PROJECT DOCUMENT

Islamic Republic of Iran

United Nations Development Programme

Global Environment Facility

Building a Multiple-Use Forest Management Framework to Conserve Biodiversity in the Caspian Hyrcanian Forest Landscape

GEFSEC PROJECT ID: 4470; GEF AGENCY ID: PIMS 4078; AWARD ID: 00071681

Brief Description:

The project will conserve biodiversity in key landscapes within the Caspian broadleaf deciduous forest ecoregion. The ecoregion is recognised for its high levels of endemism: it is also an important storehouse of threatened species. It will do this by strengthening the national and local policy framework governing land use in the Caspian forests (which cover an area of approximately 1.8 million hectares), enhancing the rights and roles of the local communities in their management and demonstrating ways and means of improving management (including land use planning, zoning, compliance monitoring and enforcement).

The project will trigger a paradigm shift from sector-focused management to multiple use management, to reduce the conjunction pressures arising from different land uses. It will put in place the necessary policy and regulatory mechanisms needed to mainstream biodiversity conservation considerations into land use plans and build the capacities of key institutions to implement the reformed planning and management approach. The project is thus consistent with GEF Strategic Objective 2 of GEF 5: Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors and in particular Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation. The successful implementation of this project will set the foundations for replication of the approach in other important forest ecosystems across the country.

The project will be responsible for achieving the following project objective: "To put in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience".

The proposed project is designed to lift the barriers to establishment of a landscape approach to the management of biodiversity. The project will comprise three complementary components, which will be cost shared by the GEF and co-financing. Each addresses a different barrier and has discrete outcomes.

Component 1. An enabling policy and regulatory framework

Component2. Institutional and staff capacity strengthening for multiple-use forest management

Component3. Community piloting of integrated forest management

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Country: Iran

UNDAF Outcome (s)/Indicator (s): Output 1.7: *Environmental assessment frameworks and tools developed/updated and effectively used at policy, plan and project levels.*

Project Title: Building a Multiple-Use Forest Management Framework to Conserve Biodiversity in the Caspian Hyrcanian Forest Landscape

Objective: To put in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience.

Expected Components: (1) An enabling policy and regulatory framework; (2) Institutional and staff capacity strengthening for multiple-use forest management; (3) Community piloting of integrated forest management.

Executing Entity/Implementing Partner: Forest Rangelands and Watershed Management Organisation

Implementing entity/Responsible Partner: United Nations Development Programme

ATLAS Award ID:	00071681	**ATLAS Project ID:**	00085011

Programme Period:	2013 - 2018
GEF Project ID:	4470
GEF Agency ID PIMS #:	4078
Project Duration	5 Years
Management Arrangement:	NIM

Total Budget	**USD $7,175,000**
GEF	USD $1,900,000
Government (grant)	USD $3,000,000
Government (In-kind)	USD $1,925,000
UNDP (cash)	USD $150,000
UNDP (cash - parallel)	USD $200,000

Agreed by Forest Rangelands and Watershed Management Organisation (FRWO):

Mr. Alireza Owrangi, Deputy Minister, Agricultural Jihad, and
Head of Forest Rangelands and Watershed Management Organisation

Date: 05 May 2013

Agreed by United Nations Development Programme (UNDP):

Mr. Gary Lewis
UN Resident Coordinator and UNDP Resident Representative
Islamic Republic of Iran

Date: 05 May 2013

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1.4 *Abbreviations and Acronyms*

APR	Annual Project Report
ARR	Annual Review Report
AWP	Annual Work Plan
BD	Biodiversity
CHHTO	Cultural Heritage, Handicrafts and Tourism Organisation
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CBD	Convention on Biological Diversity
CBO	Community Based Organisation
CDR	Combined Delivery Report
CO	Country Office
CSO	Civil Society Organisation
DoE	Department of Environment
EBA	Endemic Bird Area
EBD	Ecosystems and Biodiversity
EEG	Environment and Energy Group
EHC	Environmental High Council
FDC	Forest Dwellers Cooperative
FMP	Forest Management Plan
FRWO	Forest Rangelands and Watershed Management Organisation
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFO	Game and Fish Organisation
GoI	Government of Iran
COIRI	Constitution of the Islamic Republic of Iran
FAO	Food and Agriculture Organisation
GOIRI	Government of the Islamic Republic of Iran
IBA	Important Bird Area
ICARDA	International Centre for Agricultural Research in the Dry Areas
IPCC	Intergovernmental Panel on Climate Change
IPM	Integrated Pest Management
IS	Inception Session
IUCN	World Conservation Union/International Union for Conservation of Nature
MDG	Millennium Development Goal
METT	Management Effectiveness Tracking Tool
MPO	Management and Planning Organisation

M&E	Monitoring and Evaluation
NAB	Nomadic Affairs Bureau
NBSAP	National Biodiversity Strategy and Action Plan
NCSD	National Council for Sustainable Development
NDP	National Development Plan
NGO	Non-Governmental Organisation
NIM	National Implementation
NP	National Park
NPD	National Project Director
NPM	National Project Manager
NSE	National Strategy for Environment and Sustainable Development
NSGRP	National Strategy for Growth and Reduction of Poverty
NTFP	Non Timber Forest Product
ONPA	Office of Nomadic and Pastoral Affairs
PA	Protected Area
PAC	Project Advisory Committee
PAN	Protected Area Network
PSCM	Project Steering Committee Meeting
PCO	Project Central Office
PIR	Project Inception Report
PPG	Project Preparation Grant
PSC	Project Steering Committee
RCU	Regional Coordinating Unit
RIFR	Research Institute for Forest and Rangelands
SBAA	Standard Basic Assistance Agreement
SGP	Small Grant Proposal
TPR	Tripartite Report
UNCCD	United Nations Convention to Combat Desertification
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Plan
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollars
WHC	World Heritage Convention
WWF	World Wide Fund for Nature

PART IA: SITUATIONAL ANALYSIS

1.5 Biophysical Context

Contextual Introduction

1. Iran, seen in Figure 1, represents a bridge between five major bio-geographical regions: Euro-Siberian, Turanian, Mediterranean, Sahara-Sindian and Sudano-Decanian. As a result the country contains several major repositories of biodiversity. One such repository is the Caspian Hyrcanian Mixed Forest Ecoregion, listed by the World Wide Fund for Nature (WWF) as a Global 200 Ecoregion, located in Northern Iran along the southern coast of the Caspian Sea and northern slopes of the Alborz Mountains. These ancient broadleaf and mixed lowland and montane forests form unique and diverse communities and house a number of endemic and endangered tree, mammal and bird species.

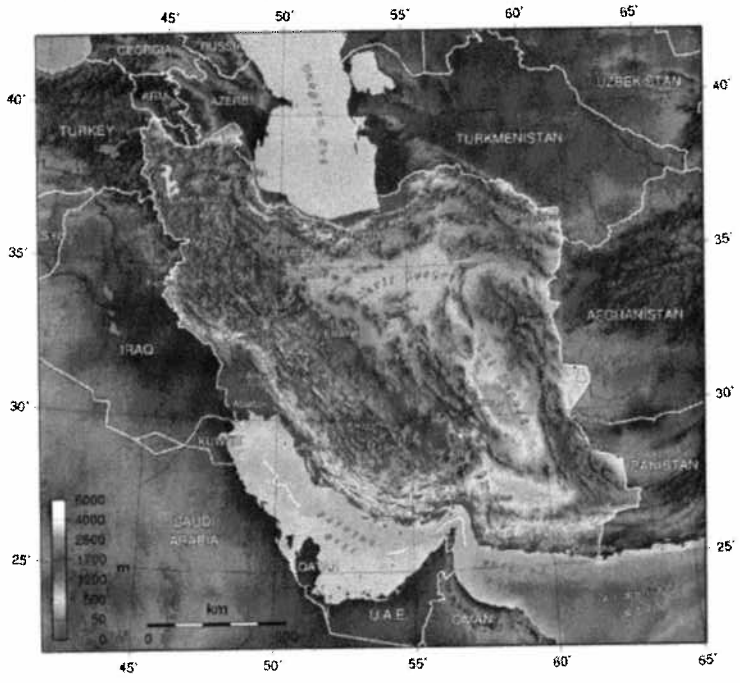

Figure 1. Iran: Physical Context

2. The Caspian Hyrcanian landscape's natural assets in terms of climate, scenery and soils serve as great threats to its forests by attracting millions of people through tourism, agriculture and pastoralism. As a result, there has been a significant loss of biodiversity, not only through loss of habitat – between 1955 and 2000 the Caspian Hyrcanian forests were reduced from 3.4 million ha to 1.85 million ha - but also from forest degradation and habitat fragmentation.

3. The project aims to conserve biodiversity in key landscapes within the Caspian Hyrcanian forest ecosystems by a) strengthening the national and local policy framework governing land use in the Caspian Hyrcanian forests, b) enhancing the rights and roles of the local communities in their management, and c) demonstrating ways and means of improving management (including land use planning, zoning, compliance monitoring and enforcement). A number of pilot basins will be the focus of some of the Global Environment Facility (GEF) intervention, three of which (Baliran, Dohezar and Chelchai) have been defined during the PPG process and are defined below.

Geographical Context

4. The Islamic Republic of Iran is part of the Middle East of Asia and lies between 25°03'and 39°47' North and 44°05' and 63°09' East. It has an area of 1,648,195 km^2.Iran has two water boundaries; the Caspian Sea in the north and the Persian Gulf and Sea of Oman together in the South. Bordering countries running southeast from the Caspian Sea towards the Sea of Oman include Turkmenistan, Afghanistan and Pakistan, and running northwest from the Persian Gulf back towards the Caspian Sea are Iraq, Turkey, Armenia and Azerbaijan. Iran divides into 31 provinces, each governed by a Governor General. Each province contains districts, which are then divided further into sub-districts.

5. Almost 90% of Iranian territory is situated on the Iran plateau. Out of a total of 1,648,194 km^2 of land in Iran, 54% is covered by mountain ranges, 21% deserts, 7% forests and woodlands and 1 % inland waters, with a total of just 17% arable and residential land. The mean altitude of Iran is 1,200 m.a.s.l., with the lowest point being along the coast of the Caspian Sea at 28 m.a.s.l., the lowest internal point in the Lut Desert at 56 m.a.s.l., and the highest point being the peak of Mount Damavand in the central Alborz mountain range at 5,628 m.a.s.l.

6. Four distinct mountainous areas form the main highlands. The Zagros range is the largest range, at 4,749,000 hectares (ha). It stretches from the northwest to the southeast of Iran and consists of numerous parallel ridges, with the highest peaks exceeding 4,000m and maintaining permanent snow cover. Many large rivers, including the Karun, Dez, and Kharkeh, originate here, draining into the Persian Gulf or the Caspian Sea. Scenic waterfalls, pools, and lakes add beauty to the mountainous landscape. The Alborz and Tallish mountain ranges line the Caspian Sea coast from the northwest to the northeast, with the northern slopes covered in dense forest. The mountains hold many interesting geological features such as two small glaciers, fumaroles, hot springs, and mineral deposits below the crater of Mount Damavand. Kopet-Dagh and the North Khorasan mountains lie in the northeast along the border with Turkmenistan, and the Jebal Barez and Baluchestan mountains are situated in the central to southeast part of Iran.

7. There are several desert plains across Iran, including Dasht-e Kavir in the centre, Dasht-e Lut desert and Sistan and Jazmurian depressions in the southeast, Moghan steppe in the northwest and the Turkman-Sahra steppe in the northeast[1]. Coastal plains include the Khuzestan plain in the southwest and the Caspian Sea coastal plain in the north. The Khuzestan plain extends from the northern-most part of the Persian Gulf 120 km inland, meeting the foothills of the Zagros Mountains. It is covered mostly by marshes. The Caspian plain lines the southern Caspian Sea coast for 640 km from west to east, but does not extend more than 50 km inland.

8. Iran holds several large lakes, the largest being the saline Lake Urumieh with an area of 4,868km^2 in the northwest[2].High salinity levels mean that there is little aquatic life. The lake is fed by sixty permanent, seasonal and episodic rivers and is endorrheic, meaning that all water eventually evaporates or is lost by seepage. There are 102 islands, some permanently exposed, some seasonal; the largest island is 260km^2.[3]

9. More than one-tenth of Iran is forested; however, since 1966 the total forested area has decreased by approximately one third from its original 18,000,000 ha. The major types of forest that exist in Iran and their respective areas are: the oak (*Quercus spp.*) forests in the central and western districts, comprising 3,500,000 ha; pistachio (*Pistacia spp.*) forests in the eastern, southern and south-eastern districts, 2,600,000 ha; Caspian Hyrcanian forests of the northern districts, 1,847,000 ha; limestone mountainous juniper (*Juniperus spp.*) forests in the north-eastern districts, 1,300,000 ha; shrubs of the Kavir (desert) districts in the central and north-

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[1]Zehzad, B., Kiabi, B.H. and Madjoonian, H. 2002. The natural areas and landscape of Iran: an overview. Zoology in the Middle East 26: 7-10

[2]Zehzad, B., *et al.* 2002

[3]Ghaheri, M., Baghal-Vayjooee, M. and Naziri, J. 1999. Lake Urmia, Iran: A summary review. International Journal of Salt Lake Research 8: 19-22

eastern part of the country, 1,000,000 ha; and subtropical forests of the southern coast, for example the Hara forests, 500,000 ha.

Climate and Water

10. The country's climate is mainly influenced by a subtropical high-pressure belt. Of the five types of climate included in the original Koppen Climate classification, Iran subdivides into three. The dominant climate, occurring in 81 % of the country, is arid to semi-arid, with dry periods lasting over seven months. Annual precipitation is on average between 30 and 250 mm, with the Dasht-e Kavir and Dasht-e Lut deserts receiving less than 150 mm precipitation annually[4]. Various subtypes of temperate-mesothermal climate cover almost 17 % of the country, and are experienced along the Caspian Sea coasts and in some parts of the Zagros mountain region located in the west. Here, annual precipitation is between 600 and 2,000 mm with high levels of humidity. The remaining 2% of the land, including small parts of the Alborz Mountains in the north and Zagros Mountains in the west, is primarily of a continental-microthermal climate, characterised by a warm, dry summer and cool, damp winter with annual rainfall of 250 to 600mm.

11. Most climatic regions have their highest seasonal precipitation in winter, with no precipitation during the summer months except for in the northwest of the country and on the southeast and Caspian Sea coasts. Across most of the country January is the coldest month, with a monthly average temperature in the range of -6 °C to 21 °C, and July is the warmest, with a monthly average temperature in the range of 19 °C to 39 °C. Winters in the Zagros mountains are severe, with minimum winter temperatures often below –25 degrees °C.

12. There are six main watersheds in Iran including the Caspian Sea in the north(177,000km^2), Persian Gulf and Sea of Oman in the south (430,000km^2), Urumieh in the northwest(53,000km^2), Markazi in the central region (831,000km^2), Hamoun in the southeast(106,000 km^2) and Sarakhs in north east(44,000km^2).

