150,000	\$157,000	\$937,000
Donor 3 (cash and in-kind) Government		\$3,500,000	\$2,700,000	\$2,700,000	\$2,700,000	\$3,000,000	\$14,600,000
<b>TOTAL</b>		<b>\$4,570,000</b>	<b>\$3,831,000</b>	<b>\$3,880,000</b>	<b>\$3,756,000</b>	<b>\$4,020,000</b>	<b>\$20,057,000</b>

**GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY (IES) SHARE AND COUNTRY (IES)\***

GEF Agency	Focal Area	Country Name/ Global	(in \$)			
			Project Preparation	Project	Agency Fee	Total
UNDP	Land Degradation	Iran	85,000	2,700,000	278,500	3,063,500
UNDP	Climate Change	Iran	10,000	490,000	50,000	550,000
UNDP	Biodiversity	Iran	10,000	400,000	41,000	451,000
UNDP	International Waters	Iran	20,000	730,000	75,000	825,000
<b>Total GEF Resources</b>			<b>125,000</b>	<b>4,320,000</b>	<b>444,500</b>	<b>4,889,500</b>

Budget Note	Detailed costing and explanation
1	International consultants (3 consultants for 25 weeks each and CTA for 50 weeks) will support through technical guidance and advice, training and workshop to enhance engendered knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods
2	Local Consultants (4 local consultants for 78 weeks and 1 local consultant: Gender Analyst for 40 weeks) will work with international consultants and support through study and research to enhance engendered knowledge and understanding of the drivers of land-use change causing land, ecosystem and water degradation with consequent impacts on ecosystem services and local livelihoods
3	Contractual services will be hired for conducting training and exposure to project team members and local communities on INRM, community based participatory approaches, multi-stakeholders processes, gender integration and mainstreaming, etc.
4	Contractual services will be hired for organizing meetings, consultations and workshops for community preparation of project activities identification and design.
5	Miscellaneous expenses include local help, photocopying, hospitality, etc.
6	Travel involved here are travel for international and national consultants, community participation in the project and other field travel.
7	International consultants (2 consultants for 40 weeks each) will support the project team through technical guidance and advice in contributing towards an enabling environment for INRM and the use of the enhanced knowledge from Component 1
8	Local consultants will primarily (4 consultants for 26 weeks each and 1 local consultant: Gender Analyst for 20 weeks) be working closely with international consultants on the policy framework and guidelines on issues relating to agriculture, watershed development, soil and water conservation, climate change, biodiversity conservation and gender integration.
9	Contractual services will be hired for organizing meetings, consultations and workshops towards promoting and enabling environment to integrated natural resources management and multi-stakeholder processes.
10	Contractual services are involved in training and capacity development of the main stakeholders on INRM, small and medium enterprises (SMEs) and facilitate the development of pilot programmes for demonstration in consultation with the project Management unit, international and national consultants, etc.
11	Travel involved here are for international and national consultants towards achieving outcome of the project that include field travel related to four demonstration sites.
12	Four demonstration sites will have four field offices for managing the day to day work. For managing this, we need to have a separate computers, fax and telephone and internet devices. In addition field equipments and engineering instruments are necessary for soil and water conservation practices.
13	International consultants (2 consultants for 25 weeks each and 2 consultants including CTA for 35 weeks each) will support the project team through technical guidance and advice in piloting community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices at demonstration sites
14	Local consultants will primarily (4 consultants for 52 weeks each and 1 local consultant: Gender Analyst for 20 weeks) be working closely with international consultants on piloting community-driven, climate-resilient approaches and techniques for sustainable land and water management demonstrated through INRM practices at demonstration sites.
15	Contractual services will be given to community organizations to design and implement field activities related to three outcomes at demonstration sites.
16	Contractual services will be used to design and implement PES pilots at demonstration sites.

Budget Note	Detailed costing and explanation
17	Contractual services will be hired for organizing training and capacity building to local communities towards designing and implementing field activities.
18	Travel involved here are for field staff and local communities for the design, implementation, reviews and monitoring of the field activities related to four demonstration sites.
19	Miscellaneous involves people's participation, local food expenses for local people and any other sundry expenses during the meetings.
20	Local consultants will primarily (2 consultants for finance and procurement support for 260 weeks each) be responsible for financial accounting and procurement of goods and services for the project.
21	Contractual services-individuals will be hired for conducting mid term and end term evaluation of the project
22	Travel will relate primarily for the project management support including local, field visits to demonstration sites. Cost involves travel to project sites, monitoring visits and other necessary travel for the projects day-to-day work.
23	Contractual services-companies will be hired for annual reviews and assessment of the project progress.
24	Communications include cost of postal, telephonic and electronic communications by the PMU and provincial field offices.
25	Office supply includes computer, printer electronic accessories such as cartridges and other consumables.
26	Rental-maintenance and premises include rental and maintenance cost of office premises at PMU and provincial field offices.
27	Professional services include audit services by independent auditors/audit firms.
28	Miscellaneous expenses involve cost sharing of watch and ward, local labour when necessary and messengers among other things. It also involves people's participation, local food expenses for local people and any other sundry expenses during meetings.

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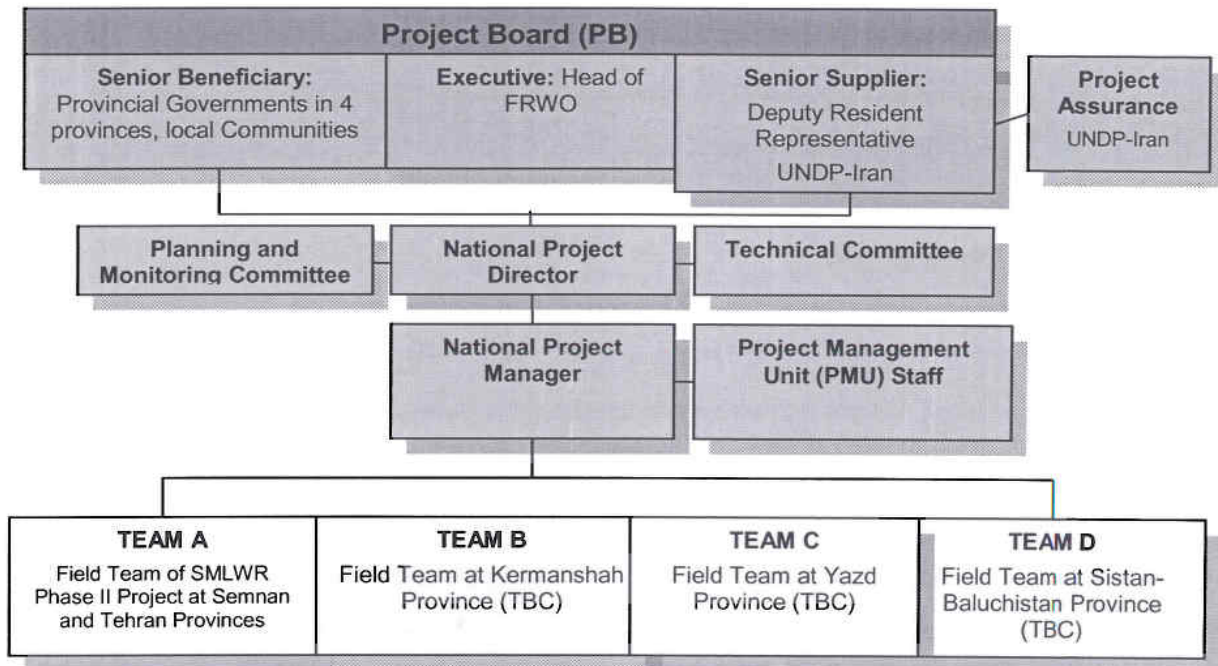
## 5. MANAGEMENT ARRANGEMENTS

143. The project will be implemented under UNDP's National Execution modality (NEX), implying that a Government entity will assume responsibility for executing the project. This modality assists in developing ownership within the host country and helps creating the conditions for sustainability. UNDP is responsible to the GEF as the Implementing Agency in charge of the financial administration and for obtaining the envisaged project outcomes.
144. FRWO is running a joint project called Sustainable Management of Land and Water Resources in Hableh-Rud Basin, Phase II Project (SMLWR Phase II Project, 2005-2010) with UNDP for capacity building and developing a proper model in Iran context on sustainable management of land and water management with emphasis on applying community-based empowerment and participatory approaches.
145. Coordination, synergy and integration between these projects with shared focus area of SLM and approaches will be able to ensure not only achieving their own individual goals but also meet FRWO objective in developing and up-scaling the best model for INRM and SLM in Iran. Particularly integration will create larger impacts, efficiency and visibility of both projects, access to a pool of resources by two projects.
146. The project will have joint management arrangements with SMLWR Phase II Project. Hableh-Rud Phase II project is being implemented in Tehran and Semnan provinces under national implementation modality with US\$ 1.1 million UNDP track resources and US\$ 6 million Government co-funds.
147. Both the projects will take joint approaches and will provide technical support to each other in their respective areas of strength, and will build institutional capacities in respective areas. The best practices will also be integrated. MENARID will be treated as umbrella project in this case with broader geographical and thematic areas. The SLM components of the MENARID project will be implemented integrated with the SMLWR Phase II Project in the whole Hableh-Rud basin and the latter project will incorporate the GEF project content into its results and resource framework and management and M&E framework.
148. The **Forests, Rangelands and Watershed Management Organization (FRWO)** within the Ministry of Jihad Agriculture will be the Executing Agency for the Project and responsible for the overall implementation of the project and the advances towards meeting the pursued objectives. The Government will appoint a senior government official as **National Project Director (NPD)** within the Ministry of Jihad Agriculture to undertake overall responsibility for managing the project fund and overseeing delivery of outputs. The institutional capacities of FRWO (Annex 8.5) will be strengthened to manage the project effectively.
149. The Project will establish a **Project Management Unit (PMU)** consisting of the **National Project Manager (NPM)** and project staff. The terms of reference of key project personnel are given in Annex 8.6. The project will make provision of one gender coordinator (focal point) to specifically promote gender integration and mainstreaming. The prime responsibility of NPM is to ensure that the project produces the result specified in the project document, to the required standard of quality and within specified constraints of time and cost. S/he will be responsible for the daily project operations, financial accounts, periodic reporting to UNDP-Iran and for allocation of the GEF grant according to the quarterly work plans and budgets in coordination with UNDP-Iran.
150. The **PMU** will provide project administration, management and technical support to the NPM as required by the needs of the MENARID project. It will be dedicated to the planning, supervision and administrative tasks of the project. The project will share its pool of technical inputs, staff, consultants, advisors with the SMLWR Phase II Project.

151. The Project will recruit consultancies for technical and advisory support. To the extent possible, qualified national consultants will be recruited for this purpose; however, international expertise will be incorporated as necessary in key technical areas.
152. The Implementing Partner may from time to time request UNDP to provide support services in the implementation of project activities in various areas such as:
- Identification and/or recruitment of project and programme personnel;
  - Identification and facilitation of training activities;
  - Procurement of goods and services including customs clearance;
  - Travel Management Services;
  - Financial Record Management;
  - ICT Services; and
  - Logistical support to Event Organizations.
153. Terms, conditions and prerequisites as stipulated in the Letter of Agreement for the Provision of the Support Services apply (please see [Annex 8.7](#))
154. General Management Service (GMS) and Implementation Support Service costs will be charged to Government contributions as per the UNDP concerned rules, procedures.
155. Based on the UNDP Cost Recovery Policy (see [Annex 8.8](#)) the project will be charged:
- 3% GMS for Government Cost Sharing Contribution. If the project receives other contributions in future the applicable GMS rate will be applied accordingly.
  - ISS will be charged based on the applicable Local Price List of the current year (see [Annex 8.9](#)) for services provided in the implementation of the project.
156. The **Project Board** (henceforth PB) as stipulated by the UNDP Programme and Operations Policies and Procedures (POPPs) comprised of Head of FRWO as its Chairperson, NPD as secretary, UNCCD focal point, Director Generals (DGs) NRM from project provinces, the NPD/NPM of the SMLWR Phase II Project, one representative each from Planning and Strategic Supervision of the President, Department of Environment (DOE), Ministry of Finance and Ministry of Power and UNDP Resident Representative or his/her appointed representative.
157. The PB will also include two representatives from each project province's target communities. The later have to be rotating representatives selected by the target communities on an annual basis. The NPM will make necessary arrangements like travel, lodging and boarding to enable them to participate in such meetings. Additional stakeholders such as local NGOs may be invited to PB meetings as necessary, but will not have decision making authority.
158. The PB will meet at least every quarter to review progress and obstacles and to decide upon strategic or critical issues. The PB is the highest decision-making authority of the MENARID project. The PB meetings will be called by the Chairperson and extraordinary meetings will be held if deemed necessary.
159. The NPD as member secretary or on his/her direction NPM will make all logistic arrangements, and provide necessary services to all PB meetings, including sharing of agenda, recording and

distribution of bilingual minutes, preparing and sharing Action Taken Report (ATR) at least two weeks in advance of the next meeting to all participants and invited observers.

160. The overall programme management arrangement is shown as below:



161. The PB is responsible for making by consensus, management decisions when guidance is required by the NPM, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, PB decisions should be made in accordance to standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the PB, final decision shall rest with the UNDP Programme Manager.

162. In addition, the PB plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. Project reviews by this group are made at designated decision points during the running of the project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when Project Manager's tolerances (normally in terms of time and budget) have been exceeded (flexibility).

163. Based on the approved annual work plan (AWP), the PB may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the projects and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

164. The PB contains three distinct roles, including:

- 1) **An Executive:** individual representing the project ownership to chair the group. Head of FRWO will be the Executive of the PB.
- 2) **Senior Supplier:** UNDP head of programme re. Deputy Resident Representative represents the senior supplier of the PB which will provide co-funding and technical expertise to the project. As an internal arrangement s/he may designate a Programme Officer to represent her/him in the role of supplier and quality assurance. The UNDP's primary function within the PB is to provide guidance regarding the technical feasibility of the project.
- 3) **Senior Beneficiary:** The FRWO and provincial governments in four provinces as well as local communities in the project villages are senior beneficiaries of the project, who represent the interests of those who will ultimately benefit from the project. The senior beneficiary's primary function within the PB is to ensure the realization of project results from the perspective of project beneficiaries.
- 4) The **Project Assurance** role supports the PB Executive by carrying out objective and independent project oversight and monitoring functions. The UNDP Iran resident representative or a designated officer by her/him will perform Project Assurance role to ensure that appropriate project management milestones are met and that the project is well managed.

165. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo will appear on all relevant GEF project publications. Any citation on publications regarding projects funded by GEF will also be accorded proper acknowledgement. The UNDP logo will be more prominent – and separated from the GEF logo if possible, as UN visibility is important for security purposes.

166. In line with the United Nations reform principles, especially simplification and harmonization, the AWP will be operated with the harmonized common country programming instruments and tools, i.e. the UNDAF result matrix, M & E and the HACT (Harmonized Approach to Cash Transfer).

167. At the day to day operational level, ATLAS will be used for keeping track of timely and efficient delivery of the activities and for effective financial monitoring under the AWP.

168. **Provincial Project Review Committee (PPRC):** At provincial level, in each project provinces existing sub planning and advisory committee under Provincial Governor will be used to provide guidance jointly to SMLWR Phase II and this GEF project and to monitor progress and performance. The DG, NRM will be the member secretary of PPRC with Governor nominated person as Chairperson. The PPRC will have four (4) representatives from the target communities, who will be on annual rotating basis selected by the target communities. The PPM will make necessary arrangement like travel, lodging, boarding etc. to enable them to participate in the meetings.

169. The members of the PPRCs will communicate and meet quarterly as appropriate to review, discuss and provide recommendations on topics such as:

- Annual work plans
- Surveys and assessments
- Inter-agency coordination mechanisms
- Collaboration opportunities for provincial-level activities
- Communications, public awareness and education activities
- Proposals for demonstration activities and cost-recovery mechanisms

- Identification of monitoring and evaluation indicators and criteria
- Other activities, as appropriate

170. A **Technical Committee (TC)** comprising technical experts from FRWO, agricultural university and other departments with expertise in land and water management, biodiversity conservation, climate change/carbon sequestration, will be established jointly among this GEF project and SMLWR project to advise and supervise technical activities of both projects. The committee will ensure sharing experience among two projects; will coordinate design of each project's activities; approaches and end products, and will introduce a suitable framework for developing INRM model in Iran context.

171. A **Planning and Monitoring Committee (PMC)** comprising representatives from local communities, provincial governments, NGOs and academic institutions will be established jointly among this project and SMLWR project to advise and monitor the two projects' quality. The committee will jointly develop annual and quarterly workplans and will set jointly criteria and indicators for monitoring INRM/SLM activities and will jointly monitor, evaluate and report the progress/results of both projects. Programme Annual Planning and Reporting Package of UNDP, along with the annual M&E Calendar will be used as reference tools by the PMC in M&E functions. The PMC will also function under supervision of the PB.



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## 6. MONITORING FRAMEWORK AND EVALUATION

172. The project monitoring, evaluation and dissemination will be undertaken jointly with the SMLWR Phase II Project and in accordance with the UNDP and GEF established procedure. The project will follow participatory monitoring and evaluation at all levels (local, provincial and national) with outputs of each level feeding into higher level of monitoring and feedbacks are being provided at each level (Annex 8.10). The executing agency will prepare Quarterly Progress Reports (QPR), Annual Project Review (APR) and Project Implementation Review (PIR) reports in English and if necessary in Persian. All other written outputs of the programme have to be developed in English as well.

173. The QPR will provide summary of the project results, progress and variances from the original plan, implementation issues, and steps being taken to address these issues, as well as work plans for the next quarters for review and endorsement. The APR and PIR reports will provide a more in-depth summary of work-in-progress, measuring performance against both implementation and impact indicators. Any adjustments in project approach will be reported to the PB which will evaluate and approve the adjustments recommended.

174. The project will be monitored through the following M& E activities. The M& E budget is provided in the table 5 at pp.57.

### 175. Project start:

A Project Inception Workshop will be held within the first three (3) months of project start with those with assigned roles in the project organization structure, UNDP country office and UNDP-RCB technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

The Inception Workshop will address a number of key issues including:

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and UNDP RCB staff vis à vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
- b) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The M & E work plan and budget will be agreed and scheduled.
- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) Plan and schedule the PB meetings. Roles and responsibilities of all project organisation structures will be clarified and meetings planned. The first PB meeting will be held within the first 12 months following the inception workshop.

An Inception Workshop report is a key reference document which will be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

**176. Quarterly:**

Quarterly reporting will be made at the end of each quarter. Progress made will be monitored in the UNDP Enhanced Results Based Management Platform with gender segregated analysis of information. Based on the initial risk analysis submitted, the risk log will be regularly updated in ATLAS. It has been noted here that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical). Based on the information recorded in Atlas, a Project Progress Reports (PPR) will be generated in the Executive Snapshot. Other ATLAS logs will be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

**177. Annually:**

Annual Reporting to the GEF will be made available end of June every year. Project Implementation Review (PIR) report is prepared to monitor yearly progress made from 1 July of the previous year to the 30 June of the current year. It will be prepared by the NPD and shared with the PB. The PIR report shall highlight risks and challenges, the summary of results achieved, progress made on gender balanced development, and lessons learnt of the project for that reporting year.

Annual Project Review/Project Implementation Reports (APR/PIR): The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, gender segregated baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- Annual Work Plan (AWP) and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools)

**178. Periodic Monitoring through site visits:**

UNDP Iran and the UNDP RCB will conduct joint visits to SMLWR Phase II project and this project's sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the PB may also join these visits. A Field Visit Report/Back to Office Report (BTOR) will be prepared by the UNDP Iran and UNDP RCB and will be circulated no less than one month after the visit to the project team and the PB members.

**179. Mid-term of project cycle:**

The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation (approx 1<sup>st</sup> quarter of 2013). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management.

Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP Iran based on guidance from the UNDP RCB and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC).

Relevant GEF Focal Area Tracking Tools will be completed during the mid-term evaluation cycle.