Climate Change in Iran

13. The Intergovernmental Panel on Climate Change (IPCC) has established that the globe is experiencing a significant shift in climate, with human activity being the main causal factor[5]. As the global climate as a whole increases in temperature, ecosystems are predicted to shift through increasing latitudes and altitudes, threatening the ecology of mountain and highland habitats in particular. With increased variability and a general decrease in precipitation, desert ecosystems are expected to expand and the sustainability of wetland ecosystems threatened. The impacts on humans include increased water stress; crop failure due to pests and diseases as well as unfavourable growing environments and soil degradation; an increase in human disease; and increases in environmental shock events such as landslides and floods, all of which disrupt livelihood security.

14. Climate change has already disrupted rainfall patterns across Iran, with some areas receiving decreasing amounts of rainfall and others receiving increasing amounts. Frost days in several different climatic zones have been reported as significantly decreasing, due to increased surface temperature[6]. General decreases in rainfall across Central and West Asia have caused a reduction in growth of grasslands which leaves the ground bare and reflecting more solar radiation, which

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[4]Zehzad, B., *et al.* 2002

[5] IPCC. 2007. Climate Change 2007: The Physical Science Basis. Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change [Solomon, S., Qin, D., Manning, M., Chen, Z., Marquis, M., Tignor, K.B.M. and Miller, H.L. (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, 996 pp

[6] Cruz, R.V., Harasawa, H., Lal, M., Wu, S., Anokhin, Y., Punsalmaa, B., Honda, Y., Jafari, M., Li, C. and HuuNinh, N. 2007: Asia. *Climate Change 2007: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, M.L. Parry, O.F. Canziani, J.P. Palutikof, P.J. van der Linden and C.E. Hanson, Eds., Cambridge University Press, Cambridge, UK, 469-506.

in turn causes an increase in soil moisture evaporation, causing further desertification of arid areas. Intense cyclones have caused increasing degrees of damage. Drought has occurred in the Zagros forests in the west of Iran, and flooding in the Caspian Hyrcanian forests. Effects of the changing climate on Iran's biodiversity have included the shifting migration ranges of insects, modified flowering and fruiting cycles and species extinction.

15. By 2040 temperatures in West Asia are expected to have increased by between 1.06 °C and 1.55°C while precipitation could either decrease by 2 % or increase by up to 18 %. However, these changes vary spatially, and water stress is expected to be severe in some areas due to the unpredictability and general decrease in rainfall. Iran's desert areas are likely to expand and its forests, particularly in highland areas, may decline. Iran may see further disruptions to ecosystems as species adapt differently to the change in climate. Much of Iran's economy depends on agriculture, an industry likely to experience severe losses in productivity across many parts of Asia.

Biodiversity of Iran

16. According to WWF, Iran contains thirteen different ecoregions[7]. The Central Persian desert basins dominate the central and eastern areas of Iran with patches of Registan-North Pakistan sandy desert and Kopet-Dag woodlands and forest steppe also in the east; South Iran Nubo-Sindian desert and semi-desert dominate the south and southwest with patches of Kuh Rud and Eastern Iran montane woodlands in the southeast; small patches of Tigris-Euphrates alluvial saltmarsh and Arabian Desert and East Sahero-Arabian xeric shrubland in the western Khuzestan Plain; the Zagros Mountains forest-steppe dominating the west of Iran with Eastern Anatolian montane steppe in the far northwest; the Caspian Hyrcanian mixed forests and Alborz Range forest steppe running in a thin strip from the far northwest to the northeast; patches of Caspian lowland desert, Kopet-Dag semi desert and more Kopet-Dag woodlands and forest steppe in the far northeast.

17. As a consequence of such an undeveloped and varied natural landscape, Iran holds a high level of biodiversity. There are approximately 10,000 vascular plant species in Iran, with 20% endemic[8].The alpine zones of Iran hold 683 plant species and it is has been found that endemism has increased with increasing altitude[9]. Iran is considered the centre of origin of many genetic resources of the world, including many of original strains of commercially valuable plant species such as alfalfa (*Medicago sativa*) or medicinal and aromatic species. Southwestern plant communities have some Afro-tropical resemblance while those in the southeast include species from the Indo-Malaya subtropical realm.

18. Dwarf scrub vegetation is common in large areas of the interior of Iran and is very diverse and rich in species; in non-saline areas, many variants of thorn-cushions are found. Under extremely arid conditions, open dwarf shrublands occur, characteristic of large areas of the Iranian interior; dominant species include sagebrush (*Artemisia siberi* and *Astragalus gossypius*). In areas receiving over 100 mm of rain, other genera such as *Pteropyrum, Zygophyllum* and almond (*Amygdalus spp.*) can also be found. Vegetation characteristic of the sand deserts in the interior regions of Iran is composed of *Ephedra, Calligonum* and *Heliotropum.* Endemic shrubs and perennials include *Astragalus* and *Heliotropum rudbaricum.* Many species here are highly specialised psammophytes; these sand-adapted species are estimated to make up one third to one half of the total number of species in the sand deserts of Iran and Afghanistan. Iranian deserts also have a striking number of *Tamarix* species; they have been reported to occur on the margins of the more sandy and gravelly parts of the Dasht-e- Lut. Some desert species are halophytic to various degrees, adapted to extreme saline conditions. Such species include *Halocnemum*

[7]URL: http://www.worldwildlife.org/science/wildfinder/ accessed 12/09/2012

[8]Zehzad, B. *et al.* 2002

[9]Noroozi, J., Akhani, H. and Breckle, S. 2007. Biodiversity and phytogeography of the alpine flora of Iran. Biodiversity Conservation 17: 493-521

strobilaceum and *Seidlitzia rosmarinus*[10]. These could prove highly important for attempts to breed drought-resistant strains of crop species in order to cope with climate change. Juniper, the dominant tree species of the Alborz mountains, is resistant to summer drought and heat and can tolerate winter cold equally well.

19. Iran is home to 1,072 vertebrate species, including 188 fish species in waters inland, plus over 600 marine fish species in the Caspian Sea, the Persian Gulf and the Sea of Oman. Over 70 species or subspecies of Iranian fauna are listed as globally threatened. There are 36 threatened mammal species with 12 species either endangered or critically endangered, with an additional three species already extinct, including the Caspian tiger (*Panthera tigris*). There are a total of 473 bird species, including 22 globally threatened species, and 105 Important Bird Areas (IBAs) and three Endemic Bird Areas (EBAs)[11].Although much of Iran is arid, there are still many wetland areas, 286 marshes and wetlands in total. The wetlands of Iran are globally important for birds. Large populations of migratory birds winter at these wetlands or use them along their way to and from wintering areas in Africa or the Indian sub-continent. The marshes of the southern Caspian Hyrcanian lowlands in Iran are important for more than 20 species of ducks and geese; the mudflats of the Persian Gulf are of critical importance for shorebirds, gull and tern. Twelve reptile, two amphibian and seven fish species are also globally threatened.

20. Iran forms part of two Global Biodiversity Hotspots as classified by Conservation International[12]. The Iranian part of the Caucasus hotspot covers a narrow strip across the northwestern edge of Iran within the semi-tropical Caspian Hyrcanian forest region, which contains a refuge for Tertiary flora such as the endemic Persian ironwood *(Parrotia persica)*. Also within the hotspot, the critically endangered Gorgan Salamander *(Batrachuperus gorganensis)*, with only 100 breeding adults, inhabits the Shir-Abad cave in northwestern Iran.

21. The majority of the Irano-Anatolian hotspot occurs in Iran, extending across the whole of the northwest and most of the western and southwestern parts. It has a seasonal climate of hot summers and very cold winters, with annual rainfall of between 100 to over 1,000 mm. The predominant habitat is mountainous forest steppe, with oak dominant forests in the Anatolia and Zagros mountains, and juniper forests in the southern slopes of the Alborz mountains and the Kopet Dagh. Above the timberline can be found alpine vegetation and thorn-cushion formations. The hotspot as a whole contains 6,000 plant species, 832 of which are endemic to the Iranian Kopet Dagh and Zagros mountains. Species include the specialised halophytes of the desert plains. The hotspot also holds 142 mammals, 362 birds, 116 reptiles, 18 amphibians and 90 freshwater fish. Endemic to the hotspot within Iran are the critically endangered Persian wild ass (*Equushemonius onager*) and the Asiatic cheetah (*Acinonyx jubatus venaticus)*, the latter consisting of only 50-60 individuals.

Iran's Protected Area Estate

22. Currently, Iran's network of Protected Area (PA) network includes 272 PAs. These cover a total of 17,147,316 ha, or 10.4% of the total area of Iran. Altogether there are 28 National Parks (NPs), 35 National Natural Monuments, 43 Wildlife Refuges and 166 other PAs (category V). There are also 10 Biosphere Reserves and 22 Wetlands of International Importance (Ramsar) sites. The distribution of PAs is shown in Figure 2. Iran's Department of Environment is responsible for the management of protected areas. Significant portions of biodiversity are found in the network although have a declining trend. No evaluation has been conducted to assess the effectiveness of protected areas in Iran but what is clear is that these areas are not managed efficiently enough to safeguard biodiversity values. Protected areas suffer from unclear

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[10]Breckle, S. 2002. Salt deserts in Iran and Afghanistan. In: Barth and Boer (eds). 2002. Sabkha Ecosystems. Netherlands: Kluwer Academic Publishers, pp. 109-122

[11]URL: http://www.birdlife.org/datazone/country/iran accessed 12/09/2012

[12] URL http://www.conservation.org/where/priority_areas/hotspots/europe_central_asia/Pages/europe_central_asia.aspx accessed 12/09/2012

objectives for establishment while inadequacy of infrastructure and protection facilities and equipment are other major shortcomings. The situation declines further beyond the borders of protected areas. Habitat destruction is widespread outside protected areas, resulting in serious damage to biodiversity resources.

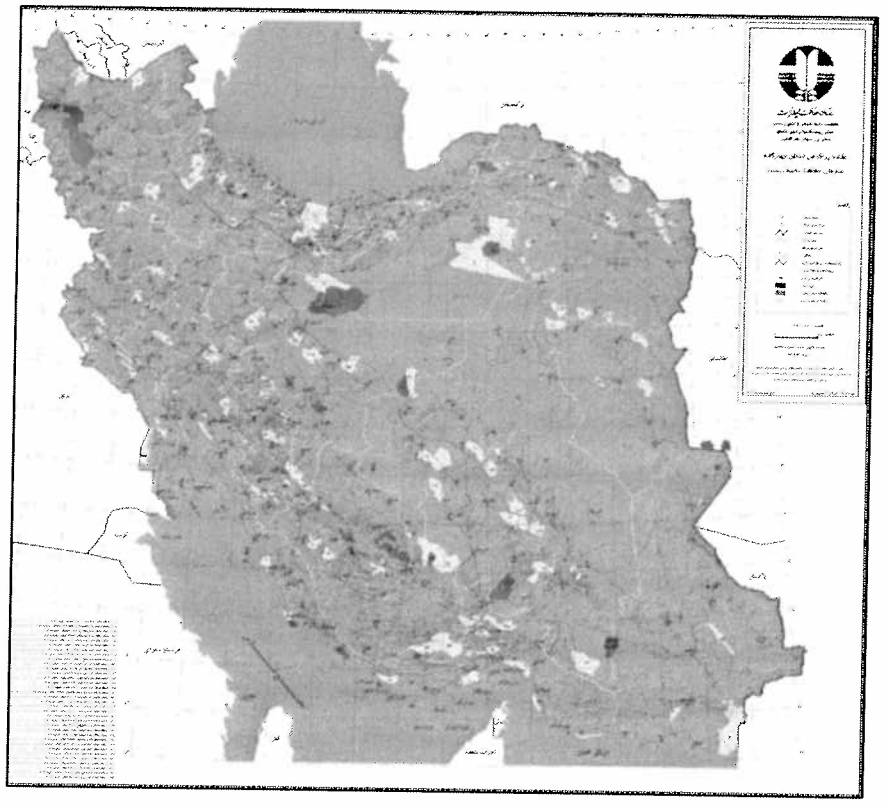

Figure 2. ***The distribution of Protected Areas in Iran***

Regional Context: the Caspian Hyrcanian landscape

23. The Alborz and Tallish mountain ranges run for 1,000 km from the northwest of Iran to the northeast, separating the low-lying Caspian coast from the Iranian plateau. The cold northern front of the Alborz mountains meets the mild climate of the Caspian Sea coast and forms a warm and wet subtropical climate in summer and a cold humid climate in winter. This climate is ideal for deciduous broad-leaved forest, which covers the northern slopes from sea level to the timber-line at 2,800 m.a.s.l., stretching 800 km from Astara to East Gorgan, in a belt approximately 110 km wide. The total forested region covers an area of over 1.8million ha, or 1.1% of land in Iran. It encompasses parts of five provinces of the northern border of Iran from west to east, including Ardabil, Gilan, Mazandaran, Golestan and North Khorasan. Historically Gilan, Mazandaran and Golestan, which make up the majority of the forested region, were known as Hyrcania; therefore, the area is now known as the Caspian Hyrcanian Mixed Forest Ecoregion, and has been labelled a Global 200 Ecoregion by WWF[13].

24. In contrast to the southern slopes, which are dry and desert-like due to their proximity to the arid Iranian plateau, average annual rainfall in the northern area ranges between 530 mm in the east and 1,350 mm in the west, reaching up to an occasional record of 2,000 mm. Maximum

[13]URL: http://www.worldwildlife.org/science/ecoregions/global200.html accessed 12/09/2012

precipitation occurs during spring, late autumn and winter, and includes heavy snow during winter. In the eastern part of the landscape the dry season can last for up to three months; however, further west towards Astara, the duration decreases, with a complete lack of dry season in the most western parts. Gilan has by far the heaviest rainfall in Iran, reaching as high as 2,000 mm in the southwestern coast and with an average of around 1,400 mm.

25. The average annual temperature in the Caspian Hyrcanian landscape varies between 15 °C in the west to 17.5°C in the east. The warmest monthly temperature ranges from 28°C to 35 °C while the coldest monthly temperatures range between 1.5 °C and 4 °C. Generally, the climate is warm Mediterranean in the east and temperate and semi-temperate Mediterranean, occasionally temperate xeric, in the central and western parts. Relative humidity is also constantly high with an average fluctuating from 74.6 % in the east to 84.6 % in the west, rarely dropping below 60% at the hottest hours. Similar to precipitation levels, humidity is highest in Gilan due to the marshy character of the coastal plains, reaching 90 % in summer.

26. The Caspian Hyrcanian forests contain remnants from the Tertiary period and are rich in relic and endemic species. Whilst in many parts of Europe and Siberia forests were unable to survive the cold temperatures, the climate near the Caspian Sea remained milder, which allowed the survival of much of the forest including some species which consequently became endemic to the Caspian Hyrcanian forests. There are currently around 150 endemic species of trees and shrubs in the Caspian Hyrcanian forests, including the Hyrcanian box tree (*Buxus hyrcana*), Caucasian pear (*Pyrus communis* subsp. *caucasica*), Caucasian oak (*Quercus macranthera*), Persian ironwood and Caucasian lime (*Tilia x euchlora*).