**180. End of Project:**

An independent Final Evaluation will take place three months prior to the final PB meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP Iran based on guidance from the UNDP RCB and UNDP-GEF.

The Terminal Evaluation will also provide recommendations for follow-up activities and requires a management response which shall be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

**181. Learning and knowledge sharing:**

Results from the two projects will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums within/outside UNDP and FRWO.

The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

To maximize efficient and effective learning, information and knowledge sharing within the project, number of tools such as website, print/virtual newsletter/newssheet/bulletins, brochures, articles. Case studies, press conferences, seminars, workshops and so on will be utilized jointly with the SMLWR Phase II Project.

## 182. Financial Monitoring and Quality Assurance

The Combined Delivery Report (CDR) is the report that reflects the total expenditures and actual obligations (recorded in ATLAS) of a Project during a period. This report is prepared by UNDP using ATLAS and shared with the implementing partner on a needs basis and at the end of each year. The Implementing Partner is required to verify each transaction made and sign the yearly issued CDR report. Statements of cash position as well as assets and equipments should also be submitted together with the CDR on a yearly basis.

Where UNDP transfers responsibility for managing resources to third parties, governments or NGOs, UNDP must receive assurance as to whether the resources are being properly used. This assurance is achieved through various monitoring means, of which the NGO/NIM audit exercise is one key component. The UN Board of Auditors carefully reviews the results of the annual NGO/NIM audit exercise in order to establish and report to the Executive Board the appropriateness and completeness of the expenditure recorded in UNDP books. \_

Audit is an integral part of sound financial and administrative management, and of the UNDP accountability framework. The project will be audited at least once in its lifetime and in accordance with the threshold established for the annual expenditures by the Office of Audit and Investigations (OAI). The audit provides UNDP with assurance that resources are used to achieve the results described and that UNDP resources are adequately safeguarded.

The selection of an audit firm shall be through a competitive Request for Proposals (RFP), in consultation with the Implementing Partner or if possible shall be performed by the National Audit Authority. UNDP procedures must be followed as per the specific Terms of Reference for Audits of NEX/NIM Projects. The audit is expected to provide assurance related to the following broad areas:

- Project progress and rate of delivery (PP)
- Financial management (FM)
- Procurement of goods and /or services (PR)
- Human resource selection and administration (HR)
- Management and use of equipment and inventory (EQ)
- Record-keeping systems and controls (R)
- Management structure (MS)
- Auditors' comments on the implementation status of prior year audit

**Table 7: M& E Work Plan and Budget**

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> <li>▪ NPD-MENARID Iran</li> <li>▪ UNDP RCB, UNDP Iran, UNDP GEF</li> </ul>	Indicative cost: 15,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> <li>▪ UNDP GEF RTA/NPD will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.</li> </ul>	To be finalized in Inception Phase and Workshop. (approx 30,000)	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> <li>▪ Oversight by NPD</li> <li>▪ Project team</li> </ul>	To be determined as part of the Annual Work Plan's preparation. (approx 40,000)	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> <li>▪ NPD and team</li> <li>▪ UNDP Iran</li> <li>▪ UNDP RTA</li> <li>▪ UNDP GEF EEG</li> </ul>	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> <li>▪ NPD and team</li> </ul>	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> <li>▪ NPD and team</li> <li>▪ UNDP Iran</li> <li>▪ UNDP RCB</li> </ul>	Indicative cost: 50,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> <li>▪ NPD and team,</li> <li>▪ UNDP Iran</li> <li>▪ UNDP RCB</li> </ul>	Indicative cost : 50,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> <li>▪ NPD and team</li> <li>▪ UNDP Iran</li> <li>▪ Local consultant</li> </ul>	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> <li>▪ UNDP Iran</li> <li>▪ NPD and team</li> </ul>	Indicative cost per year: 3,000	Yearly
Visits to field sites	<ul style="list-style-type: none"> <li>▪ UNDP Iran</li> <li>▪ UNDP RCB (as appropriate)</li> <li>▪ NPD</li> <li>▪ Government representatives</li> </ul>	For GEF supported projects, paid from IA fees and operational budget	Yearly
<b>TOTAL indicative COST</b> Excluding project team staff time and UNDP staff and travel expenses		US\$ 200,000 (+/- 5% of total budget)	

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## 7. LEGAL CONTEXT

183. This document together with the CPAP signed by the Government of Islamic Republic of Iran and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document (attached hereto as Annex 8.11).
184. Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner (FRWO, Government of Islamic Republic of Iran).
185. The UNDP Resident Representative in Iran is authorized to effect in writing the following types of revision to this Project Document, provided that he/she is assured that the other signatories to the Project Document have no objection to the proposed changes:
- a. Revision of, or addition to, any of the annexes to the Project Document;
  - b. Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
  - c. Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
  - d. Inclusion of additional annexes and attachments only as set out here in this Project Document.

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## 8. ANNEXES

### Annex 8.1: Site Selection Processes and Criteria

Initially, the technical committee (TC) of the PPG phase of the project developed a list of criteria for site selection according to natural, socio-economical and cultural situation of Iran. The list of criteria together with PPG document were sent to the all the 26 provinces located in arid and semi-arid region of Iran. The provinces accordingly submitted list of potential sites for the project.

Twenty (20) provinces proposed one or more sites together with a short report on the sites as demonstration pilot sites. By considering the existing GIS data layers of Iran, each proposed site was investigated and discussed in the Technical Committee meetings. The short listed sites were visited by TC members and international consultant of the project. Finally according to consultation with the members of the Project Board, the following sites were selected:

- 1- Hamoon Sistan Site in Sistan & Baloochestan Province : 18250 hectares
- 2- Behabad site in Yazd Province :
  - a. Behabad sub-watershed in South-West of Behabad city (hilly terrain with mainly forest, range and orchard land use ): about 5730 hectares
  - b. Behabad sub-watershed in north of Behabad city (plain area with mainly agricultural land use) : about 10550 hectares
- 3- Razin Watershed in Kermanshah Province: about 14700 hectares with 4 different agro-ecosystems (Range, Forest, Rainfed and Irrigated farming).
- 4- Hableh-Rud Basin in Tehran (up-stream) & Semnan (down-stream) Provinces: about 1266000 hectares; this site is just for software work i.e. coordination, up-scaling and multi-sectoral planning. In this basin, the hardware works will be covered by the team of the UNDP-SMLWR project in coordination with the MENARID team (Please see the management arrangement section for more detail).

The total area of the demonstration sites is about 49230 hectares and they are located in 3 different forest biomes as: Zagros, Irano-Toorani (mountainous forest) and Irano-Toorani (desert forest/plain forest)

#### Selection Criteria:

There are five different forest biomes in Iran of which three are located in arid and semi-arid climatic zone. To ensure enough financial support for implementation of the project and using provincial budgets for sharing some of the project's cost, it was decided to select four sites in four different provinces in such a way that not only the selected sites are representative of the large extent of Iran but also meet the selection criteria as below:

#### Physical

1. The site should be a hydrological unit which preferably to be compatible with the customary right boundaries.
2. Having four different agro-ecosystems as Range, Forest, and irrigated & dry farming with area coverage of 70, 10, 10 and 10 percent respectively.
3. At least one of them to be upstream of the International Waters.
4. Disaster-prone and vulnerable area to climate change and drought.

#### Natural

5. Suffering from Land Degradation, Desertification & Drought problems and their consequences.
6. Existence of biodiversity and population of endangered flora and fauna in the area.
7. Existence of farming systems diversity in the area.
8. Possibility for development and change in total area of primary and secondary forests.
9. Each site should be representative of one of Iran's forest biomes.
10. According to UNCCD rules to have Arid, Semi-Arid & Dry sub-humid climatic condition.

#### Socio-economic

11. Socio-cultural diversity with preferably existence of nomads and tribes in the area (for studying existing conflicts among different users).
12. Having socio-economic problems like poverty, low income, and migration of youth generation to urban area for having job opportunity.
13. Low coping capacities of local communities against vulnerability.
14. Existing of Local communities with spirit of cooperation and participation in rural development activities.

#### Administrative

15. To be safe regarding security issues.
16. Existence of good infra-structures especially proper road network and easy access to the area in different seasons.
17. Potential for synergy with other on-going government or international development programme in the area.

#### Provincial Support

18. Having good capacity among the local experts (to be professional and well educated with good experiences in the field of NRM) .
19. Having proper provincial funds to support the project in the implementation phase.
20. Having supports of local policy & decision makers for implementation of the project.
21. Preferably, existing the secondary data and up to date semi-detailed NRM and watershed management studies in the area.

#### GEF Concern

22. Having adequate potential for Global Benefits (incremental cost) in terms of carbon sequestration or biodiversity conservation or prevention from water pollution and etc.



## Annex 8.2 Stakeholders' Involvement Plan

The project has been prepared with the active involvement of the beneficiaries and stakeholders described in Section 1.6. During the PPG phase, different meetings and workshops were organized to involve key stakeholders in project design. These discussions have helped define the project strategy. The stakeholders' involvement plan presented below, were primarily developed by the stakeholders during a multi-stakeholders processes workshop conducted on 19<sup>th</sup>-20<sup>th</sup> October, 2009. This process of participation will be continued and expanded during implementation (see Table below).