27. A variety of tree communities have evolved according to the various altitudes of the ecoregion. Areas below 50 m.a.s.l. are dominated by oak-box communities, although this area has been largely converted to agricultural land; oak-hornbeam (*Carpinetum spp.*) communities grow up to 400 m.a.s.l. and are overtaken by ironwood-hornbeam communities, which have also been largely degraded. Hyrcanean beech (*Fagetum hyrcanetum*) is found from 1800 m.a.s.l., with hornbeam and Caucasian oak dominating up to the timber-line at 3,000 m.a.s.l.

28. The rich plant diversity of the Caspian Hyrcanian landscape has led to a high diversity of animals. Up to 60 mammal species plus 340 bird, 67 fish, 29 reptile and 9 amphibian species occur in various habitats of the region, including forest, rangelands and wetlands. The Caspian tiger, the largest carnivore of Iran, became extinct 20 years ago. Other mammals which still inhabit the area but which have also declined dramatically include the Caucasus leopard (*Panthera parduscis caucasica*), Eurasian lynx (*Lynx lynx*), brown bear (*Ursus arctos*), wolf (*Canis lupus*), golden jackal (*Canis aureus*), jungle cat (*Felis chaus*), and common otter (*Lutra lutra*). The red deer (*Cervus elaphus*), once widely distributed across the Caspian Hyrcanian landscape, has reduced in number to 1,100 individuals, most of which are restricted to Golestan NP and Asalem forest in Gilan. It is mainly found in forest meadows, which serve as a good grazing ground for many mammal species including the brown bear and Indian crested porcupine (*Hystrix indica*).

29. The Caspian Hyrcanian forests are listed as an IBA. The landscape lies along an important migratory route between Russia and Africa and is a resting area for many birds as they migrate. A total of 340 bird species occur in the region, with 53 % migrants and 47 % residents. 80 % are water birds, which are attracted to the region by its wetlands and extensive large water bodies with many permanent rivers. Some important indicator species of the Caspian Hyrcanian forests and confined to this region are: the lesser spotted eagle (*Aquila pomarina*), Eurasian honey buzzard (*Pernis apivorus*), greater spotted woodpecker (*Dendrocopus major*), black woodpecker (*Dryocopus martius*), Caspian tit (*Parus hyrcanus*) and coal tit (*Parus ater*).

30. NPs in the Caspian Hyrcanian landscape include the Boojagh NP in Gilan and Golestan NP in Golestan. There are also nine Wildlife Refuges, five National Natural Monuments and 21 other PAs.

31. As will be clarified in the Project Strategy below, the project will develop a series of pilot areas

to focus its activities. Three of these were selected during PPG phase and their characteristics are summarised as follows.

Baliran basin Biophysical Context

32. Baliran basin, shown in Figure 3, has an area of 20,605 ha and is located in the south of Amol district, Mazandaran province, in the central Caspian Hyrcanian forests (36°14'30 to 36°23'18 N, 52°21'52 to 52°33'15 E). The altitude of the basin ranges from 80 m.a.s.l. to 1,650 m.a.s.l. The basin has a cold and humid climate; annual precipitation of the area fluctuates between 640 mm in the higher altitudes to 837 mm in lowland areas, with a mean of 738 mm. The mean annual temperature of the pilot area is 15 °C and humidity is approximately 79 %. Maximum rainfall occurs during September to December. The occurrence of warm winds during October to November causes rapid drying out of leaf litter and creates a suitable environment for fire. In this basin, soil depth is high with low drainage and permeability, and is very easily eroded. Land within the pilot area is very susceptible to landslides due to its geological and morphological structures.

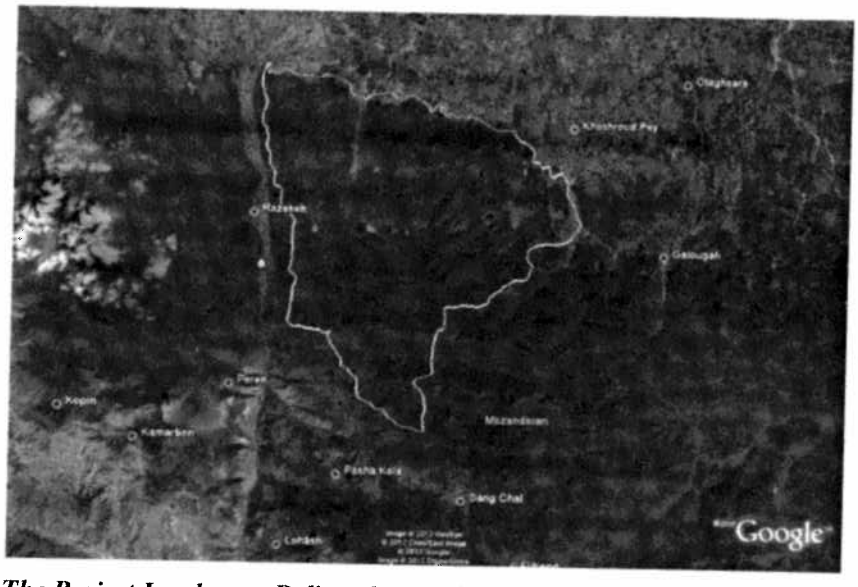

Figure 3. ***The Project Landscape:Baliran basin pilot area***

33. Plant species from at least sixteen different families inhabit the Baliran basin. Much of the lowland forest has been converted for human use, but the majority of the basin's forest is in good condition. In the midlands and highlands, where the forests are in a better state due to their inaccessibility, important plant species include oak, oriental beech (*Fagus orientalis*), maple (*Acer insigne*), alder (*Alnus* spp.), Wych elm (*Ulmus glabra*), wild cherry (*Cerasus avium*) and wild service tree (*Sorbus torminalis*). Of some species such as European Yew (*Taxus baccata*), Hyrcanean box and Persian walnut (*Juglans regia*) cutting is prohibited.

34. Interviews with inhabitants of the basin and Forest, Rangelands and Water Organisation (FRWO) informants[14] have revealed that the main mammal species found in the area are wild boar (*Sus scrofa*), golden jackal, wolf, jungle cat, leopard (endangered), brown bear, Eurasian otter (*Lutra lutra*) (near-threatened), European roe deer (*Capreolus capreolus*), red deer and Indian crested porcupine. Twenty-two bird species were noted in the area during surveys and included six nationally protected species: the common buzzard (*Buteo buteo*), Eurasian sparrowhawk (*Accipiter nisus*), European Scops owl (*Otus scops*) common pheasant (*Phasianus*

[14]Assessed during the PPG process, 2012

colchicus) and Common nightingale (*Luscinia megarhynchos*). The common pheasant, common wood pigeon (*Columba palumbus*) and Eurasian golden oriole (*Oriolus oriolus*) are commonly hunted (illegally) by local residents. No data has been obtained for reptiles, amphibians or fish.

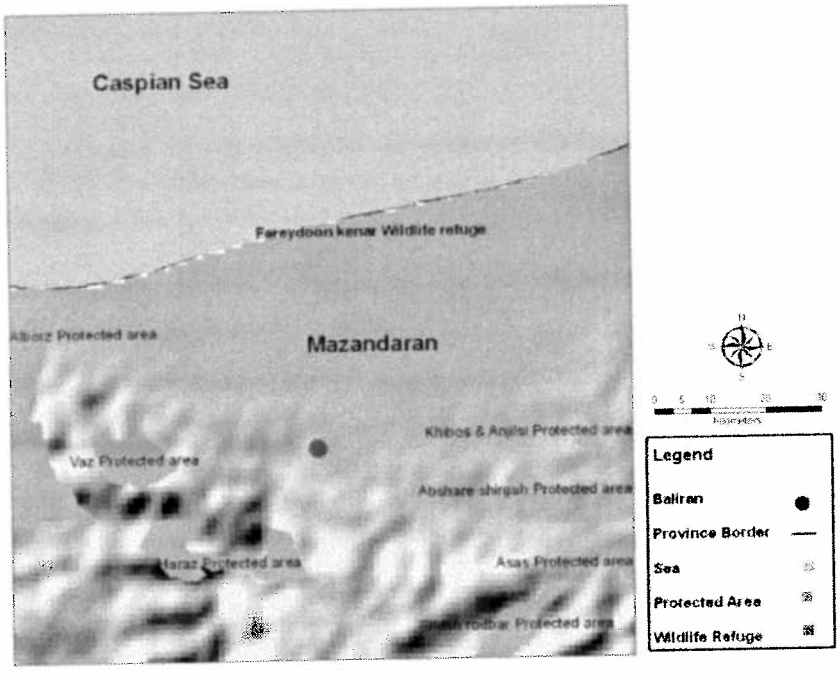

Figure 4. ***The position of Baliran Basin in relation to protected areas***

35. As can be seen in Figure 4, there are no PAs within the basin. The nearest PA is Haraz PA, located roughly 15 km south west of the region, and Vaz PA further to the west. Running south along the western side of the basin, is the highly congested Haraz road which, together with agricultural fields, acts as a strong barrier against the movement of animals towards the PAs.

Dohezar Basin Biophysical Context

36. Dohezar basin has an area of 29,619 ha and is situated in southwest Tonekabon district, Mazandaran province, in the west-central Caspian Hyrcanian forests (36°26'20 to 36°45'00 N, 50°32'00 to 50°53'00 E).The basin lies in an altitude range of 350 m a.s.l. to 4,050 m a.s.l. Mean annual precipitation of the area is 1,240 mm and mean annual temperatures in the basin range from 8.6°C to 25.5°C, with a very humid climate. The main types of erosion include sheet and rill erosions in steep landscapes. In deforested land river erosion and mass movements such as landslides can occur. Figure 5 shows the distribution of forest within the basin.

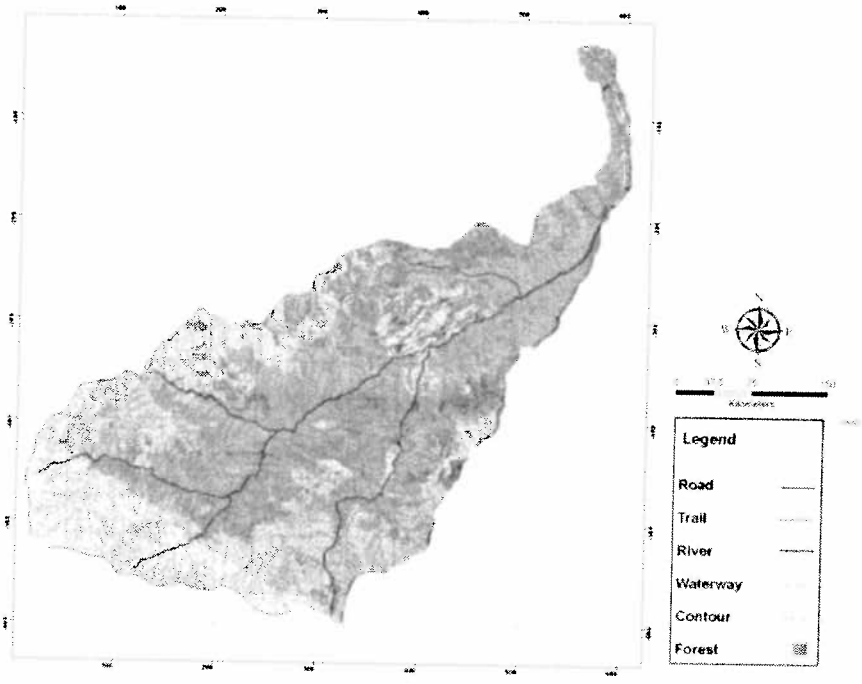

Figure 5. ***The Project Landscape: Dohezar Basin Pilot Area***

37. Deforestation has occurred in the centre of Dohezar basin, but on the higher slopes forest still exists in good condition. Plant species of 16 families inhabit the area. In the south of the basin and up to 400 m.a.s.l, trees such as date-plum (*Diospyros lotus*), alder, European hornbeam (*Carpinus betulus*), Persian ironwood and Caucasian wingnut (*Pterocarya fraxinifolia*) are found. After this height, the dominant species is hornbeam, which occurs with other trees such as velvet maple (*Acer velutinum*),Cappadocian maple (*Acer cappadocicum*) and alder. Higher than 700 m, the dominant species is oriental beech, which can be seen with oak, Hyrcanean box, and lime. In the Dohezar basin, the protected species common yew, Persian poplar (*Populus caspica*), juniper, common olive (*Olea europea*) and Persian walnut can be found.

38. According to interviews and field observations[15], mammals seen around the basin include wild boar, golden jackal, wolf, red fox (*Vulpes vulpes*), leopard, Eurasian lynx, brown bear, European roe deer, wild goat (*Capra aegagrus*), Indian crested porcupine and fat dormouse (*Glis glis*). Bird species seen include four protected species which include the long-legged buzzard (*Buteo rufinus*), the common swift (*Apus apus*), barn swallow (*Hirundo rustica*) and common housemartin (*Delichon urbicum*). As yet there is no data on the reptile, amphibian or fish species of this basin.

39. As shown in Figure 6, Beles Koh PA is located close to Dohezar basin. This PA lies between the two main rivers of Dohezar and Sehezar and is a mountainous region covered with relatively dense unique Caspian Hyrcanian forest and upland ranges. The existence of a variety of tree species of the Caspian Hyrcanian forests also supports a high degree of wildlife. Connecting the basin to this PA would provide animals with a larger area of habitat overall as well as greater protection from hunting within the PA, particularly important for mammals.

[15]Assessed during the PPG process, 2012

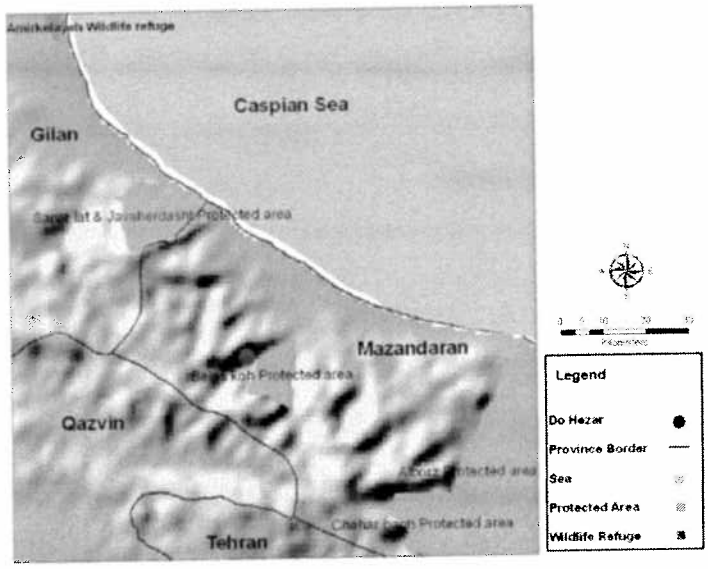

Figure 6. ***The position of Dohezar basin in relation to protected areas***

Chelchai Basin Pilot Area Biophysical Context

Shown in Figure 7, Chelchai basin has an area of 25,680 ha and is situated in the south of Minodasht district, Golestan province, and in the eastern Caspian Hyrcanian forests (36°57'30 to 37°15'0 N, 55°22'30 to 55°37'30 E). The height of the basin lies between 180 m.a.s.l and 2,555 m.a.s.l. Due to the lower height of the eastern Alborz mountains compared with in the west, penetration of the arid climate of the plateau results in increased evaporation and a longer dry season, although the climate is still humid.