**Table 8: Stakeholders' Roles and Engagement Plan**

Stakeholder	Type	Role in project
Forests, Rangelands and Watershed Management Organization (FRWO)	Government	<ul style="list-style-type: none"> <li>• National Executing Agency of the project</li> <li>• Overall responsibility of project implementation</li> <li>• Member Project Board</li> <li>• Intra/inter-sectoral coordination and information sharing</li> <li>• Project risk management</li> <li>• Ensure integration of NRM approaches into policies and programmes through approval of policy guidelines and modification of programmes</li> <li>• Provide leadership on furthering sustainable livelihood diversification strategy</li> <li>• Ensure that committed co financing is provided in a timely manner</li> <li>• Conservation, Rehabilitation, Reclamation, Development &amp; Sustainable Use of natural resources</li> </ul>
Ministry of Jihad Agriculture (MoJA)	Government	<ul style="list-style-type: none"> <li>• Member Project Board</li> <li>• Ensure that committed co financing is provided in a timely manner</li> <li>• Ensure integration of climate-resilient approaches into departmental policies and programmes through approval of policy guidelines and modification of programmes</li> <li>• Provide leadership on project activities aimed at strengthening rain-fed agriculture and sustainable land management approaches</li> <li>• Provincial and local level staff to participate in relevant demonstration and capacity building activities</li> </ul>
Department of Environment (DOE)	Government	<ul style="list-style-type: none"> <li>• Member Project Board</li> <li>• Ensure that committed co financing is provided in a timely manner</li> <li>• Coordination and information sharing on development projects with mutual focal areas</li> <li>• Promoting biodiversity</li> <li>• Advise on environmental policies concerning natural resources management and sustainable development</li> </ul>
Ministry of Education (at site level)	Government	<ul style="list-style-type: none"> <li>• Member Project Planning and Monitoring Committee at site level</li> <li>• Education and Improving the cultural level for students and indirectly to the families</li> </ul>
Ministry of Power	Government	<ul style="list-style-type: none"> <li>• Member Project Board</li> <li>• Member Project Monitoring and Planning Committee at site level</li> <li>• Ensure integration of water resources conservation &amp; protection &amp; development IWRM</li> </ul>

Stakeholder	Type	Role in project
		<ul style="list-style-type: none"> <li>• Coordination and information sharing on development project with mutual focal areas</li> <li>• Ensure integration of NRM approaches into policies and programmes through approval of policy guidelines and modification of programmes</li> </ul>
Ministry of Road and Transportation	Government	<ul style="list-style-type: none"> <li>• Infrastructure Development and Public Services</li> <li>• Ensure integration of NRM approaches into policies and programmes through approval of policy guidelines and modification of programmes</li> </ul>
Ministry of Industry & Mining Operation	Government	<ul style="list-style-type: none"> <li>• Infrastructure Development and Public Services</li> <li>• Ensure integration of NRM approaches into policies and programmes through approval of policy guidelines and modification of programmes</li> </ul>
Ministry of Tele-communication	Government	<ul style="list-style-type: none"> <li>• Infrastructure Development and Public Services</li> <li>• Ensure integration of NRM approaches into policies and programmes through approval of policy guidelines and modification of programmes</li> </ul>
Ministry of Oil	Government	<ul style="list-style-type: none"> <li>• Provide advice and policy direction on energy efficient resources for local communities</li> <li>• Infrastructure Development and Public Services</li> <li>• Ensure integration of NRM approaches into policies and programmes through approval of policy guidelines and modification of programmes</li> </ul>
Animal Husbandry Department & Nomad Organization	Government	<ul style="list-style-type: none"> <li>• Member Project Board</li> <li>• Provide policy guidance on sustainable development of mobile pastoralists (Settlement of Nomads), meat &amp; dairy production, development of industrialized and semi-industrialized Animal Husbandry</li> <li>• Provide leadership on project activities aimed at improving resilience and sustainability of the livestock component of the local agricultural system</li> <li>• Provincial and local level staff to participate in relevant demonstration and capacity building activities</li> </ul>
Ministry of Foreign Affairs	Government	<ul style="list-style-type: none"> <li>• National GEF Operational Focal Point</li> <li>• Member Project Board</li> <li>• Ensure integration of NRM approaches into policies and programmes through approval of policy guidelines and modification of programmes</li> <li>• Coordination &amp; Cooperation in hiring international experts</li> </ul>
Provincial Government	Government	<ul style="list-style-type: none"> <li>• Provide policy guidance and direction at provincial and local level</li> <li>• Ensure integration of climate-resilient NRM approaches into provincial government programmes</li> </ul>
Deputy on Soil and Water	Government	<ul style="list-style-type: none"> <li>• Member Project Board</li> <li>• Land leveling and consolidation, agricultural water supply development, maintenance of traditional water resources system</li> </ul>
Meteorological Organization	Public Bodies	<ul style="list-style-type: none"> <li>• Member Project Board</li> <li>• Provide policy guidance on early warning system for natural resources degradation and desertification</li> <li>• Providing climatologically data and analysis of drought and wet season</li> </ul>
Banks and foundation	Autonomous	<ul style="list-style-type: none"> <li>• Provide policy guidance on sustainable financing mechanism</li> <li>• Provide micro-finance and related services for financial inclusion</li> </ul>

Stakeholder	Type	Role in project
organizations		of poor and marginalized
Universities and research centres	Autonomous	<ul style="list-style-type: none"> <li>• Member Project Advisory Committees at national, provincial and local level</li> <li>• Provide guidance and carry out research, primarily centered around dry land farming, livestock development, biodiversity, development, sustainable agriculture, forestry, etc</li> </ul>
Local politicians and religious leaders		<ul style="list-style-type: none"> <li>• Provide guidance and support in carrying out project activities</li> <li>• Mobilize local communities to participate actively in project implementation, monitoring and maintenance</li> <li>• Influence policies for sustainable development</li> </ul>
NGOs	Private	<ul style="list-style-type: none"> <li>• Provide capacity building support to national and provincial level government agencies</li> <li>• Participate in policy discussions and provide advice on policy development/modifications</li> <li>• Conduct training/capacity building programme for local communities</li> </ul>
Local communities		<ul style="list-style-type: none"> <li>• Represent local and provincial level committees in the Project Board</li> <li>• Direct beneficiaries of project activities</li> <li>• Particular emphasis will be placed on ensuring successful participation of women through the application of gender-focused participatory methodologies</li> </ul>

### **Annex 8.3 Payments for Ecosystem Services (PES)**

The concept of PES is not new, though the terminology is new in Iran. The PES concept has informally been practiced in eco tourism, production of compost from municipal waste, and community welfare programme.

The PES concept can be experimented in MENARID project on pilot basis at selected project sites. The detailed applicability and operational mechanism shall be developed once the sites are finally selected, and communities are involved in identification and operational procedures. The section below provides an overview on the possibility of testing PES at potential sites.

#### **Implementation Mechanism**

For each of the PES, the economic valuation of the environmental services shall be conducted, which will give an idea of the investments to be made in improving those services.

##### **Case 1: PES through Eco-tourism Development**

The eco-tourism sites should be developed in consultation with the local communities. This will require investments on natural resources improvements and facilities and maintenance as well as expenses on promotional events from the government fund. The local communities could be trained on hospitality services and catering services. They could use a portion of their houses as guest houses (bed and breakfast), and provide home comfort to the visitors. The community together shall also maintain hygiene and cleanliness.

The government can recover the cost by charging entry fee to the area from the visitors. The local communities can generate their livelihoods through service provision.

Environmental services will be enhanced through maintaining and enhancing the natural resources including wild animals and forests. These will also help in reducing erosion and run-off of rain water.

##### **Case 2: PES through soil-water conservation**

For the watershed sites, like at Razin and Kalpush, the farmers at catchments area (upper reaches) shall be persuaded to convert their (or occupied government land) upland at high slopes either into rainfed orchards, agro-forestry or nature's farming. They shall also be persuaded to minimize use of chemicals on upland farming. Together with change in farming practices, soil and water conservation measures shall be undertaken. The farmers, for these services, shall be compensated through subsidies in inputs (seeds, organic compost, etc) as well as training and technical support in introducing new technologies by the government.

These activities will result in increased water recharge to the villages and township at lower reaches (low land) as well as improved water quality for domestic purposes.

The government will be primary buyer of these services; however the communities at low-land shall also be encouraged to financially support the efforts of farmers at catchments area (upper reaches) through utilizing Islamic culture of donation i.e. Khoms<sup>39</sup> or Zakat<sup>40</sup>.

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<sup>39</sup> Donating one fifth or 20% of net profit to the Ayatollah, 50% of which go for religious purposes and 50% for the needy people

<sup>40</sup> Donating one ninth of some agricultural products and livestock like Wheat, Barley, Date etc. to needy people

**Annexure 8.4 OFFLINE RISK LOG-MENARID-Iran**

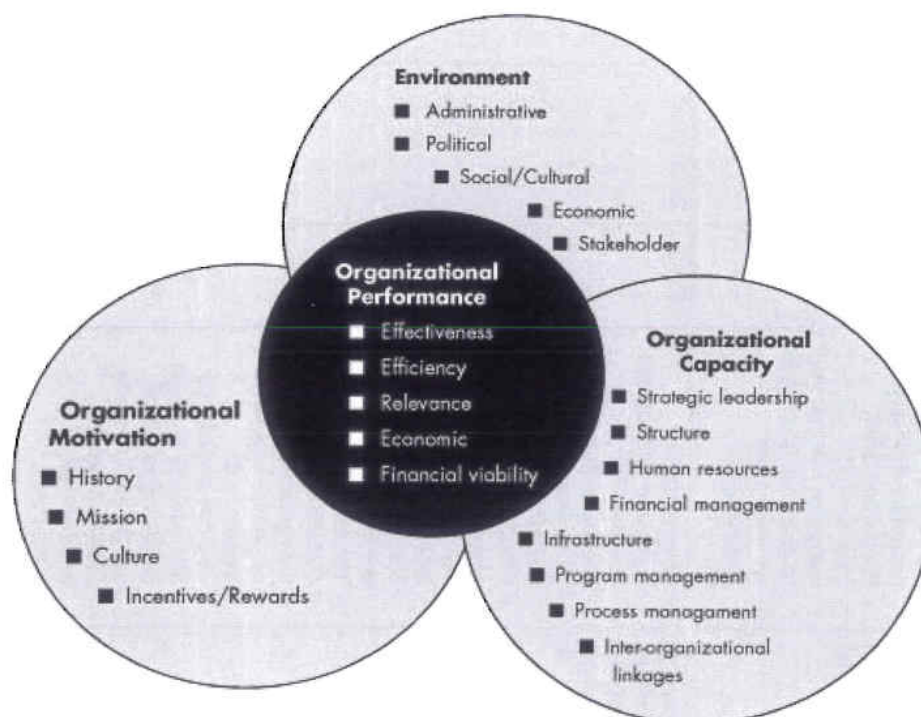
Project Title: MENARID Institutional Strengthening and Coherence for Integrated Natural Resources Management, Iran				AWARD ID: 00059713 Project ID: 00074811, PIMS No.3232		Date:			
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Sectoral focus of government departments working on NRM may hinder coordinated approach	26/09/2010	Strategic	Current sectoral focus, if maintained, may undermine the integrated approach of the project and make it difficult to achieve project objective  P = 3 I = 2	<ul style="list-style-type: none"> <li>Sectoral department representatives will be included in Project Board and Technical Committee</li> <li>Provincial level staff from these departments will be involved in PPRC as well as in all demonstration and capacity building activities</li> <li>Commitments will continue to be sought at local, provincial and national levels that the 'integrated approach' is to be preferred and that actions to mainstream it will follow.</li> </ul>	FRWO	26/09/2010	26/09/2010	
2	Weak participation of poor local people because of suspicion that their natural resources may be alienated or their access restricted.	27/09/2010	Operational	Weak participation impacts on local ownership of INMR practices, jeopardising the sustainability of project interventions.  P = 2 I = 3	<ul style="list-style-type: none"> <li>Project will develop social communication and participatory techniques used by other GEF projects to engage with village leaders, social groups and local community.</li> <li>Fair and equitable benefit sharing mechanism will be instituted including PES</li> <li>Project will ensure that</li> </ul>	FRWO	27/09/2010	27/09/2010	