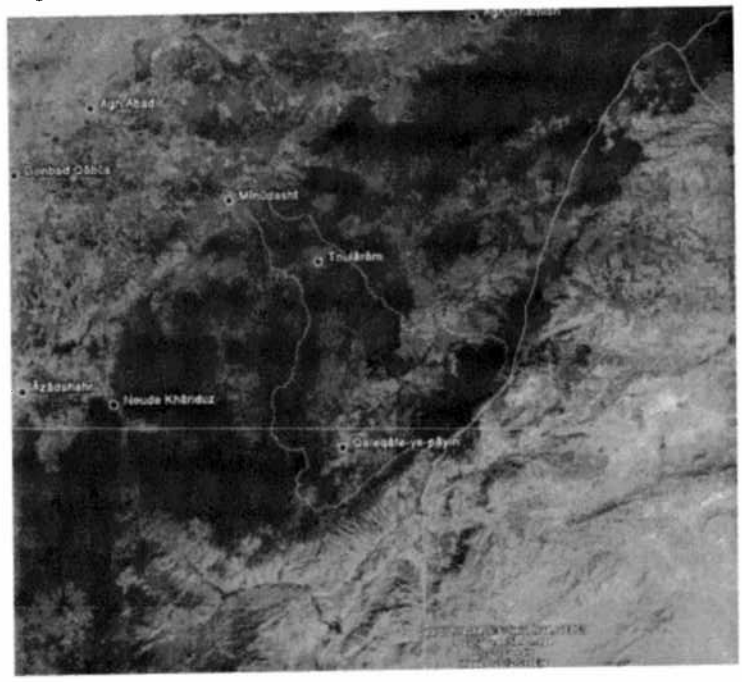

Figure 7. ***The Project Landscape: Chelchai Basin Pilot Area***

40. Annual precipitation in the area fluctuates between 707 mm and 798 mm (with a mean of 766 mm) and the maximum rainfall occurs in March and April. Mean annual temperature in the basin is 16.7 °C. Due to the geology of the basin, the main types of erosion include sheet and rill

erosion in steep cultivated fields, river erosion in main streams and mass movement, especially landslides, in forest lands and roads.

41. With a reduced rainfall compared to the more westerly areas, oriental beech, the most important and abundant tree of the Caspian Hyrcanian forests, declines and is replaced with oak. The main community type is European hornbeam, constituting 32 % of the forest, with oak-hornbeam and hornbeam-ironwood communities covering 13 % and 16 %, respectively. Tree and shrub species represent 17 families and shrubs represent 26 families. Protected species include Persian poplar, European yew, juniper, common olive and Persian walnut. Natural and semi-natural forest can be seen in the north, north east, southeast and west of the basin. The west and north forests are considered good quality habitat for wildlife and the western forest is connected to other Caspian Hyrcanian forests via forest corridors.

42. According to interviews[16], mammals in the area include wild boar, golden jackal, wolf, red fox, brown bear, leopard, European roe deer and Indian crested porcupine. Judging by surveys conducted, eight protected bird species inhabit the area, including the common and long-legged buzzards, European Scops Owl and tawny Scops owl (*Otus scops*). There is no data for reptile, amphibian or fish species of this basin.

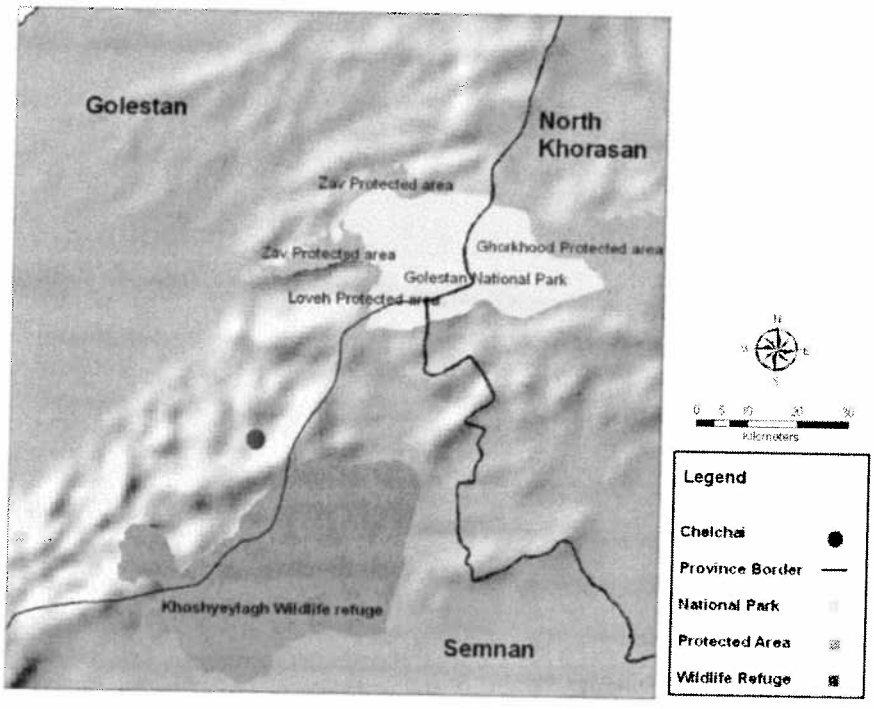

Figure 8. The position of Chelchai basin in relation to protected areas

43. There are no PAs within the basin. As seen in Figure 8 the nearest PAs are Khosh Yeylagh Wildlife Refuge in the south, 10 km away, and Golestan NP in the northeast. Connecting the forested parts of the basin to the Wildlife Refuge would benefit biodiversity, however the physical challenges posed by the roads would need to be overcome, such as through imposing a reduced speed limit or removing any physical barriers in place, to facilitate the movement of animals across the road and increasing the viability of the corridor. Although Golestan NP and its adjacent PAs are further away from the basin, there is no road barrier between the basin and the western parts of the PAs and so a corridor between the two areas could be very beneficial to biodiversity, particularly since forest cover appears relatively high in this area (see Figure 7).

[16]Assessed during the PPG process, 2012

Wildlife Corridors and Buffer Zones

44. Little has been published regarding wildlife management areas and corridors of Iran; there is a clear necessity for investigations into which areas would benefit from wildlife corridors and buffer zones and to establish methods for their protection. Across both Golestan and Mazandaran it appears that the potential for wildlife corridors is reduced due to major roads between PAs and large expanses of agriculture; Chelchai basin is situated close to Khosh Yeylagh Wildlife Refuge but a road lies in between the two. However, the forest corridors leading west from Chelchai basin to other forest patches would be worth investigating in terms of their importance for animal movement. A corridor between Dohezar basin to Beles Koh PA seems feasible. There is a clear need for PAs and buffer zones in order to incorporate sustainable land management, particularly regarding grazing, and protection of areas surrounding core habitat.

1.6 Socio-economic Context

Iranian National Context

45. The current population of Iran is just over 75.1 million, having more than doubled since 1976, and the current overall population growth rate is 1.29%. Males constitute50.4% of the population and females 49.6%. The average age of the population is 29.9 years old and life expectancy is 72.1 and 74.6 years for males and females, respectively. Iran has one of the highest urban growth rates in the world, with an urban population of 27% in 1950 that has increased to 71.4% today. Between 2006 and 2011 the growth rate of urban populations was 2.1% while the figure for rural area was -0.6%. The capital city, Tehran, has a population of 7.7 million and is the centre of the communications and transport network.

46. In the early part of the 20th century, Iran (then known as Persia) had a centralised government, and in 1947 a system of development planning began as a series of seven-year cycles, focusing on accelerating economic growth by improving capital-intensive industries and replacing religious and social traditions with rapid modernisation. All six of the development plans preceding the Revolution were aimed at economic development, and were fuelled mostly by the increase in petroleum industries. The *White Revolution* took place in 1961, in which land reforms were given a strong focus. Large landowners, who controlled approximately half of cultivated land in the country, were forced to hand their ownership back to the government, and a licence-based system was introduced for small landholders. However, the plots of land acquired were too small to support many families' subsistence needs, which hindered further economic development.

47. The *Islamic Revolution* occurred in 1979 and the goals of the First National Development Plan (NDP) of the Islamic Republic (1983-1988) were to establish Iran's economic independence through self-sufficiency in foodstuffs and to reduce the country's dependence on oil exports. However, due to limitations in government support for agricultural activities, food production was not sufficient to support the country and it had to rely increasingly on food imports and oil exports to support the economy. Iran currently has the second largest natural gas reserves and third largest oil reserves in the world; most of the country's exports are oil and gas that account for the majority of government revenue.

48. In 2010 the total Gross Domestic Product (GDP) of Iran was USD $478.4 billion and GDP per capita was USD$6,403. The share of petroleum in GDP is 25%, that of industries 20%, of services 45% and that of agriculture 10%.In 2010 the industrial sector, which includes mining, manufacturing and construction, employed 31% of the labour force. Unemployment is high, with total unemployment in 2010 being 15% and youth unemployment (ages 15-24 years) in 2012 being 29%. Ten million Iranians live under the absolute poverty line.

49. Currently, agriculture employs one third of the labour force. It is still undertaken by small landholders and is characterised by low efficiency, lack of economic scale, challenges in pest

management and marketing issues, with the government failing to provide technical support for farmers to move towards efficient production of crops. This has resulted in increased conversion of forestlands to agriculture in order to improve productivity.

50. In light of the limitations of the previous development plans, the Fifth NDP for the period of 2010-15 focuses on socio-economic development through decentralisation, encouraging private sector activities and the growth of cooperatives in construction, agriculture, animal husbandry, trade and services that enhance the economic development of the state and cooperatives. The plan is part of Vision 2025 (National Outlook of 2025), a strategy for long-term sustainable growth.

Regional Context: The Caspian Hyrcanian Landscape of Iran

51. A total of 7.3 million people live in the Caspian Hyrcanian landscape, with a population density of 126 people per km^2, which is 2.7 times greater than for the country as a whole. The landscape is divided between five provinces: Ardebil and Northern Khorasan, which are located on the western and eastern edges respectively, and Gilan, Mazandaran and Golestan, which are allocated the central majority of the area. Gilan Province, with an area of 14,042 km^2, lies to the west of Mazandaran and has a population of 2,404,000 with a density of 170 people per km^2, which is approximately one-third greater than the total average for Iran. Mazandaran, with an area of 23,842 km^2, has a population of 2,922,000 and the population density in this province is 120 people per km^2. To the east of Mazandaran lies Golestan, which was split off from Mazandaran in 1997. It has an area of 20,380 km^2, with a density of 80 people per km^2.

52. Mazandaran has a diverse range of natural resources, including large reservoirs of oil and natural gas. It is also a fast-growing centre for biotechnology and civil engineering. Being adjacent to Tehran, the province has good connections with the rest of the country, with three transit roads from Tehran, a railway and three domestic airports. Gilan's position on the Tehran-Baku trade route has established the cities of Bandar-e Anzali and Rasht as ranking amongst the most important commercial centres in Iran.

53. High levels of precipitation, fertile soils, a temperate climate and beautiful scenery invite attract many people to the Caspian Hyrcanian landscape via both tourism and agricultural opportunities. The denser population results in a more dramatic conversion of the land because of increased need for resources, including land for agriculture, animal husbandry and mining. The Caspian Hyrcanian landscape of Iran is predominantly agriculture-based, and agricultural activities account for a large share of economic activities; they provide approximately36% of total employment in the region and 20% of GDP.

54. Services provide 42% of the region's employment and 61 % of GDP, while manufacturing contributes approximately 10% of employment. Agro-industries, including wood, pulp, paper and textiles, are the main manufacturing activities in the area. The remaining employment opportunities include construction, mining, water and electricity industries.

Table 1. Gross domestic product to the current price and its share in different economic sectors for the year 2006 in the Caspian Hyrcanian landscape compared with national figure[17]s

Province	Economic Sector							
	Agriculture, forestry and fisheries		Manufacturing , mining, water and electricity, construction and housing		Services		Total	
	Amount (billion Rials)	*Share (%)*	*Amount*	*Share*	*Amount*	*Share*	*Amount*	Share
Golestan	6483.9	31	2852.3	13	11830.1	56	21166.3	14
Gilan	6499.6	13	10875.4	22	32306.6	65	49681.6	34
Mazandaran	16451	22	13593	18	45806	60	75850	52
Caspian area	29434.5	20	27320.7	19	89942.7	61	146697.9	100
Iran	207901	8.86	968633	41.27	1170614	49.87	2347149	100

55. Agriculture and orchards play a dominant role in the production sector of Iran. The main produce of the region includes wheat, barley, rice, beans, alfalfa and citrus fruits. Iran's long-grain rice grows primarily in the wet Caspian Hyrcanian lowlands, mainly in Gilan and Mazandaran. Wheat is mainly produced in Golestan, and constitutes 50% of total domestic product. Golestan also produces grain, sunflower and silk, the latter constituting 10% of total domestic product. Mazandaran is a major producer of fruit but also grows grain, cotton, tea, tobacco, sugarcane and silk. The use of chemical fertilisers has increased from 387 metric tons in 2000 to 436 metric tons in 2004.

56. Sericulture provides an important alternative source of income to many communities; women carry it out and harvesting can be timed for when other agricultural activities have subsided. Sericulture uses the leaves of mulberry trees, which are planted along roads, river channels and on farms. However, silk processing and textile facilities are not always accessible and so in many areas the harvested cocoons are sold to merchants who sell it to outside provinces. There is strong traditional knowledge of non-timber forest products (NTFPs) such as tamarind, pomegranate and other wild fruits and vegetables. In addition, many grass species are used either for consumption or medicinal use. Beekeeping is also carried out but with low productivity. Similarly to sericulture, there is currently low potential for creating significant livelihoods out of NTFPs due to the lack of knowledge and infrastructure needed for product branding and marketing.

57. Also within the agricultural sector is the use of marine resources of the Caspian Sea, on which the livelihoods of thousands of people depend. Rivers that drain into the Caspian Sea are fished for salmon, trout, pike and sturgeon. Mazandaran is a major producer of farmed fish, and aquaculture provides an important economic addition to the traditional dominance of agriculture.

58. Animal husbandry is the second greatest source of income for local families in the Caspian Hyrcanian forests. In 2003 the livestock population of the region constituted approximately 7% of the total for the country. Traditional husbandry systems involve the herding of livestock between lowlands, mid-altitude forests and upland forest and alpine pastures as the climate changes, meaning that all forest, rangeland and alpine landscape is used over the year. During the period that large landowners had control, the balance between livestock numbers and production capacity was relatively well monitored; however, following the nationalisation of forests and rangelands the increase in small landholders has altered the balance and has resulted

[17] Source: Statistical Centre of Iran

in the degradation of forests and rangelands, with adverse socio-economic impacts. The system has thus far been slow to utilise new methods and techniques, such as those for livestock keeping as well as product processing and selling, which would develop local and individual economy as well as putting less pressure on forests.

59. The use of forest resources is abundant in the Caspian Hyrcanian landscape. The Caspian Hyrcanian forests are Iran's main source of commercial timber. Trees are also felled for poles, firewood and charcoal, with firewood being the main use, although the government strictly controls the felling of trees. Stricter regulations and increased enforcement resulted in wood extraction declining dramatically between 1991 and 2006: for example, timber production was reduced from 172,700 m^3 to 49,700 m^3; fuelwood declined from 718,800 m^3 to 294,900 m^3; charcoal production was reduced from 36,600 tons to 1,000 tons.