3	Impact of climate change on Iran's dryland causes more frequent droughts and water shortage, floods and reduced viability of farming and loss of livelihoods	27/09/2010	Environmental	Climate change including increased variability impacts the ability of the rural poor to cope with decreased food security and reduced provisioning services from ecosystems  P = 2 I = 4	<ul style="list-style-type: none"> <li>• The project will strengthen monitoring and information system and integrate it with early drought warning system of National Centre for Agriculture Drought Management (NCADM).</li> <li>• Additional national resources will be mobilized to mitigate impact of serious drought.</li> <li>• All demonstration interventions and practices to be inventoried will be assessed for their climate-resilience, and their climate resilience will be enhanced through build-up of carbon with co-benefit of increasing plant-available water and nutrients.</li> </ul>	FRWO	27/09/2010	27/09/2010	
					<p>decisions about rights and access to natural resources are taken at community level</p> <ul style="list-style-type: none"> <li>• Reduced dependency on natural resources will be offset by alternative income generation activities based on sustainable resource use.</li> </ul>				

4	Co-financing commitments may not appropriately materialize.	27/09/2010	Financial	Absence of appropriate co-financing may jeopardize project implementation and reduce inputs and activities to a level where beneficial change cannot be delivered. P = 1 I = 4	<ul style="list-style-type: none"> <li>The national government and the provincial governors have made commitment to dedicate resources to the project from their budgetary allocation.</li> <li>Proper and timely communication will be maintained so that the co-financing is obtained on time as per commitment</li> </ul>	FRWO	27/09/2010	27/09/2010
5	Staffing and leadership changes in key government departments cause reduced priority on building capacity to handle INRM.	27/09/2010	Organizational	These changes may undermine project objectives, affect the priority accorded to integrated approaches and reduce the opportunities to scale-up project lessons  P = 1 I = 2	<ul style="list-style-type: none"> <li>The institutional capacities assessment has identified the capacities need of the government departments involved.</li> <li>Proper implementation and monitoring of training programme will be done to ensure that the needed capacities are built and utilized</li> <li>The responsible authorities and expert will receive training and orientation regularly together with continuous guidance and advisory services.</li> <li>UNDP inputs will be sought proactively by FRWO in capacity building and institutional strengthening.</li> </ul>	FRWO	27/09/2010	27/09/2010

## Annex 8.5 Institutional Capacity Assessment of FRWO

In order to assess the FRWO institutional capacities to manage MENARID project, following organizational framework was used. The schematic representation of the framework defines performance in terms of effectiveness (mission fulfilment), efficiency, and relevance. The framework implies that certain contextual forces drive performance: **organizational capacity, forces in its external environment, and internal motivation.**



**Source:** *Organizational Assessment: a framework for improving performance*; published by IDRC and Inter American Development Bank, 2002

The assessment was conducted through individual interviews and focused group discussion with the Head and Deputy Heads of FRWO, NPD-MENARID, NPM-Hableh-Rud and other department officials. The table below presents the result of the capacity assessment.

**Table 9:** Assessment of Institutional Capacities of FRWO

Strengths	Shortcomings	Recommended Actions
The internal environment in terms of organization's culture, leadership and administration, organization structural clarity in terms of defining of roles, responsibilities and	Lack of/gap in coordination. The departments/agencies prefer to pursue their own development agenda rather than promoting linkages and integration with other departments/agencies for the achievement of shared goal.	Looking at the time and effort needed by the MENARID project the FRWO shall also provide full time staff for the MENARID project, both at national and provincial level.  The FRWO should focus on a more coherent capacity



<p>authority, and shared norms and values, is strong, which is conducive for MENARID project.</p> <p>The FRWO has been implementing projects with UNDP, FAO, JICA and other international agencies, and its financial management has been satisfactory.</p> <p>The staff, in general were found dynamic and committed.</p> <p>The staffs are technically strong in land and water management, agriculture, rangelands and forest management, and would be able to provide needed support to the project.</p>	<p>The staffs are more adhered to their daily routine limiting their focus on their tasks, and scope of innovation and creativity is very less.</p> <p>The staffs also lack a broader view of the development and its relevance with the local communities.</p> <p>Major shortcomings identified in the areas are: knowledge and application of participatory approaches, social and community mobilization skills.</p> <p>The staff in general would need to enhance their skills for proper understanding on communities' priorities and potential, and how these can be integrated with FRWO's development approach (technical inputs).</p> <p>The capacity gap found in participatory project planning, monitoring and evaluation, performance management, change management, conflict resolution, inter-personnel communications (with communities), gender integration and documentation.</p> <p>In the technical areas, the FRWO lacks required capacity to estimate the carbon stocks, WUE direct measurements, and will need external support.</p>	<p>development effort. It shall prioritize establishing a database on employees which shall include staff's background qualification and experiences, previous training attended, and future training needs.</p> <p>The FRWO shall specifically review the capacity development efforts to ensure that these are contributing to the institutional capacity and performance.</p> <p>The mechanism shall also be developed to systematically encourage and facilitate the transfer of knowledge, skills and changed attitudes acquired by individual staff to others within the organization.</p> <p>Head of FRWO is the key person, and he has seen its development as well as steered it through difficult phases. His continuous guidance and direction to the organization and the project will be needed for the success of MENARID project.</p>
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## Annex 8.6 Terms of Reference (ToR) for Key Project Personnel

### 1. National Project Director (NPD)

The National Project Director (NPD) will be designated by the National Executing Agency 'Ministry of Jihad Agriculture' (MoJA) in consultation with the UNDP-Iran. S/he would be the focal point for responsibility and accountability in the MoJA. The NPD will be a senior staff member of the MoJA with relevant experiences preferably in multi-sectoral approach and integrated natural resources (INRM) approaches, and will be able to devote sufficient time to supervise the project during its implementation. S/he would specifically perform the following duties and responsibilities:

- Acting as the responsible focal point for the project within the Government executing agency;
- Ensuring that all Government inputs committed to the project are available to the project in a timely manner;
- Appointing one National Project Manager (NPM) and four Provincial Project Managers (PPM) subject to endorsement by UNDP and identifying the project office/site, if necessary;
- Ensuring all of the other required project personnel are seconded and/or recruited by the MoJA to enable the project to implement all of the proposed component activities;
- Ensuring that appropriate and adequate office space and utilities are provided to the national project office in FRWO, Tehran and provincial project offices in the project provinces, and that these offices are empowered to implement the project;
- Overseeing the effective working of the national and provincial project management offices;
- Resolving implementation problems, as necessary;
- Approving candidates for project expert and consultant positions;
- Signing financial and other correspondence according to the procedures of UNDP requirements, including requests for advance/direct payments, financial report, Combined Delivery Reports, annual/quarterly reports, transfer of title of equipment, etc.;
- Bearing responsibility/accountability of advance funds received and prepare quarterly financial reports and work plans for endorsement by the PB and further provision to UNDP;
- Representing the national executing/implementing agency in the PB meetings and other programme review forums as well as any other project official meetings;
- Taking responsibility for the project activities and coordination of these activities with other involved government/non-government organization; and
- Ensuring the timely delivery of all outputs including all kinds of required reports, M & E related requirements/outputs under the project.

The NPD would be subject to periodic assessment of his/her performance by the PB however any decision to replace the NPD would require the approval of UNDP.

## 2. National Project Manager (NPM)

The National Project Manager (NPM) would be appointed to manage and coordinate the implementation of project activities. S/he will ensure smooth and effective operation of the project activities. The NPM will be selected through a competitive and transparent process undertaken by the NPD in consultation with UNDP. The NPM would be responsible for the following:

- Supervise and coordinate the project according to the rules and procedures in the UNDP NEX Guidelines and POPPs to ensure its result are as outlined in this project document;
- Assume primary responsibility for **daily project management** - both organizational and substantive matters – budgeting, planning and general monitoring of the project;
- Ensure adequate information flow, discussions and feedback among the various stakeholders of the project;
- Ensure that **participatory methodologies employed** by the project are ethical and inclusive of all groups in local society, especially the poor and women;
- Identifying the appropriate personnel to be seconded and/or recruited to work in the Project Management Unit (PMU) and supporting the NPD accordingly;
- Guide and supervise the work of the PMU personnel and national/international consultants and oversee compliance with agreed work plan;
- Liaising regularly with the UNDP country offices to ensure it is aware of progress in implementing project activities and where necessary to seek its technical and administrative assistance for the smooth operation of the project;
- Mobilising all project inputs in line with UNDP NEX Guidelines and POPPs;
- Preparing and updating project work plans and budgets and submitting these, in consultation with NPD and UNDP, on a timely basis to the PB for approval;
- Updating the project offline Risk Log regularly;
- Preparing GEF quarterly and annual progress reports and ensuring their timely submission to the PB and UNDP;
- Assume overall responsibility for meeting financial delivery targets set out in the agreed annual work plans, reporting on project funds and related record keeping;
- Meeting regularly with the Provincial Project Managers (PPM) to review progress with the implementation of the project's community-based field activities;
- Assisting the PPMs to secure the technical and financial inputs they require to implement the project's community-based field activities;
- Liaise with project partners to ensure their co-financing contributions are provided within the agreed terms;
- Ensure collection of relevant data necessary to monitor progress against indicators specified in the project logical framework;
- Assume overall responsibility for reporting on project progress using the indicators in the logical framework;
- Advise NPD and PB in a timely fashion if adjustments are required in the project logical framework in order to address changing circumstances and/or project experience
- Identifying and resolving implementation problems with the guidance of the NPD.

*The National Project Manager (NPM) should be someone with previous project management experience in the related fields of the project and willing to work for the full duration of the project. The NPM would be subject to periodic assessment of his/her performance by the NPD however any decision to replace the NPM would require the approval of UNDP-Iran.*

### **3. Provincial Project Manager (PPM)**

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Four Provincial Project Managers (PPMs), for project provinces namely Yazd, Kermanshah, Sistan-Baluchistan and Semnan provinces would be appointed on a full time basis to manage and coordinate the implementation of the project's field level activities falling within his/her province. Each PPM shall be selected through a competitive and transparent process undertaken by the NPD in consultation with UNDP-Iran. The PPM may be seconded by the FRWO/provincial offices with relevant field experiences in the related field. Each PPM would be responsible for the following:

- Day-to-day operational management of the component field activities undertaken within his/her province as outlined in this project document, so as to achieve the stated objectives, implement the proposed activities, and realise the anticipated outputs, of the project;
- Identifying the appropriate personnel to be seconded and/or recruited to work in the Provincial Project Management Unit (PPMU) and advising the NPD accordingly;
- Coordinating and supervising the work of the PPMU personnel;
- Preparation of annual work plans and budgets for the implementation of all project related field activities to be undertaken within his/her province and submitting these to the Provincial Project Monitoring Committee (PPMC) for endorsement and onward transmission to the NPM and the PB;
- Preparing monthly progress reports and ensuring their timely submission to the PPMC and NPM;
- Liaising regularly with the provincial NRM office, office of the Provincial Governor, and other concerned institutional stakeholders, within his/her province so as to keep them informed of project activities;
- Identifying and resolving provincial level implementation problems with the guidance of the NPM and NPD.

Each Provincial Project Manager (PPM) should be recruited or seconded from within his/her province. S/he should be someone with previous project management experience and good technical background in sustainable land management, water resources management, and climate change or biodiversity conservation. Additional background in watershed management, range management, agricultural extension or related field will be desirable. S/he should be able and willing to work as PPM for the full duration of the project. The PPM would be subject to periodic assessment of his/her performance by the PPMC and PB however any decision to replace the PPM would require the approval of UNDP-Iran.

#### **4. Chief Technical Adviser (CTA)**

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A Chief Technical Adviser (CTA) would be recruited to provide long term support to the NPD, NPM and PMU concerning the implementation of the project component activities. S/he is the primary source of international technical support for project implementation. S/he will visit the project on an average 4 times a year. In addition to field missions, the CTA will provide distant support through phone, Skype, E-mail and post.

The broad responsibilities of the CTA would include:

- To provide **strategic direction to the project.**
- To ensure that the project has **sharp focus on outcome as envisaged in SRF**
- To provide **inputs and support in bringing greater linkages, integration and cooperation among different programmes and departments,**
- To provide support in **developing and implementing strategies for:**
  - *Networking and advocacy*
  - *Knowledge management, capitalization and documentation of experiences relating to integrated natural resources management,*
  - *Information exchange with other agencies/organizations at international level, and share best practices from UNDP/GEF and other programme from other countries.*
- To contribute to the **capacity building and skill development of project team.**

The specific responsibilities will include:

##### During Project Inception Period

- Review quarterly work-plan and provide comments;
- Review final ToR for all Project staff and consultants to be recruited;
- Advise on recruitment and selection process;
- Help review CVs of all applicants, and if possible participate in the selection process;
- Provide initial training on project planning and developing ToR;
- Support Project Team on key strategic tasks in inception period;
- Help plan the Inception Workshop and first PB meeting;
- Participate in the Inception Workshop and first PB meeting;
- Help draft project Inception Report;

##### During Project Implementation

- Contribute to annual and quarterly planning;
- Contribute technically to developing ToR and to annual and quarterly plans;
- Help identify suitable international consultants and international training opportunities;
- Support in the design of the monitoring and evaluation and ensure their contribution to an effective adaptive management in the project;
- Support in the design and implementation of a good communications strategy, and a strategy for documenting and disseminating lessons learned and best practices;
- Providing training to Project Core Team, NPD, NPM and PPM and other project stakeholders, as identified;
- Support the NPM in the coordination of inputs, notably the inputs of international experts;
- Contribute into the regular updating of Offline Risk Log of the project.

Distance support will include the following:

- Provide technical comments on draft reports;
- Respond to technical queries;
- Provide material and documentation of experiences made in other programmes/countries and literature on methodologies and approaches.
- Other support as requested by the NPM, within the availability of working days

*The CTA should have: (i) broad international experience with integrated natural resources management; (ii) extensive practical experience with community-based participatory approaches; and (iii) a good understanding of the requirements for a comprehensive monitoring and evaluation system.*

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## Annex 8.7: Letter of Agreement between UNDP and Government of Iran for the Provision of Support Services

Excellency,

1. Reference is made to consultations between officials of the Government of *Iran* and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document or project document, as described below.
  1. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly.
  2. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
    - Identification and/or recruitment of project and programme personnel;
    - Identification and facilitation of training activities;
    - Procurement of goods and services including customs clearance;
    - Travel Management Services;
    - Financial Record Management;
    - ICT Services
    - Logistical support to Event Organizations
4. The provision of support services as per paragraph 3 above by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document. If the requirements for support services by the country office change during the life of a programme or project, the annex to the programme support document or project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.
5. The relevant provisions of the Legal Annex to Project Documents including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed programme or project through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document or project document.
6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the Legal Annex to Project Documents.
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the programme support document or project document.

8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.
10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,



Signed on behalf of UNDP

**Consuelo Vidal**  
**Resident Representative**

H.E. Mr. Ali Salajegheh  
Deputy Minister and Head of Forest, Rangeland and Watershed Management Organisation  
Ministry of Agricultural Jihad  
Tehran, I.R. of IRAN

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National Implementing Partner for  
(Iran-MENARID project on Institutional Strengthening &  
Coherence in Integrated Natural Resources Management)



Attachment

**DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES**

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1. Reference is made to consultations between Forests, Rangelands and Watershed Management Organization (FRWO), Ministry of Jihad Agriculture, the institution designated by the Government of Islamic Republic of Iran and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed project (*project number 2732 "Iran-MENARID Project on Institutional Strengthening and Coherence for Integrated Natural Resources Management"*).
  
2. In accordance with the provisions of the letter of agreement signed on 28 September 2010 and the project document, the UNDP country office shall provide support services for the Project as described below.
  
3. Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
1.As described in Point 2 of Annex 8.7	As per workplan or official request of Implementing Partner	As per Annual Local Price List (e.g. Annex 8.9)	As per ISS arrangement described in Annex 8.8
2.			
3.			

4. Description of functions and responsibilities of the parties involved:

## **Annex 8.8: UNDP Cost Recovery Policy**

The following outlines the UNDP Cost Recovery Policy for Regular Resources<sup>41</sup> and Other Resources<sup>42</sup> as approved by the Executive Board in its 98/2 and 2007/18 Decisions.

### ***Background***

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In its decision 98/2, UNDP's Executive Board (EB) recognized the importance of Other Resources as a mechanism to enhance the capacity and supplement the regular resource base of UNDP. The Board requested UNDP to develop, implement and manage all Other Resource funded activities in an integrated, transparent, flexible and accountable manner. In recognizing the increasing level of UNDP Other Resources, accounting now for around 75 per cent of Total UNDP Resources, the Executive Board in discussions on the 2000-2001 as well as 2002-2003 support budgets, clearly indicated that Other Resources do need to cover the full cost of the services being provided to Other Resources funded programmes as well as to contribute to the overall costs of UNDP's operations.

As a multi-funded organization UNDP continues to make the case that Regular Resources provide the funding for the organization's base structure and the additional costs associated in the delivery of regular resources funded programmes. All costs associated with the delivery of Other Resources funded programmes at the country and headquarters levels are to be fully covered through cost recovery mechanisms.

The new revised cost recovery policy from Regular and Other Resources takes into consideration that:

- The costs associated with the delivery of services to programmes above the base structure shall be borne by the relevant funding sources (Regular & Other Resources) within each programme;
- Generally, there are two categories of services provided to programmes; the first of which includes general oversight, management, and quality control, while the second category includes direct services in the context of implementation; and,
- Other Resources-funded programmes benefit from UNDP's global operations (which include strategic initiatives, policy development and corporate systems) and hence should contribute to them.

### ***The policy***

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The policy reflects two types of recovery that will be applied to the two categories of services defined below. This policy supersedes all previous policies and guidelines, whether corporate, regional or unit/country specific:

### ***General Management Support (GMS):***

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<sup>41</sup> Regular resources are defined as the resources of UNDP that are co-mingled and untied. These will include voluntary contributions, contributions from other governmental, intergovernmental or non-governmental sources and related interest earnings and miscellaneous income. Example: TRAC

<sup>42</sup> Other Resources are defined as the resources of UNDP, other than Regular Resources, which are received for specific programme purposes, consistent with the policies, aims and activities of UNDP and for the provision of management and other support services to third parties. Examples: GEF and GFATM funds, Government Cost Sharing, Contributions from Bilateral Donors, Contributions from Private Sector

Projects funded from Regular Resources are not subject to GMS fees, as these resources already pay for the basic structure of UNDP, which is designed to provide these services. For programmes funded wholly or partially from Other Resources, the recovery for these services, which are not directly attributable to project inputs or activities, is through a **percentage fee**. The Executive Board decision 2007/18 on cost recovery which the Board recently adopted at its Annual Session (11-22 June 2007) directs UNDP to adopt a rate of 7 per cent for the recovery of indirect general management support (GMS) costs for new third party contributions and trust funds. The basic 3 per cent recovery rate of indirect support costs for all government cost sharing is maintained for the time being.