Tourism Opportunities

60. Due to challenges in effective advertising, infrastructure, public image and a complex political situation, Iran's potential for international tourism is not being reached; however, Iran holds one of the largest domestic tourism industries in the world. Iran ranks 68th in the world in tourism revenues, currently receiving approximately $1 billion USD per year. The government hopes to gain 20 million tourists annually by 2025[18] and it is now investing over $32 billion into tourism as part of the 20 Year Vision Initiative. Possible avenues include ecotourism, historical relics, handicrafts and health tourism. Whereas domestic tourists tend to visit areas of natural beauty, such as the Caspian Hyrcanian landscape, international tourists prefer to visit the cultural and historical sites. The most popular of these are the historical cities of Esfahan, Mashhad and Shiraz. Infrastructures such as roads, airports and hotels are now being developed in these areas. By 2010, 600 hotels and holiday apartments were under construction, and two-thirds of these are in Tehran, Gilan, Mazandaran, Razavi Khorasan and Isfahan.

61. The Caspian Hyrcanian landscape is very popular among domestic and international tourists due to its warm and lush climate in an otherwise arid and semi-arid country, together with a landscape of mountains, rivers and springs. In Dohezar in particular many land plots are being bought in order to build holiday homes, although there are few tourism facilities. However, currently tourism activities are not regulated and the industry is becoming a threat to the biodiversity of the area through infrastructure development and littering. The natural beauty of the Caspian Hyrcanian landscape provides the area with great potential for ecotourism; the Cultural Heritage, Handicrafts and Tourism Organisation (CHHTO) manages ecotourism but the industry is fairly undeveloped here. Activities have so far included supporting handicrafts workshops, providing loans and training courses. With the expected increase in accommodation facilities in Gilan and Mazandaran, however, there should be many opportunities to create excellent ecotourism packages such as hiking, fishing, birdwatching and health tourism; for example, Baliran holds a hot mineral spring, which residents already visit for medicinal purposes.

[18]URL: http://www.tehrantimes.com/component/content/article/95390 accessed 12/09/2012

Table 2. Number of international tourists arriving in Iran between 1996 and 2008

Year	Number of international tourist arrivals[19]
1996	573,000
1998	1,008,000
2000	1,402,000
2002	1,585,000
2004	1,659,000
2006	2,735,000
2008	2,034,000

Alternative Livelihoods

62. In a situation of poverty and subsistence by rural communities on natural resources, but where those resources are over exploited, it is essential to be able to find a balance between poverty alleviation and the conservation of ecological resources. The diversification of livelihoods, including the introduction of alternatives where a particular livelihood involves unsustainable utilisation of natural resources, provides an opportunity to create an enabling environment where wealth is spread amongst various income-generating activities and develops through multiple income sources without over-utilisation of a particular resource. However, livelihood diversification is about more than multiple income sources, it relates also to the transformation of economies and to the complex nature in which people make decisions within those economies. In the case of the Caspian Hyrcanian forest landscape, a number of options have been assessed during PPG stage. Alternative livelihoods according to the natural condition of each watershed and local experiences of each activity could be used to reduce pressures on the natural forest area. According to the local experiences and natural potential of each pilot area, a series of activities, which are expected to produce income for local residents, were discussed and are summarized as below

Chelchai Basin

63. **Sericulture.** Sericulture - of the three pilots currently found only in Chelchai - is series of activities including silkworm feeding on mulberry leaves, the production of cocoons, drying out of the cocoons and obtaining silk. In the pilot area, mulberry trees are planted along the roads and water channels and on farms, mostly to provide leaves for sericulture. The period of activity is short and seasonal. Sericulture starts in late April and ends in early June, needing a total of 40-50 days from start to finish. It is carried out in residential rooms, warehouses and barns. It is common in most villages of the area and all members of the family participate in sericulture although mainly women carry it out. Each household is involved in the activity to varying degrees based on the amount of labour, available space and mulberry trees owned. In the past, sericulture was carried out for silk material, but today it is produced for the market to provide income. Harvesting time of the silkworm cocoons depends on whenever income is needed. It can be timed before the harvesting of wheat and rice, while family members are free from labour. Therefore, villagers do it willingly. Owing to the lack of silk processing and textile industries in the region, wet cocoons are sold to local merchants in the area and taken to industries in the surrounding provinces such as Gillan or Khorasan. Boxes of silkworm eggs are provided by agricultural organisations, and each box contains 20,000 eggs. Sericultural activity based on one box of eggs needs 40-50 square metres of breeding ground and 500 square metres of mulberry plantation, and can produce 20-30 kg of wet cocoons. One kilogram of wet cocoons can be valued at approximately 75,000 Riall.

64. **Aquaculture.** Farming of fish for food in freshwater rivers in the area is a potential alternative

[19] URL: http://data.worldbank.org/indicator/ST.INT.ARVL accessed 17/09/2012

livelihood strategy. Both warm water and cold water fish farming is possible in the area, especially in the villages that located in the valley of the Chelchay River. Aquaculture needs substantial money and natural facilities such as sufficient and permanent water. The watershed has a main river and other three drainages, which have water all around the year.

65. **Beekeeping.** Traditional domestic beekeeping exists in the area in almost all villages but productivity is low. However, most dwellers are familiar with this activity, so it could be possible with training courses and veterinary facilities. The area is also not as humid and cloudy as western parts of Caspian regions, and roads can facilitate transportation of beehives all through the year. Therefore, bees could be kept in the upland in summer and lowland in winter.

Baliran Basin

66. **Aquaculture.** Aquaculture needs substantial funding and natural facilities such as a high and permanent water supply. The watershed has a main river, which flows all through the year.

67. **Beekeeping.** Traditional beekeeping exists in the area, and although it has low productivity most dwellers are familiar with this activity. It could be possible to develop it with training courses and veterinary facilities; however, the area is humid and cloudy and which limits the likely success of beekeeping.

68. **Handicrafts.** Handicraft, especially for woody utensils, is possible in the area. This skill has existed amongst residents in the past, and there is one person who still makes woody utensils and woody decorative equipment in Baliran village, which he sells to the tourists in the village. In addition, tourists may order the manufacture of specific items.

Dohezar Basin

69. **Aquaculture.** Aquaculture needs substantial money and natural facilities such as a sufficient and permanent water supply but nonetheless has strong potential. The watershed has a main river, which has water all around the year. In addition, five compartment of aquaculture are established in the area. The main species in these pools is rainbow trout (*Oncorhynchusmykiss*).

70. **Beekeeping.** Traditional beekeeping exists in the area but with low productivity. Most dwellers are familiar with this activity. Roads facilitate the transportation of beehives to the right altitude and suitable climate for beekeeping during the year. It is possible with training courses and veterinary facilities and is expected to be a successful intervention with the right conditions.

1.7 Policy and Legislative Context

71. **The National Environmental Protection Act (1974)** established the Department of Environment (DoE), which is one of the oldest environmental authorities in Iran. The Act is the major law regarding environmental conservation in Iran; under the Act various carefully selected sites representing every different major habitat in Iran have been put under protection.

72. **Article 50 of the National Constitution (1979)** is the highest-ranking legal reference addressing environmental conservation in Iran. It states that 'The preservation of the environment, in which the present as well as the future generations have a right to flourishing social existence, is regarded as a public duty in the Islamic Republic. Economic and other activities that inevitably involve pollution of the environment or cause irreparable damage to it are therefore forbidden.'

73. **National Development Plans.** The protection of the environment has been addressed in Iran's 5-year NDPs since 1990 although limited to the DoE's mandates in the first NDP. This NDP from 1990 to 1995 contained, as part of the agriculture sector strategies, plans to develop appropriate systems to utilise renewable natural resources; increase public awareness of the importance of preserving renewable natural resources; increase investment and coordination of public and private sectors for renewable natural resources; develop organisational management of the resources; and develop changes in traditional livestock systems in the Caspian forests by

providing employment in modern livestock systems away from the forests. There were several articles in the second NDP (1995-1999) addressing environmental protection and focus on the environment increased through each NDP up until the fifth and current NDP.

74. **The Fifth National Development Plan (2011-2015)** contains plans for many environmentally beneficial activities under various laws, for example The Forest and Rangelands Protection and Utilisation Law. These plans include preparing criteria and indicators and creating a database for the sustainability of natural resources; developing and implementing integrated ecosystem management plans and action plans for biodiversity conservation and the sustainable use of fragile ecosystems; developing environmental criteria and standards to facilitate capital investment; raising public awareness about the environment in order to promote sustainable development; creating national environment information systems; revising criteria for the issue of firearms licences in order to reduce illegal hunting; implementing Environmental Impact Assessments for national projects; estimating the economic values of natural resources and the costs of pollution and environmental degradation in order to strengthen management of natural resources and water basins; intensifying wood plantations and restricting forest and pasture encroachments; developing watershed and desertification projects; improving the means of utilisation of forests, rangelands, pastures, water and soil.

75. Linked with these plans, also stated were preparations to replace the demand for fuelwood with renewable energies; remove import tariffs of timber; reduce livestock in forests by 75 % and promote industrial livestock husbandry; systemise construction activities in forest areas; give priority to natural gas distribution systems in forest areas, with subsidised prices; implement afforestation plans; control the conversion of forest to arable land. A Land Use Planning and Development system with its own Council was also required in order to ensure proper planning and sustainability via decentralisation and the equitable distribution of resources and opportunities. Another requirement was that, in order to improve decision making and inter-sectoral coordination in rural areas and to reduce inequalities between cities and rural areas, the Government should: (i) create an inter-sectoral structure for integrated management of rural and nomadic areas; (ii) improve rural development indicators; (iii) support the development of small and medium sized industrial enterprises in rural areas; (iv) support micro-financing systems in local areas and establish a small-loan banking system that supports rural development; and (v) devise strategies that urge villager emigrants to return to their original villages.

76. **National Biodiversity Strategy and Action Plan (NBSAP) (2006).** The NBSAP focuses on linking research, uses and policies. It has four components: the promotion of public awareness and participation; the formation of biodiversity information systems; the sustainable use of biodiversity resources; and the integrated conservation of biodiversity. Many studies have been conducted regarding traditional knowledge and the policy encourages more sustainable management practices and management of biodiversity.

77. **Cabinet Enactment of July 2001: the Comprehensive Plan for Preserving Northern Forests.** This Plan described the facilities, credits and qualifications required for plantation development. The plan stated the following: policy-making with regard to any land use that might incur land conversion or decline in forest area are under the responsibility of FRWO and the Supreme Council of Environmental Protection; FRWO, DoE and the private sector are responsible for preparing resource use plans, protecting resources, organising forest dwellers, relocating livestock outside forest boundaries, surveying and acquiring forest area deeds; Forest Management Plan (FMP) implementation is the responsibility of the State, cooperative and private sectors; FMPs must include increased local participation.

78. **The Twenty Year Vision Initiative of Iran**, incorporating the fourth and fifth NDPs, anticipates that by 2025 Iran will be the fastest progressing nation of the Middle East and South Asia in terms of the economy, science and technology; it will be fully advanced in terms of health, social welfare, judicial security, equal opportunities, equitable income distribution, a favourable living environment; it will be far from poverty, crime and corruption.

79. **Conventions.** Iran is a member of the Convention on Biological Diversity (CBD), the Ramsar

Convention (which was hosted by Iran), the United Nations Convention to Combat Desertification (UNCCD), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), United Nations Framework Convention on Climate Change (UNFCCC), the World Heritage Convention (WHC) and the World Conservation Union (IUCN).

1.8 *Institutional and Governance Context*

The Environmental High Council

80. The ultimate decision-making and coordination mechanism for environmental affairs is the Environmental High Council (EHC), chaired by the President of the Republic. This multi-sectoral, governmental body meets regularly to approve environmental policies and legislation[20], and to ensure that environmental policies are integrated into social and economic policies and plans. One level lower, the National Council for Sustainable Development (NCSD) is responsible for policy development and implementation – including the mainstreaming of environmental issues into the work programmes of all government agencies. The NCSD has 18 members, including academic and non-governmental organisation (NGO) representatives. The NCSD works primarily through its 11 Sub-Committees, of which one of the most active has been the Biodiversity Sub-Committee.

The Ministry of Jihad Agriculture

The Ministry of Jihad Agriculture was formed in 2000 by the merging of the Construction Jihad Organisation and the Ministry of Agriculture and is the government body responsible for overseeing all agricultural, forestry and livestock activities, including aquaculture, beekeeping and sericulture. The Ministry of Jihad Agriculture activities include implementing well-funded physical infrastructure projects, controlling land-use on state-owned land – especially forest land – and projects providing technical support to communities in order to encourage rural development. For example, the Ministry assists farmers in maintaining a secure livelihood by buying products such as wheat at a guaranteed price, providing silkworms to rural farmers, promoting new and improved genotypes for higher productivity, providing pesticides and fertilisers and giving training courses in agriculture. It has an office in each province and sub-province of the country. Key agencies within the Ministry of Jihad Agriculture include: the **Research Institute for Forest and Rangelands (RIFR)**, responsible for research, monitoring and policy preparation; **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**, with programmes to support women and women headed families in rural areas, including training and micro-credit programmes; and the **FRWO**.

Forest, Rangeland and Watershed Management Organisation

81. The FRWO was formed in 1928 and its main responsibility is to conserve, rehabilitate, develop and control the use of natural resources. It has five departments: range and soil, forestry, watershed management, conservation and land affairs, and planning and logistics. It selects, establishes and defines the boundaries of PAs, as well as overseeing resource use and increasing awareness of legislation by local people. The FRWO controls three types of PA: protected forests for soil conservation; protected forests as forest reserves for biodiversity conservation and conservation of rare and endangered species; and sample compartments or witness compartments for studying forest succession and forest structure. It works at district and forest management unit levels; forests are managed as forest units and each unit has its own management plan. The FRWO provides information, financial support and the legislative contexts for land management strategies.

[20]For submission to parliament, when appropriate.

82. The total area of the Caspian Hyrcanian landscape under supervision of the FRWO is 1,967,315 ha. Three groups of implementation of FMPs exist: government, private company and cooperative. Private and cooperative companies have to meet the standards of the FRWO to win management of the forest unit. The government manages the largest total area of the Caspian forests (49%), equalling to 24% of the total number of management plans.

83. Since 1985, the FRWO has implemented a plan for the monitoring and assessment of the Caspian Hyrcanian forests, including Gilan, Mazandaran and Golestan provinces, with 10-year intervals. The main indicators of monitoring and assessment are forest composition, number of trees and volume of stands per hectare through fixed and permanent sample plots, but for monitoring and assessment of biodiversity (flora and fauna) there has not yet been any implementation due to limited capacity in biodiversity conservation methods. Although the FRWO has an intensive institutional network for the protection and supervision of forestry activities at the district and forest management unit levels, there are not any institutions for forest management at the watershed level.

The Research Institute for Forests and Rangelands

84. RIFR was established in 1968 and is responsible for undertaking research into renewable natural resources. It consists of six research divisions including forest, rangelands, botany, desert, medicinal plants and wood science and forest products. There are four research departments, for forest and range protection, poplar and fast-growing trees, biotechnology, and mechanisation.

Office of Nomadic Pastoral Affairs

85. The Office of Nomadic Pastoral Affairs (ONPA) aims to provide services to nomadic pastoralists in order to improve their productivity and their socio-economic status. It works by introducing industrial methods of livestock production, helping to sedentarise their activities and assisting with product marketing and with establishing cooperatives. It also gives technical support regarding fodder and water provision. The pastoral cooperatives are established through the ONPA under the laws of the Ministry of Cooperatives, and provide services to registered pastoralists who are currently restricted to selling food items and fodder to other pastoralists.

The Cultural Heritage, Handicrafts and Tourism Organisation

86. The CHHTO is responsible for the development of all types of tourism and for the protection of natural and cultural heritage in Iran. It was established in 1985 through the merging of 11 research and cultural organisations.

Department of Environment, previously the Game and Fish Organisation (GFO).

87. The GFO was established in 1956 to control hunting and fishing in forests, rangelands and seas. It was then expanded in 1967 to take full responsibility for the protection of wildlife and the country's wide variety of ecosystems. In 1974, the GFO was reconstructed under the Environmental Protection and Improvement Act and changed to the Department of Environment of Iran to control environmental systems and create a balance between social development and environmental conservation. The DoE is responsible for the management of PAs in Iran. The DoE has a central or headquarter office in each province with specific experts for the implementation of policies and protection, and an environment office with field staff in each major town.

88. The DoE has overall responsibility for nature and biodiversity conservation, for implementing the National Biodiversity Strategy and Action Plan (NBSAP) and for meeting Iran's commitments to the CBD. DoE is headed by a Vice-President of the Republic, and reports directly to the President, placing it higher than most line ministries in the government administration. This high standing reflects the fact that, in order to achieve its goals, DoE must coordinate with other agencies, and must be able to mainstream environmental objectives into sectoral development. DoE provides the Secretariat for the EHC and the NCSD. DoE has affiliates in each of the country's 28 provinces. The main responsibility of the provincial affiliates is to implement the national programmes in the concerned province.

89. The DoE lead governmental policies for biodiversity, PA management and other issues. The head of the DoE directs the daily operations of the institution with regards to environmental issues, biodiversity conservation and PAs management. The DoE is currently managing over 10 % of the land area in Iran under five categories, including NPs, Wildlife Refuges, PAs, National Nature Monuments and no-hunting areas. The DoE's current objective is to increase the size of its managed lands to 13 % of the total land area of the country. The PA Network (PAN) is, at present, the main tool for conserving biodiversity and nature in Iran. DoE is responsible for managing and implementing most of the PAN. The first PAs were established in the 1960's in order to protect game for hunting. There are now four categories of protected land: (in order of decreasing protection) NPs, Wildlife Refuges, PAs and no-Hunting Zones. This system is managed through the DoE provincial offices, and in many rural provinces this is the main activity and objective of the DoE office. The DoE manages a PA system in the Caspian Hyrcanian landscape where all forests are no-hunting areas. There are very few game-guards, who have to be on permanent duty and have no fixed work programme. In no-hunting areas, the DoE's only responsibility is for game-guards and the land is otherwise managed under the jurisdiction of FRWO.

The Ministry of Energy

90. The Ministry of Energy has the overall responsibility for the development, management and distribution of energy resources via the Water Resources Management Organisation. The Water Organisations within the Ministry of Energy are responsible for water management, including construction of water management infrastructure, distribution of water to users and catchment protection. Only 10% of the country receives adequate rainfall for agriculture; most of this area is in northern and western Iran. The Karun River and other rivers passing through Khuzestan (in the southwest at the head of the Persian Gulf) carry water during periods of maximum flow that is ten times the amount borne in dry periods, and several of the government's dam projects are on these rivers. Dam and water diversion projects can negatively impact forests in the construction area as well as downstream by reducing inflow, altering hydrodynamics and reducing water quality. However, it also has the responsibility of monitoring water quality in rivers, forests and groundwater in order to ensure healthy water for local communities.

Infrastructure and Industry

91. The Ministry of Roads and Transportation is responsible for the establishment of roads and transportation infrastructure. The National Iranian Oil Company is in charge of the development and exploitation of oilfields and the distribution of fuel. Oil infrastructure will impact on natural forest habitats and oil pollution may adversely affect water quality and ecosystem health. The Ministry of Industry, Mines and Trade controls the development of industry, mines and trade through policies, guidelines and laws.

The Management and Planning Organisation

92. The Management and Planning Organisation (MPO) is responsible for approving all major national plans and programmes and for approving all budget allocations. The provincial MPO is responsible for allocations made from the provincial budget. Through this mandate, MPO is able to some extent to coordinate the many national programmes and activities of various sector agencies. In addition, in order to facilitate coordination of land-use, at the national level the MPO recently established the inter-ministerial Land-Use Planning Group. Financial resources in Iran are largely allocated through national programmes. Initially, in close cooperation with the provincial MPO, the provincial line agencies submit proposals to their national agency. The national agency reviews and revises the proposal in cooperation with the national MPO. The MPO determines the distribution across agencies. MPO then allocates funding to programmes in the provinces through the provincial MPO offices. Whereas programmes are generally approved in principle for five yearly or longer periods, budgets are only approved annually in line with the

existing annual budget[21].

Provincial and Regional Institutions

93. In line with the ongoing decentralisation process, provincial governments play an increasing important financial, political and technical role in supporting sustainable development in Iran. The scale of this role, both overall and in specific sectors, varies from province to province in line with provincial capacity. The leading decision-maker at provincial level is the Governor-General, who is the direct representative of the President. One Deputy-Governor General is responsible for sustainable development including natural resource management. Key responsibilities of the Governor General's office may include: allocation of the provincially generated budget; ensuring that programmes funded by the national government[22] are implemented appropriately; participating in the recruitment and management of human resources that are funded by the national programmes[23]. In each province, Governor Generals have established Provincial Planning Councils (PPC) to ensure the coordination of all nationally funded policies and programmes. All main government departments, including FRWO, are represented on the PPC. In order to facilitate natural resources management and coordination across related sectors, PPCs have established Land and Agricultural Working Groups, in which the provincial FRWO and DoE take a leading role.

Village Islamic Councils

94. Islamic councils are traditional and social village institutions in rural areas. Islamic councils are elected every four years and are recognised by formal organisations. They play a significant role in the mobilisation of local people to take actions to solve any problems within the village, and provide them with a connection to governmental organisations, helping to improve their standard of life. They enable communications between the rural village population and government activities and projects.

Rural Administration (Dehyari)

95. Rural Administrations are social institutions. They were officially formed just ten years ago but are based on a longstanding tradition of sheriffdom (Kadkhodaei) systems in Iran, which were common before the land reform of 1962. The Dehyar tracks the village administration in formal governmental organisations, providing social facilities for villagers; preventing any abusive activities in rural areas; controlling agricultural land use change; and pursuing and implementing the decisions of the village councils.

Civil Society and Development Partners

96. Although current state level policy puts emphasis on participation, one of the main disadvantages of planning in Iran is sectoral planning without active participation of stakeholders. Recently NGOs have acquired a better role in planning, monitoring and assessment of environmental and forestry activities in Iran, that must be accommodated by state level policy and all sectors such as DoE and FRWO.

The Private Sector and Community Cooperatives

97. Privately owned forests are mostly composed of plantations established on private land. These have been on the increase, particularly in the west, due to government encouragement. Plantations are grown mostly for the construction industry as well as pulp and paper companies.

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[21] Annual budgets fluctuate significantly in Iran, given the high contribution of oil resources to the national income and the fluctuation in the oil price.

[22] Although the total budget allocated to a province is decided nationally by the MPO, in some provinces the Governor-General's office may be able negotiate a re-allocation of the distribution of this budget across sectors in the province.

[23] The importance of this should not be underestimated. For example, in Isfahan province, the provincial FRWO employs 4,000 persons directly, but nationally funded FRWO programmes employ a further 56,000 staff.

The privatisation of land can be detrimental to forests if not based on a cooperative; if there are no incentives for afforestation or sustainable use of the forest then rural households are likely to deforest very rapidly in order to gain immediate income, particularly if socio-economic conditions have not improved.

98. Official cooperative management of Caspian Hyrcanian forests was established in 1986, following the FRWO Forest Dwellers Cooperatives (FDCs) programme, in order to build joint participation between local communities living in forests and forestry industries. In total there are 18 FDCs with 6,945 members in the Caspian Hyrcanian landscape. They manage 36% of the number, and 15% of the land area, of FMPs. In degraded forest areas, which are mainly in lowlands with high population densities, FDCs carry out various poverty alleviation activities with the cooperation of local communities within FMPs. These activities include rehabilitation of degraded areas; employment and income generation for local people; introduction of commercial timber use based on FMPs; enhancement of the provision of welfare facilities in forest villages. Local members of FDCs view the forests as a way in which to increase their own income, which provides the incentive to protect them. A study of 70 FMPs under FDCs showed reductions in illegal logging by 82 % and in forest trespassing 62 % over five years. An integrated forest management project was carried out in Mazandaran province in the late 1990s, supported by the United Nations Development Programme (UNDP) and the Small Grants Programme of the GEF. It aimed to introduce efficient and sustainable ways to use forest resources, increase public environmental awareness and interest in protecting forest resources, and improve local employment rates, in a mountainous area with degraded forest resources, widespread grazing, high population density and poverty. Over the seven years of implementation, the average net revenue in families increased by 31.4%; 34 permanent and 180 temporary jobs were created in a village of 707 residents; degraded forest areas were improved and deforestation was less than in other areas[24]. However, the project in Mazandaran was one of few successes and many FMPs have not been victorious in encouraging sustainable use or alleviating poverty. There is a need to improve project design and implementation.

99. Iranian policy-makers and development agents tend to neglect the potential of traditional institutions in sustainable forest management; however, various traditional cooperation organisations have survived over time and have adapted to new circumstances. Agricultural cooperatives include Mirab and Mirshek; the former involves farmers employing a Mirab who regulates the irrigation of agricultural lands and whose wages are paid by farmers after harvesting the crop. The latter involves employing a Mirshekar to protect farms, using firearms, against wild animals that destroy the crops, preventing a larger conflict with many people. Wages are paid by cash and a share of agricultural products. Agricultural cooperatives could be developed whereby equipment such as tractors are shared, increasing productivity and reducing pressure on forests.

100. Animal husbandry cooperatives include Hamkari, Choopani and Galeshi. The Hamkari system involves the cooperative use of pasture amongst herders, each being designated his own area of pasture within a wider area. This cooperative involves herders of a specific area of pasture rather than specific villages, whereas the Choopani organisation is made up of herders of a specific village. Herders whose cattle reach to the usual size of a herd (150-200) employ a Choopani shepherd to oversee the grazing of the livestock. This strategy releases labour force within families and decreases the destructive effects of cattle in forests and on rangeland. Galeshi involves the hiring of a head shepherd, a Sargalesh, to manage other shepherds in herding livestock. Depending on the size of alpine pasture and wealth of owners, the Sargalesh can be responsible for more than 4,000 sheep and goat. This strategy involves the collective utilisation of pasture that mitigates the destructiveness of intensive animal grazing, since no individuals interfere in the management and utilisation of the pasture directly; all pasture is managed by a third person who can monitor the productivity of the whole area of pasture.

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[24]Yachkashi, A. 2006. The integrated management of Caspian forests with the participation of local people. UNDP/SGP/GEF project No. IRA-G-52200J-032 (three volumes).Mirmah Publications. 47 pp.

PART IB: BASELINE COURSE OF ACTION

1.9 Threats to Iran's Biodiversity

National Level Threats

101. **Deforestation and degradation.** Iran is a 'low forest cover' country because its forests cover less than 10 % of its total land area. However, they also hold a large amount of Iran's biodiversity: the Iranian portion of the Caucasus hotspot covers the Caspian Hyrcanian forests of the northern slopes of the Alborz range; the Irano-Anatolian hotspot covers the deciduous forests of the Zagros mountain range and the juniper forests of the southern slopes of the Alborz mountains. Iran houses most of the Irano-Anatolian hotspot; no more than 15 % of the native vegetation in the entire hotspot remains intact, meaning that many species will have declined.

102. In the past, forest loss and degradation was driven by clear-cutting, undertaken by commercial logging companies. This practice has now been prohibited, which has significantly reduced pressures on the forest. However, timber continues to be harvested illegally both by commercial enterprises and local communities. These generally involve high grading of commercially important species such as beech, yew, box, oak, Siberian elm (*Ulmus pumila*), maple and wild cherry. As well as commercial harvesting, wood is also collected for subsistence purposes, mainly as a source of energy due to poor infrastructure and increasing prices of fuel. This increases the degradation of forest habitats.

103. More recently government-sponsored development programmes have focused on infrastructure, such as reservoirs and roads, and promoted mining and industrial development in ecologically sensitive areas. Roads accelerate forest degradation by facilitating access to forest areas. Furthermore, tourism is an emerging threat—mainly arising because of associated infrastructure development.

104. Animal husbandry practices also degrade forested areas through intensive livestock keeping, which causes soil compaction in forests and damages shrubs, saplings and trees due to grazing on the vegetation. Due to poor agricultural knowledge and techniques, farming methods are inefficient, meaning that forest has to be converted as soils become less fertile.

105. Deforestation and degradation leads to fragmentation of natural habitat, which reduces the connectivity between core areas of habitat for wildlife. It results in greatly reduced ranges for many species, which can threaten their survival. In turn, this leads to a decline in biodiversity. Many steppe species, such as the great bustard, have declined dramatically as a result of agricultural expansion. The Asiatic cheetah, now critically endangered, declined dramatically during the late 20th century due to habitat reduction and fragmentation throughout its range, in combination with other factors such as poaching of its prey and the cheetah itself.

106. **Hunting.** The poaching of wild animals has increased significantly since the 1990s. The animals at the highest risk from poaching are leopard, brown bear, wolf and wild goat. Animals are poached either because of their meat or skin, or as a result of conflict with humans and crop damage. A number of NGOs are working in Iran to conserve flagship species such as the Persian subspecies of the fallow deer (*Damadama mesopotamica*), which was on the verge of extinction in the late 1980s due to extreme hunting of the species across its range. The Persian wild ass has also dramatically declined due to hunting.

107. **Climate change.** Much of the topography of Iran is mountainous, and alpine habitats are expected to be some of the most affected by climate change. As temperatures increase each habitat type will be pushed through increasing altitudes and species ranges will shift and decrease. Since endemism as been found to increase with altitude[25], this could lead to the global

[25] Noroozi *et al.* 2007

loss of some alpine species. Forested mountainous areas such as the Caspian Hyrcanian landscape, which is part of a biodiversity hotspot, could therefore lose many species.

108. The arid areas of Iran are likely to increase in aridity as the climate changes, which will cause species range shifts and put further pressure on the vegetation of these areas, which already experience stressful environments such as drought and high salinity. The effects of temperature and precipitation changes on crop species may also necessitate further conversion of forest to agriculture as productivity declines.