GMS encompasses general oversight and management functions of UNDP HQ and CO units, and include the following specific services:

- Project identification, formulation, and appraisal
- Determination of execution modality and local capacity assessment
- Briefing and de-briefing of project staff and consultants
- General oversight and monitoring, including participation in project reviews
- Receipt, allocation and reporting to the donor of financial resources
- Thematic and technical backstopping through Bureaus
- Systems, IT infrastructure, branding, knowledge transfer

#### ***Implementation Support Services (ISS):***

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These are services provided mostly by Country Offices in the implementation of Regular and Other Resource-funded and projects (i.e. costs directly related to the delivery of programmes), and include:

- Payments, disbursements and other financial transactions
- Recruitment of staff, project personnel, and consultants
- Procurement of services and equipment,<sup>43</sup> including disposal
- Organization of training activities, conferences, and workshops, including fellowships
- Travel authorization, visa requests, ticketing, and travel arrangements
- Shipment, custom clearance, vehicle registration, and accreditation

For all projects, **regular and Other Resource-funded projects** alike, units are required to recover the cost for providing Implementation Support Services (ISS) on the basis of **actual costs or transaction fee**. These costs are an integral part of project delivery.

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<sup>43</sup> This would include any fee to IAPSO.

**Annex 8.9: UNDP Iran Local Price List- 2009 for Services to NEX/NIM Projects**

<i>Service</i>	<i>Cost \$</i>
<b>Financial Management/Payment Process</b>	
Issuance of a cheque for collection at UNDP Finance	17.51
Issuance of a cheque for transfer to Tejarat Bank	21.30
Issuance of a cheque for transfer to banks other than Tejarat Bank	36.33
Cancellation of a payment	2.93
Funds receipt/ per transaction	9.89
New vendor profile	5.88
<b>HR Services (Service Contracts)</b>	
Selection/recruitment process per SC	294.87
Contract management per SC	135.56
<b>Procurement Services</b>	
Procurement of goods/services (up to \$2,500 )	58.97
Procurement of goods/services (between \$2,500 to \$30,000)	92.79
Procurement of goods/services (between \$30,000 to \$100,000)	194.17
Procurement of goods/services (over \$100,000)	228.07
Customs clearance per case	47.42
Transfer of project assets (vehicle)/per case	77.13
Transfer of project assets (equipment)/per case	41.75
Logistical support to organizing events/event (within UNDP office)/excluding cost of event itself (tea/coffee, refreshments, meals, stationery, equipment etc)*	163.53
Logistical support to organizing events/event (out of UNDP office)/excluding cost of event itself (tea/coffee, refreshments, meals, stationery, equipment etc)*	294.72
<b>Travel Services</b>	
Visa request per Note Verbal	5.89
Ticket booking and purchasing per ticket	20.6
Travel authorization per person	17.67
Hotel reservation per reservation	8.84
Settlement of travel claim/F10, per claim	15.05
<b>Audit Process</b>	
Documentation Management (Audit)	2,228
<b>Financial Record Management/per Voucher</b>	<b>11.82</b>

Local Price List is reviewed and updated annually.

## Annex 8.10 Participatory Monitoring and Evaluation

The monitoring and evaluation (M & E) for MENARID is a participatory process involving key stakeholders including local communities. The M & E system facilitates identification and resolution of problems; provides the basis for technical and financial accountability; and promote the identification and dissemination of lessons learned by participants themselves.

Monitoring and evaluation will be undertaken in line with the results based monitoring framework and indicators. A base-line study will be undertaken to establish benchmark. A mid term review will be undertaken to track progress against benchmark, and accordingly mid course corrections will be suggested. An end term evaluation will be carried out three months before completion of the projects. The M & E will take place at three levels:

1. PMU Level
2. Provincial Level
3. Community Level

The monitoring results of each level will feed into the higher level of monitoring. For example, the monitoring results at community level will feed into the monitoring process at provisional level, and so on. Similarly, the feedback from higher level will filter down to lower level, thereby maintaining two way channels.

### ***PMU Level***

**Overall coordination and oversight** of the MENARID will be provided through a core team led by NPD. The team will conduct quarterly and annual review. The reviews will include physical and financial progress made during last quarter, follow-ups on the key recommendations; key issues and challenges for MENARID for the next quarter.

***The PMU will be monitoring, in general, outcome level indicators related to project objectives, and output indicators directly related to its tasks.***

The key outcome and outputs level indicators at PMU level are:

- Level of influence on policy, legal and regulatory framework to promote integrated natural resources management and inter sectoral coordination;
- System and procedure developed and are in place for effective implementation of project strategies;
- No. and efficiency of collaboration and partnership developed;
- Enhancement in capacities of national and provincial level government officials from different departments in INRM, PES, PME and inter sectoral communications
- Change in level of income and standard of living by the participating communities;
- Change in coverage of forests, rangelands, and arable land
- Percentage of population having sustained livelihoods activities
- Participation and ownership of local communities in planning, implementing and monitoring project activities and outputs;
- Advocacy campaign aimed at influencing national policies for INRM *developed and implemented*

### ***Provincial Level***

At provincial level DG, NRM Bureau will be supervising and managing the project activities. He will be assisted by Deputy Project Manager and a team of specialist and project support staff. The PPRC will include four members from the target communities who will be elected by the communities on annual rotation basis. These representatives will feed M & E information from community level to provincial level.

Key Indicators at Provincial level are:

- Change in Land use pattern and farming practices at pilot sites
- Change in livestock population and production at pilot sites
- Change in water availability and quality at pilot sites
- Change in extent of soil erosion, and sedimentation of water bodies
- Change in biomass production both quality and coverage
- Change in peoples capacities to manage conflict, pursue alternative livelihoods, manage natural resources, and monitor and evaluate their own progress
- Change in marginalized people's participation in decision making
- Change in women's participation and decision making capacity at household and community level
- Capacities enhancement training and exercises for communities and staff well implemented and followed up
- No. of best practices in INRM, SLM, BC and IW mainstreamed into provincial planning processes
- No. of cases where lessons learnt from innovative schemes and practices like PES captured and replicated in development programmes
- Institutional capacity in INRM developed at provincial levels.
- Measurable sustained increase in training and awareness campaigns, including appropriate practices in SLM, BC, CC and IW for capacity development
- Increase in knowledge level of provincial staff (both men and women) across institutions with INRM knowledge and experience
- Improvement in inter-sectoral and interdepartmental communication at provincial level

### ***Community Level***

At Community level, two community facilitators in each project village will be supervising and monitoring the project activities.

A community based organization (or Islamic Council) shall provide the coordination and advisory support to the project activities. They will mainly monitor qualitative indicators, though also quantitative indicators, wherever possible. The monitoring will be supplemented annually by surveys by PCU or consulting agencies hired by them.

The key indicators for monitoring at community levels are:

- Change in Land use pattern
  - Conversion of land from arable land to orchard/rangeland/forests/agro forestry/orchard
  - Conversion from rangelands to arable land/agro forestry/orchard
  - Conversion from forest land to arable land/agro forestry
- Crop cultivation (area under different crops) in last one year
- Change in farming practices and soil water conservation measures
- Change in livestock population
- Provision of Animal husbandry services By whom/frequency/service quality
- Changes realized in livestock production like milk/wool and or meat
- Change in water availability for irrigation
- Change in extent of soil erosion
- Change in sedimentation of water bodies
- Change in biomass production
- No. of conflicts over access and use of water at community level
- Families with access to primary health services
- Awareness on hygiene practices
- Change in no. of school going children (Boys and girls)
- Change in no. of dropout children at primary and secondary level (boys and girls)
- Change in food consumption at household level. Both quantity and quality
- Change in household assets
- Change in expense pattern on clothing, health expenses, festivals and ceremonies
- Change in migration pattern
- Change in government services like health, infrastructure etc.
- Change in people's awareness and perception on land degradation, climate change, biodiversity conservation and water use
- Change in marginalized people's participation in decision making
- Change in people's ability to self monitor and evaluate own progress
- Change in capacities for productive activities
- Change in women's participation and decision making capacity at household and community level

**Table 10: Monitoring Framework**

Actors and Accountability	Roles and Responsibilities	Methodology and Timing
<p><b>PCU: NPD and team</b></p> <ul style="list-style-type: none"> <li>▪ Lead, implement and monitor the progress of MENARID programme, together with other stakeholders at national level</li> <li>▪ Collaborate with national partners to determine the focus and intended results of the programme</li> <li>▪ Identify and manage partnerships at national level</li> <li>▪ Assess the overall performance (progress towards and achievement of results) of the programme</li> <li>▪ Ensure the strategic and cost effective use of resources</li> </ul>	<ul style="list-style-type: none"> <li>▪ To build strong coalitions for results</li> <li>▪ To assess the efficacy of partnerships and take related actions</li> <li>▪ To ensure quality and the appropriate use of monitoring evidence and lessons learned</li> <li>▪ To resolve key bottlenecks to implementation and improve the chances of achieving results outcomes)</li> <li>▪ To link results with resources and ensure accountability in the use of resources</li> <li>▪ To adjust the programme in view of emerging changes as required</li> <li>▪ To position the programme strategically within the national priority and policy</li> </ul>	<p>Periodic reviews (of progress towards results) by</p> <ul style="list-style-type: none"> <li>▪ Reviewing progress, issues, and trends in the achievement of results</li> <li>▪ Making decisions on changes as needed</li> <li>▪ Participating in joint monitoring with other stakeholders</li> <li>▪ Making periodic field visits</li> </ul>
<p><b>Provincial Level: Project managers and staff</b></p> <ul style="list-style-type: none"> <li>▪ Identify and manage partnerships at provincial level</li> <li>▪ Manage field projects in the selected sites to help produce outputs</li> <li>▪ Contribute to project management and project performance</li> </ul>	<ul style="list-style-type: none"> <li>▪ To monitor the effectiveness of implementation strategies in tackling the constraints to the achievement of results (outcomes) and take related actions</li> <li>▪ To provide clear basis for decision making and guide development initiatives</li> <li>▪ To ensure effective use of resources, utilizing them to maximize the possibility of achieving results</li> <li>▪ To understand and promote capacity development in monitoring and evaluation</li> <li>▪ To use project-level monitoring data and feed it into outcome level discussions at national level</li> </ul>	<p>Periodic reviews by</p> <ul style="list-style-type: none"> <li>▪ Reviewing progress, issues, and trends in the achievement of results</li> <li>▪ Informing PCU on monitoring results</li> <li>▪ Participating in joint monitoring with other stakeholders</li> <li>▪ Making regular field visits</li> </ul>
<p><b>Community: Community Leaders</b></p>	<ul style="list-style-type: none"> <li>▪ To ground the project in the larger context</li> </ul>	<ul style="list-style-type: none"> <li>▪ Throughout project cycle by carrying out community</li> </ul>