109. As well as increases in temperature and aridity, weather patterns are expected to become more erratic, with irregular rainfall both spatially and temporally and extreme weather events. Forest fires, already a major problem in northern Iran, are expected to increase in frequency and intensity. Wetlands are particularly susceptible to changes in precipitation, and drought has already prevented 40,000 pairs of greater flamingos (*Phoenicopterus rubber*) from breeding in Lake Urumieh since 2000. This lake acts as the only breeding site between France and India. Adverse effects on behaviour such as this are likely to apply to many other wetland and migratory bird species. Climate change can disrupt the relationship between species, particularly of migratory species, as their behavioural patterns shift temporally and lose synchronisation, or their phenology changes. This can threaten the survival of many species.

Threats to Biodiversity in the Caspian Hyrcanian Landscape

110. Despite their rich biological endowment, the Caspian Hyrcanian forests nearly halved in size between 1955 and 2000 (from 3.4 million hectares to 1.85 million hectares). This has caused significant loss of biodiversity not only through forest conversion and associated loss of habitat but also from forest degradation and habitat fragmentation. There are several main causes of deforestation; logging, conversion for agriculture and settlement, and livestock herding. With a population density of 126 people per km^2, the natural land of the Caspian Hyrcanian landscape is under great pressure from these activities. Since 1976 the total population of Gilan, Mazandaran and Golestan has increased from just under four million to 7.3 million, dramatically increasing pressure on the landscape. This pressure is further increased in summer months when domestic tourism is also high. Gilan is the greater populated of the three provinces and as a result the forest is more degraded and the landscape more fragmented.

111. **Illicit felling for timber and firewood.** Timber is harvested by local communities for domestic use, and illicit felling remains common. These generally involve the high grading of commercially important species for example beech, yew, box, oak, Siberian elm, maple and wild cherry. This in turn leads to forest degradation. Since 1991 wood extraction has declined dramatically, for example the extraction for fuelwood was reduced from over 170,000 m^3 in 1991 to just 50,000 m^3 in 2006. This has been due to increased law enforcement and the provision of substitutes: gas lines are now being installed in order to replace wood as the main source of fuel. However the price of gas fuel is too high for many people, exacerbated by recent cuts in energy subsidies – meaning there is still great dependency on fuelwood and this is likely to increase as long as energy prices remain high.

112. **Unsustainable agriculture practices.** Forests continue to be cleared by small-scale farmers for agriculture. This is partly attributed to the fact that as land holdings tend on average to be small (e.g. in Mazandaran land ownership averages 6 ha per family), and families are large (average family size of 5.6 persons in Mazandaran), meaning that the land area is too small to provide for family subsistence. However, it is also attributable to weak enforcement of forest clearance regulations, which means that families do not need to manage by intensifying farming on existing plots; they clear more land instead. Added to this is that agricultural techniques are fairly unsophisticated in terms of lack of expertise and modern techniques and equipment. As a result, extensive clearance of land is the main factor in increasing productivity rather than more efficient farming techniques. Out of a total land area of 5.8 million ha in the three provinces, 1.3 million ha is under cultivation of annual crops and orchards, and 1.9 million ha are forest-covered.

113. **Overgrazing and damage to forest floor.** Many villagers across the Caspian Hyrcanian landscape rear cattle as well as sheep and goats. The region lacks natural rangelands, and these animals are pastured in fallowed farmland. However, the amount of grazing available is inadequate for the high numbers of livestock, and farmers allow their livestock to browse on shrubbery and tree shoots in forest areas, particularly in early spring and mid-autumn, which impedes the natural regeneration of tree species. In addition, herdsmen illegally cut trees and shrubs to create open spaces where ground cover of herbaceous plants quickly develops and forms new pastures. These activities serve to both deforest and degrade the area. Local governments, supported by the central government, have for a long time worked to reduce the deforestation; actions have included afforestation as well as limiting numbers of livestock to a sustainable level. Reports have stressed the point that grazing has to be planned and coordinated, should it be used as a tool for forest management, and the multi-use forestry concept is increasingly being pursued.

114. **Uncoordinated economic development.** In the majority of cases, economic development is leading to biodiversity loss because government decision making systems do not currently account for biodiversity management needs; similarly, they fail to account for the multiple ecosystem services provided by the Caspian Hyrcanian forests and to internalise the environmental costs of development. More recently government-sponsored development programmes have placed infrastructure such as reservoirs and roads, and promoted mining and industrial development in ecologically sensitive areas. Roads accelerate deforestation and degradation by facilitating access to forest areas while other developments have led to a population influx. Linked with this is tourism; unsustainable domestic tourism poses a significant threat to biodiversity in the Caspian Hyrcanian area through associated infrastructure development and widespread littering by tourists. A key challenge is to develop economically and financially feasible approaches to conservation and sustainable use of forest landscapes that address multiple competing sector demands on forests. It is important that ecotourism activities, such as bird watching, are promoted, thus limiting negative impacts on the environment. Substantial global environmental benefits would accrue from enhanced biodiversity status and carbon sequestration, were this challenge to be successfully addressed.

115. It is clear that certain ecologically sensitive areas will need to be afforded the highest levels of protection owing to their habitat value. Some advances have been made in this sense. About 15 percent of the Caspian Hyrcanian forests have been designated as PAs to conserve biodiversity although the management effectiveness of many reserves is sub-optimal. These areas are legally under the jurisdiction of the DoE as part of the national PA estate, but many are managed on DoE by FRWO, which has a stronger field staff presence in the landscape. Other areas across the landscape are designated as forest protection areas, mainly for watershed protection, falling directly under the administrative jurisdiction of FRWO. These cover some 10 percent of the forest (around 180,000 ha). What is important from a biodiversity point of view is that the effectiveness of these different areas in conserving biodiversity patterns and ecological processes is determined and that a system is put in place that can plan and manage a matrix of land uses that enables the conservation of critical habitat patches and maintains forest connectivity across the landscape.

116. **Climate change.** Over the long-term, climate change is expected to create new threats. During the last half-century, mean annual temperatures have increased about 1.28 °C to 2.45°C[26]. There is a trend towards lower and more uncertain rainfall patterns—both in spatial terms as well in temporal terms. Forest degradation is expected to be further exacerbated by climate change, which will reduce habitat quality as different species react according to their adaptability. Habitat shifts will threaten species as they move into degraded areas where survival is low. Further increases in temperature will push the alpine species of the Alborz and Tallish

[26]Jafari, M. 2008. Investigation and analysis of climate change factors in Caspian Zone forests for last fifty years. Iranian Journal of Forest and Poplar Research 16: 314-326

mountains up altitudes, resulting in species loss at the highest points. Climate change is also expected to increase the frequency and intensity of forest fires—already a major problem.

Table 3. Threats to biodiversity in the pilot basins Baliran, Dohezar and Chelchai

Threats	Baliran basin	Dohezar basin	Chelchai basin
Overgrazing and damage to forest floor	Livestock density in the basin is 8.4 animal units per ha, causing high soil compaction and forest degradation through consumption of branches and saplings, resulting in low survival and forest regeneration rates	Livestock density in the basin is 1.5 animal units per ha, causing high soil compaction and forest degradation through consumption of branches and saplings, resulting in low survival and forest regeneration rates	Livestock density in the basin is 5.4 animal units per ha, causing high soil compaction and forest degradation through consumption of branches and saplings, resulting in low survival and forest regeneration rates
Illicit felling	The average household consumes 3 m^3 firewood per month in winter for heating and cooking, although half of the population uses the natural gas supply provided through the national pipeline. Herders also use 100m^3 wood annually for construction, processing dairy products and tools. Trees are also cut for charcoal and commercial logging occurs.	The average household consumes 1.5m^3 firewood per month in winter. Other fuels are sometimes used but as government subsidies for e.g. kerosene decrease, the use of firewood will increase. Herders also use 100m^3 wood annually for construction, processing dairy products and tools. Illegal logging also occurs in the basin, targeting economically high value trees such as European yew.	The average household consumes 2m^3 wood per month in winter for heating and cooking, although the majority of dwellers are now using natural gas provided through the national pipeline.
Illegal hunting	Occurs partly as a result of conflict between animals and humans regarding crop or livestock damage. Hunted species include the red deer, European roe deer, Eurasian otter and brown bear; other problem species include jungle cat and leopard. Birds such as the Eurasian golden oriole, Eurasian woodcock, common wood pigeon and common pheasant are also hunted.	Hunting is prevalent due to weak law enforcement. Brown bear is targeted as well as wild boar and Indian crested porcupine as a result of the damage they cause to crops.	Problem animals such as wild boar, leopard, brown bear and Indian crested porcupine are hunted species due to their damage of crops and conflict with livestock.
Unregulated settlement expansion		Due to unfavourable weather conditions for agriculture and crop damage by wild animals, construction of houses and holiday homes is increasing in land previously used for agriculture in upper areas, necessitating lowland areas to be cleared further for agriculture.	Due to the spatial distribution of villages in the watershed, much of the forests have been converted to farmland, residential areas and infrastructure, with 400 ha deforested between 1987 and 2006.

See Annex VI for more detail

1.10 Baseline Course of Action

Summary of Baseline Situation

117. The Government of the Islamic Republic of Iran is already undertaking a number of projects aimed at strengthening environmental management in the Caspian Hyrcanian forests. In addition there are a number of new projects proposed in the 5-year development plan that will further fortify the baseline foundation of the project, such as the afforestation and reforestation initiatives. Government policy has become further orientated towards the protection and sustainable management of natural resources; however, biodiversity and its economic value is yet to be mainstreamed into policies and management strategies. Without the basic support of biodiversity within policies, action into increasing institutional capacity for appropriate biodiversity management has so far been inadequate.

118. There are several Articles within the 5th NDP regarding the management of forest and land resources: under Article 148 the government is mandated to substitute wood fuel with fossil fuel and renewable energies; expand the planting of fuel wood trees, intensify enforcement measures to reduce smuggling of forest and rangeland products, and eliminate timber import tariffs; support industrial animal husbandry to promote forest protection; expand rehabilitation and planting of forest lands; and ensure that all kinds of resource harvesting are conducted according to the carrying capacity of the ecosystems. According to Article 182, a Land-use Planning Council is responsible for the coordination and monitoring of regional development plans and activities. Under Article 192, the Government is mandated to develop guidelines for the economic valuation of priority resources including forest, water, soil, energy and biodiversity, and to internalise the economic values of environmental resources into national accounts

119. In addition there are a number of new projects proposed in the 5-year development plan that will further fortifies the baseline foundation of the project. The on-going programmes of relevance, which involve annual expenditures of USD $7 million include the project *Conservation of the Caspian Hyrcanian forests* that has identified and demarcated the boundaries of some 5,000 hectares of new forest reserves and equipped guard stations and invested in the maintenance of 10,000 hectares of existing reserves. Significant efforts have been made to manage fires across the entire landscape, albeit with a focus on fire fighting rather than prevention.

120. New programmes include a group of forest management activities with a budget in the order of USD $120 million over 5-years. These include a) fiscal reforms -waiving tariffs on imported timber to facilitate easier import of timber so as to substitute domestic production; b) afforestation and reforestation initiatives in degraded forest areas; and c) the promotion of renewable energy and substitution of fuel wood including for example through the development of woodlots of fast growing species such as poplar. This will reduce the threat on forests from illegal timber felling and firewood collection.

121. An additional baseline programme will strengthen livestock management. With an estimated investment of USD $33 million over five years, this will seek to a) resolve land rights issues; b) promote stall feeding and c) support community cooperatives for permanent forest dwellers to manage pasture lands and fodder collection.

Baseline Situation – Policy Environment for Mainstreaming and Multiple Use

122. In the 'business as usual' context, without the GEF Alternative, currently, there is an insufficient regulatory basis for integrated forestland multiple use management with limited emphasis on biodiversity conservation. Currently 10% of FRWO areas are under biodiversity set-asides, but there is no systematic management regime for biodiversity conservation. There are incidents of illicit felling in Caspian Hyrcanian landscape, involving high grading of commercially important species. FRWO and other partners have strong respective FMPs, however these are not coordinated and lack inclusion of biodiversity conservation practices. There are a range of production sectors in the Caspian Hyrcanian Forests, including forestry, tourism and agriculture

– yet a lack of a coordinated approach. Land use plans exist at the basin/catchment levels under FRWO management and similar plans exist for DoE management of PAs. However, a coordinated plan for production sectors does not exist. Ecosystem goods and services are utilised by production sectors, however their true ecological value is not understood or incorporated into the economics of key production sectors.

Baseline Situation – Capacity of Forest Management

123. In terms of a business as usual scenario, there are currently technical capacity gaps within FRWO to effectively address biodiversity management, facilitate community-based FMPs or wider inter-sectoral management strategies. Management of existing FRWO set-asides is based on ensuring certain forests are conserved because of being on an extreme gradient, for replanting and to prevent harvesting endangered tree species. Zonation does not currently include biodiversity (including fauna) conservation measures. Different production sectors - like forestry and tourism - are managed in isolation to one another, even though biodiversity is being lost owing to the combined pressures posed by different land uses. The concept of a multiple use approach is not integrated into management thinking in key sectors. FRWO and other stakeholders engaged in the Caspian Hyrcanian Forests thus lack a coordinated approach to forest management. Although FRWO have management and monitoring systems in place for their own area, community based forests require support to monitoring and enforcement. Indeed, understanding of multiple use approaches to forest management is generally limited. Land use planning exists at various levels within the governance of the Caspian Hyrcanian Forests, but lacks coordination in general terms and as an extension of the baseline situation, there is not currently a pilot based approach to testing multiple use management nor a replication strategy

Baseline Situation – Community Engagement

124. The Caspian Hyrcanian region is predominantly agriculture-based, however there are latent opportunities to be found from forest based activities that are not currently been seized. Forest degradation is leading to a loss of 0.5% of forests per year. Forests are managed by FRWO, with the opportunities for community management largely unexploited. In terms of training, there is a general lack of skills and capacities for adding value to the NTFPs harvested from the forest, constraining communities' ability to secure and retain a greater share of economic benefits. Further, there is inadequate community involvement and know-how for the management of multiple-use of forests, with a lack of a participatory approach with FRWO and other stakeholders.

1.11 Long Term Solution

125. The long-term solution to the conservation predicament facing Iran's unique Caspian Hyrcanian forest landscape proposed by this project is thus to build on the baseline and establish the necessary governance system and know-how for a landscape management approach to decision making and use of the Caspian Hyrcanian forests which nests PAs within a matrix of conservation-compatible land uses in order to maintain biodiversity, ecosystem functions and resilience across the landscape as a whole.

An enabling policy and regulatory framework

126. The Caspian Hyrcanian forests are Iran's main source of commercial timber and make an important contribution to Iran's economy. As well as their economic importance, the forests provide crucial ecosystem services such as the regulation of water flow through the ecosystem, influencing processes such as infiltration, river flow, water sedimentation and soil erosion. These processes affect other land uses such as agriculture, livestock husbandry and orchards, which are the main sources of income for most people in the Caspian Hyrcanian landscape, and which produce exportable goods for the rest of Iran. Sustainable management of these forests is therefore critical for both the livelihoods of the local populations and for Iran's economy as a

whole and this importance needs to be reflected in the policies and regulatory frameworks guiding land use practices.