<p><b>and Animators</b></p> <ul style="list-style-type: none"> <li>▪ Implement project as per identified needs and priorities</li> <li>▪ Ensure community participation and ownerships</li> <li>▪ Monitor changes and take necessary actions</li> </ul>	<ul style="list-style-type: none"> <li>▪ To take steps towards achieving output targets</li> <li>▪ To ensure efficient use of resources</li> <li>▪ To feed information of project data to provincial level monitoring</li> </ul>	<p>based monitoring activities</p> <ul style="list-style-type: none"> <li>▪ Fortnightly/monthly meetings for determining:             <ol style="list-style-type: none"> <li>1. Progress towards the achievement of outputs and contribution related outcomes</li> <li>2. Issues that require attention at higher level</li> </ol> </li> <li>▪ Using participatory tools for monitoring</li> </ul>
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## **Annex 8.11: Supplemental Provisions to the Project Document (Legal Annex)**

### **Standard Annex to Project Document for use in countries which are not parties to the Standard Basic Assistance Agreement (SBAA)**

#### **Standard Text: Supplemental Provisions to the Project Document: The Legal Context**

##### **General Responsibilities of the Government, UNDP and the Implementing Partner**

1. The Government, assuming its overall responsibility, 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.
2. The Project Document, and the term as used in this Annex, includes the Country Programme Action Plan (CPAP), signed by the Government of Iran (the Government) on (signing date of the current CPAP), and the Annual Work Plan (AWPs), together with this Annex attached to the AWPs.
3. UNDP project activities shall be carried out in accordance with the relevant and applicable resolutions and decisions to the competent UNDP organs, and subject to the availability of the necessary funds to UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP's Executive Board approved the new Financial Regulations and Rules and, along with them, the new definitions of 'Executing Entity'<sup>44</sup> and 'Implementing Partner'<sup>45</sup> enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDP simplification and harmonization initiative.
4. All phases and aspects of the 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 the principles embedded in UNDP's Financial Regulations and Rules, 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.
5. The Co-operating agency shall remain responsible for its part in UNDP-assisted development projects and the realization of their objectives as described in the Project Document.
6. Assistance under the Project Document is provided for the benefit of the Government and the people of the Islamic Republic of Iran. The Co-operating Agency shall bear all imputable risks of operations in respect of this project.

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<sup>44</sup> Executing Entity shall mean, for UNDP programme activities carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201, the entity that assumes the overall ownership over and responsibility for UNDP programme activities and the acceptance of accountability for results, and shall normally be the programme country Government.

<sup>45</sup> Implementing Partner shall mean, for UNDP programme activities carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201, the entity to which the Administrator has entrusted the implementation of UNDP assistance specified in a signed document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in such document.

7. The Co-operating Agency, in accordance with the Project Document, shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities.
8. The UNDP undertakes to complement and supplement the Co-operating Agency participation and will provide through the Implementing Partner the required expert services, training, equipment and other services within the funds available to the project.
9. Upon commencement of the project the implementing Partner shall assume primary responsibility for project implementation 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 Co-operating Agency or to an entity designated by the Co-operating Agency during the implementation of the project.
10. Part of the Co-operating Agency's participation may take the form of cash contribution to UNDP. In such cases, the Implementing Partner will provide the related services and facilities and will account annually to the UNDP and to the Co-operating Agency for the expenditure incurred.

#### **(a) Participation of the Government**

1. The Co-operating Agency 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 Co-operating Agency'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 Implementing Partner, 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 Co-operating Agency 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 implementation of the project.
4. Within the given number of work-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the co-operating Agency may be made by the co-operating Agency in consultation with the Implementing Partner, 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 Co-operating Agency 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 deliver to the project site.

7. The Co-operating Agency shall make available to the project – subject to existing security provisions and national laws and regulations – any published and unpublished reports, maps, records and other data, which are considered necessary to the implementation of the project. Such reports, maps, records and other data shall be exclusively used for the implementation of the project. In cases when the Co-operating Agency, due to security provisions or national laws and regulations, does not make available reports, maps, records and other data considered necessary to the implementation of the project, UNDP and the Government may decide to modify or redesign the project or components thereof.
8. Unless otherwise agreed by the Parties in each case, patent rights, copyright 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 to work within the country free of royalty and any charge of similar nature.
9. The Co-operating Agency undertakes to 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 Co-operating Agency by means of a contribution in cash shall be set forth in the Project Budget. Payment shall be made in accordance with the Schedule of Payments in the Project Document.
11. Payment of the above-mentioned contribution on or before the dates specified in the Schedule of Payments is a prerequisite to commencement or continuation of project operations.

### **(b) Participation of the UNDP and the Implementing Partners**

1. The UNDP shall provide to the project through the Implementing Partner 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 Budgets.
2. The Implementing Partner shall consult with the Co-operating Agency and UNDP on the candidature of the Project Manager<sup>46</sup> who, under the direction of the Implementing Partner, will be responsible in the country for the Implementing Partner's participation in the project.

Manager shall supervise the experts and other entity personnel assigned to the project, and the on-the-job training of national counterpart personnel. The Project Manager shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

3. The Implementing Partner, in consultation with the Co-operating Agency 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 Implementing Partner.
5. The Implementing Partner may, in agreement with the Co-operating Agency and UNDP, implement part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Co-operating Agency and UNDP, taking into account the Implementing Partner's procedures.
6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the implementation of the project, and will remain the property of the UNDP in whose name it will be held by the Implementing Partner. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Implementing Partner.
7. Arrangements may be made, if necessary, for a 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 Co-operating Agency, the UNDP and the Implementing Partner shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Co-operating Agency, or to an entity nominated by the Co-operating Agency, when it is required for continued operation of the project or for activities following directly there from. UNDP may, however, retain title to part or all of such equipment in accordance with UNDP regulations and rules.
9. At an agreed time after the completion of UNDP assistance to the project, the Co-operating Agency and the UNDP, and if necessary the Implementing Partner, 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 Co-operating Agency 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 Convention on the Privileges and Immunities of the United Nations of 1946, given effect to by the Act of 4 March 1973 of the Iranian National Assembly, and the Agreement between the United Nations Special Fund and the Government of Iran Concerning Assistance from the Special Fund, signed by the Minister of Foreign Affairs 6 October 1959, the officials of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Convention and Agreement.
- 2(a) Should the Parties agree to involve "Persons Performing Services" in this project in accordance with Article 8(3) of the Agreement between the United Nations Special Fund and the Government of Iran Concerning Assistance from the Special Fund, signed on 6 October 1959, the expression "persons performing services" as used in this Article of this Annex includes UN Volunteers, operational experts, Implementing Partners, their employees and contractors, implementing or assisting in the implementation of UNDP assistance to a project, other than Government nationals employed locally. Any agreement between the parties to involve persons performing services has to be approved in accordance with the Iranian national procedures.

- (b) The expression "persons performing services" does not extend to cover nationals and the residents in the territory of Iran.
  - (c) The privileges and immunities are accorded to the officials of UNDP and other relevant UN organizations associated with the projects in the interest of the United Nations and not for the personal benefit of the individuals themselves. The Secretary-General shall have the right and duty to waive the immunity of any official in any case where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interest of the United Nations. The United Nations shall cooperate at all times with the appropriate authorities of the Islamic Republic of Iran to facilitate the proper administration of justice, secure the observance of police regulations and prevent the occurrence of any abuse in connection with the privileges, facilities and immunities referred to above.
- 3(a) For purposes of the instruments on privileges and immunities referred to in the preceding parts of this Article:
- i. All papers and documents relating to a project in the possession or under the control of the persons referred to in sub-paragraph 2(a), above, shall be deemed to be documents belonging to UNDP, the United Nations or the Specialized Agency concerned, as the case may be; and
  - ii. Equipment, materials and supplies brought into or purchased or leased by those persons within the country for purposes of a project shall be deemed to be property of UNDP, the United Nations or the Specialized Agency concerned, as the case may be.
4. The Cooperating Agency shall ensure:
- a. Prompt clearance of experts and other persons performing services in respect of this project; and
  - b. The prompt release from customs of:
    - i. Equipment, materials and supplies required in connection with this project; and
    - ii. Property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Implementing Partners, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.
5. Nothing in the Project Document 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.
6. The Co-operating Agency shall facilitate the project implementation under the provisions of the Project Document.

### **Suspension or termination of activities**

- 1. Following mutual consultation with the Co-operating Agency, UNDP may by written notice to the Co-operating Agency and to the Implementing Partner concerned suspend any project activities, if in the judgment of UNDP, any circumstances arise which interferes or threatens to interfere with the successful completion of the project or the accomplishment of its purposes.
- 2. The procedure for suspension and termination of a project are as follows:

a. Suspension: During the period of suspension, the Parties may consult and try to resolve the problems by corrective measures. If the problems are resolved, the project activities may be resumed. The UNDP Resident Representative confirms to the Parties the date for resuming such activities. However, UNDP may directly terminate a project, in cases it deems as force majeure.

b. Termination: A project may be terminated only after a period of suspension. If neither party has been able to reach a resolution of the problem within a reasonable period of time, either party may recommend the project's termination. Unspent TRAC1 or TRAC2 funds from a terminated project may be reprogrammed, taking into account the outstanding obligations of the terminated project. The Implementing Partner proceeds with the steps required for financial completion.

3. The UNDP Resident Representative takes the necessary steps regarding suspension or termination of a project and confirms it in writing to the parties concerned, in consultation with the national coordinating authority and the Implementing Partner.