127. All productive sectors involving land use, including forestry, agriculture, livestock husbandry, water management, tourism and the development of infrastructure, can negatively impact on the natural environment if managed inappropriately. For example, traditional livestock practices, impacting on a vast area of land across altitudes and landscapes, are widespread in the three pilot areas and are damaging to forest habitats. Therefore, policies and frameworks for all of these activities need to take into account the whole landscape and the environmental cost of the activity rather than focusing only on the activity itself. Mainstreaming the conservation of the forests and their biodiversity outside of PAs into government policies will help to ensure that all activities influencing the landscape are carried out in a way that minimises their impact and sustains the health of the forest in the long term.

Institutional and staff capacity strengthening for forest management

128. With policies and regulatory frameworks in place to ensure the mainstreaming of best practices in biodiversity conservation, there needs to be the capacity to manage the land and resources accordingly. A significant investment needs to be directed towards activities involving the sensitisation of local governments and authorities to the relevant policies and regulations and guidelines for enforcement. Capacity strengthening for law enforcement, including increased staff numbers, the provision of relevant management and communication systems, will enhance the ability of the authorities to take multiple use approaches, manage zones and seasonal changes to biodiversity, control illegal logging and inappropriate land use techniques.

129. Comprehensive management plans based on the policies and the use of appropriate management techniques will guide stakeholders towards best practices. Awareness raising of stakeholders about the science behind sustainable forest and landscape management, as well as training in techniques such as biodiversity monitoring, zonation, then use of biodiversity set-asides and appropriate growing and harvesting methods in forestry practices, will enable stakeholders to better implement their management plans. With the knowledge and skills base in place, practical tools to aid more efficient land use as well as enhanced communication between stakeholders will reduce conflict between land users, enabling the landscape to be managed sustainably as a whole.

Community engagement in multiple-use forest management

130. Multiple-use, integrated forest management will allow local communities more power over their land, a greater sense of ownership and therefore more reason to want to protect it. It gives local land users the knowledge and skills to manage the land themselves alongside other land users, increasing connectivity and reducing their dependence on external aid and services, for example, plantation managers, and thereby increasing their own gains. Establishing functional pilots involving community-engaged management will help to ascertain the best procedures to take and techniques to use in order for successful forest management, and lessons can be learned and the system replicated elsewhere.

1.12 Barriers to the Conservation of Biodiversity

131. Despite many successes, the forest management system for the Caspian Hyrcanian landscape still suffers from some shortcomings, which need to be addressed if the long-term solution is to be achieved.

Inadequate policy and regulatory frameworks for landscape-level multiple use forest management

132. Currently, there is an insufficient regulatory basis for integrated forest land use management, covering multiple economic sectors, particularly for a central stakeholder in the management of

the forestry sector: FRWO. The forestry sector is managed according to the principles of production and consumption and forest management systems under FRWO oversight are focused on single usage: timber production. Other management options and uses have not been prioritised (such as alternative livelihoods), biodiversity conservation measures are not sufficiently integrated into management practices and linkages between different production sectors - particularly forestry and tourism – are insufficient. Similarly there are no guidelines for decision makers, to guide such management. Government planning procedures do not account for multiple ecosystem values and fail to internalise the environmental costs of economic development. Thus, different sectors are managed in isolation to one another—even though, in general terms, biodiversity is being lost owing to the combined pressures posed by different land and forest uses. Further, although there is now a greater acceptance within FRWO of the need to move towards greater community engagement in forest management, only a few attempts have been made to involve the local communities directly in forest management through the design of experimental 'community forest' pilot areas. Furthermore there are no established norms governing community involvement in forest management: largely because the focus to date has been on utilising contractors (both community and private sector) from the sole perspective of timber production rather than any multiple use approaches.

Weak institutions and limited technical capacities at national and local levels for enforcement of forest management and coordination and regulation of land uses

133. The lack of adequate capacity within the FRWO for effective integrated, multiple-use management and for engaging with other institutions that have a jurisdiction or interests over the Caspian Hyrcanian forests is an important constraint. For example FRWO staff have limited technical capacity to effectively address biodiversity management considerations in plans and activities, including in management zoning and the creation of biodiversity set-asides – namely areas where no production or utilisation is allowed in order to conserve the biodiversity values therein. Although highly competent in terms of production forest management, FRWO staff also lack the skills to facilitate biodiversity mainstreaming into their management plans, to develop and implement community-focused FMPs or wider inter-sectoral management strategies to address threats to biodiversity and to effectively engage with local communities and other institutions to forge partnerships,. There is an urgent need to strengthen forest monitoring and enforcement from the context of viewing forests for their biodiversity values in their own right, rather than solely for managing timber production. To address the current gaps in operational capacities it is important the staff avail opportunities to 'learn by doing'.

Inadequate community involvement and know-how for the management of multiple-use of forests

134. Despite strong indigenous and local knowledge of the forest and its values, local communities have little knowledge or experience with mainstreaming biodiversity conservation objectives into resource use practices. Thus is because forest management has taken a top down approach, managed by FRWO, with low scale involvement of resident and forest adjacent communities. Communities typically lack the capacity to take-up forest management where such a role is assigned to them as part of any multiple-use plan. For instance where limited community managed forestry has been allowed on an experimental basis, local communities have resorted to hiring of professional foresters to manage the areas, thus incurring huge costs in professional fees that make such enterprises less viable. There is also a general lack of skills and capacities for adding value to NTFPs harvested from the forest, constraining their ability to secure and retain a greater share of the economic benefits from resource extraction at the community level. Limited access to capital and technical knowledge of new livelihood options and access to markets also hinders adoption of viable alternative livelihoods. Further limited access rights and the low influence communities have in decision making on resource use and management have hitherto prevented them playing an active role in forest management.

PART II: PROJECT STRATEGY

1.13 Project Rationale and Policy Conformity

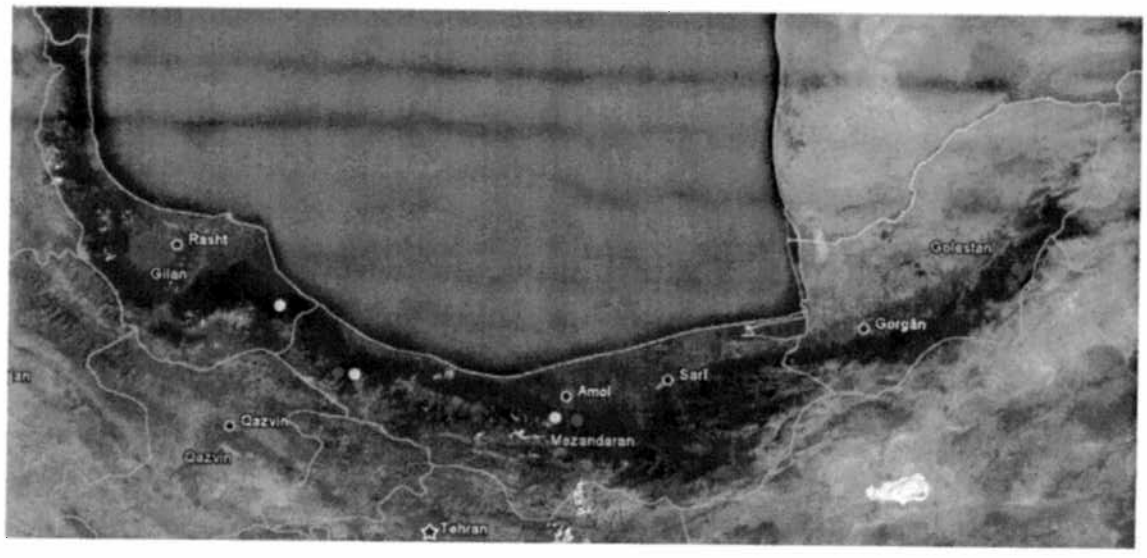
135. This proposed mainstreaming biodiversity project in the Caspian Hyrcanian forest landscape of northern Iran satisfies the requirements for GEF financing under GEF Strategic Objective 2 of GEF 5 in the Biodiversity Focal Area: **Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors and** in particular *Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.*The persistence of biodiversity, including threatened species that are not solely dependent on site-based action, requires the sustainable management of landscape and seascape mosaics that include PAs and a variety of other land and resource uses outside of these PAs. This forms the rationale for a mainstreaming approach to biodiversity conservation. The project will trigger a paradigm shift from sector-focused management to multiple use management, to reduce the conjunction pressures arising from different land uses. The successful implementation of this project will set the foundations for replication of the approach in other important forest ecosystems across the country.

136. This project focuses on a wide stretch of Caspian Hyrcanian forests in the Alborz mountains range, along the southern littoral of the Caspian Sea, and straddling three provinces. The rationale behind this project is to adopt a landscape level conservation approach that goes beyond PA boundaries in their different forms or communal lands by viewing landscapes as ecological blocks that provide shared productive resources which require effective biodiversity management approaches if species and habitats are to be maintained.

137. By adopting this approach, this project and the systems and activities it creates thereafter will likely improve the returns per-unit-of-investment in biodiversity management by strengthening the capacity of the government to manage and regulate the use of biological diversity in the productive Caspian Hyrcanian landscape - a notable part of the GEF V mainstreaming strategy - while also exploiting opportunities to support the production of biodiversity-friendly goods and services by forest resource managers and users including the private sector and communities.

138. The project will conserve biodiversity within the Caspian Hyrcanian mixed forest ecoregion. The ecoregion is recognised for its high levels of endemism; it is also an important storehouse of threatened species. It will do this by (a) strengthening the national and local policy framework governing land use in the Caspian Hyrcanian forests (which cover an area of approximately 1.8 million hectares), putting in place the necessary policy and regulatory mechanisms needed to mainstream biodiversity conservation considerations into land use plans, (b) build the capacities of key institutions to implement the reformed planning and management approach and (c), through a pilot based approach, enhance the rights and roles of the local communities in their management and demonstrating ways and means of improving management (including land use planning, zoning, compliance monitoring and enforcement).

139. The project will support a cross sectoral approach to biodiversity management by putting in place a governance framework that mainstreams biodiversity into land-use planning and optimises multiple uses of forests through different productive sectors to enhance biodiversity status while generating socio-economic benefits. It will also contribute in general terms to the four key strategies articulated within the NBSAP which are: (i) promotion of public awareness and participation; (ii) formation of biodiversity information systems; (iii) sustainable use of biodiversity; and (iv) integrated conservation of biodiversity. It is in line with the NBSAP priority of conserving and rehabilitating threatened forest ecosystems.



In this figure, the blue dots indicate potential pilot sites and the red ones point out to current selected pilots. From left (west), the red dots indicate (a) Dohezar (b) Baliran and (c) Chelchai basins.

Figure 9. The Caspian Hyrcanian Forest Landscape with Selected and Indicative Pilot Areas

140. The project will work at both the landscape level and the pilot site level. At the landscape level, the project expects to facilitate the upgrading of policy and regulatory frameworks for managing multiple use forest landscapes. This will ensure that biodiversity conservation mainstreaming measures can be implemented as reflected in and through implementation of the management plan activities across~800,000 ha of forests by the end of the project. Based on best practices developed and the enabling policy and regulatory framework existing, this will ultimately lead to mainstreaming of biodiversity measures being adopted across the whole landscapes of 1.8 million ha. Lessons from the project will also be relevant and applied to other forested areas of the country.

141. The project will directly bring at least 100,000 ha of forested land under strengthened land management arrangements designed to conserve biodiversity, involving the use of **biodiversity set-asides**. These biodiversity set-asides will be formally approved by the Forest High Council (the highest decision making body for the management of forest resources and landscapes in the country). Thus once approved, the areas will enjoy high level of tenure security - as conversion into another land use or amending management guidelines pertaining to the areas can only be reversed by a further decision by the Council. The reasons for protection and selection of areas for biodiversity set-asides will include a number of factors such as the elevation and location of a particular part of forest (importance for preserving important functions such as riparian, sensitive habitats), the movement of wildlife through the forest (conserving corridors), and the occurrence of one or more rare and endangered species (indicating high biodiversity). Whilst the particulars of the set asides will be determined through support to mainstreaming biodiversity conservation into the planning process (backed up by training, with the engagement of other government stakeholders, local communities and the private sector), they will be large enough to be relevant, viable and efficient in preserving the species or ecosystem functions.

142. The potential addition of formal protected areas in the Caspian Hyrcanian forests under the management of its sister agency, the Department of Environment (DoE) was an expressed objective in the PIF. However, the PPG consultation process revealed that achieving biodiversity conservation objectives in the Caspian Forests at scale (including through forms of protection) requires far greater integration into FRWO. Whilst DoE have a strong history and indeed mandate of conservation, FRWO's history is in production. The mainstreaming approach that is at the core of this project requires recognition that the majority of Caspian Hyrcanian forests are under FRWO management and it is in these areas that priority focus is required –

utilizing the opportunity that biodiversity set asides brings though setting aside production land for conservation purposes. The Caspian Hyrcanian forests are unique in the country in that they have a dedicated division with a separate Deputy Head of the organization within the FRWO and the management of these areas is solely undertaken by this division. Given its strong mandate in the Caspian forests it was agreed that FRWO would be appropriate agency that will be responsible for landscape level biodiversity conservation initiatives in the region. On set asides, FRWO already considers some forest landscapes as "Conservation Forest". The main reasons for assigning these areas for conservation are: a) mass occurrence of one or more endangered species in an area; b) being on slopes and/or other conditions that make timber harvesting difficult or impossible. The idea of biodiversity set asides stems from the concept of "Conservation Forests" with a significant difference: currently conservation forests don't enjoy any management regime. It means that no management plan is prepared for these patches and the only measure taken is physical protection. Set-asides on the other hand are areas that are designated specifically for conservation of biodiversity resources with functional management plans. Since these conservation areas currently do not enjoy secure tenure nor are they guided by proper management guidelines, the project proposes to improve both tenure security and efficiency of these conservation areas by designating them as biodiversity set-asides – formally approved and with the explicit objective of conserving biodiversity as detailed into approved management plans.

143. The use of improved biodiversity management measures by FRWO, involving biodiversity set asides, improved and sustainable practices to reduce pressures from production sectors such as agriculture, tourism and mining is expected to directly deliver increased protection to 120,000 hectares, also leading to increased conservation of indicator species such as Caucasus leopard and the brown bear as well as to flagship plant species such as Wild Cherry and Wych Elm. As the use of biodiversity set-asides is proven in practice, supported by relevant policies and guidelines, this will lead indirectly to bringing around 800,000 ha under improved landscape level biodiversity management systems that nests areas of such set-asides across the landscape across the expanse of landscape areas where biodiversity conservation management measures and controls will be applied.

144. Local communities are key stakeholders in the management and protection of forests and biodiversity conservation in the Caspian area. Within the project pilot areas, at least 30,000 ha of forest in will be identified that will be brought under community management with clear tenure and rights improves stewardship of forests reducing illegal harvesting.

145. Project pilot sites that have been identified during the PPG include Dohezar, Baliran and Chelchai based on the following criteria: (1) Ecological (2) Socio-economic and (3) Managerial and Institutional[27]. An overview of these pilots is given in table 4 while table 5 provides summary characteristics/ criteria.

Table 4: Overview of beneficiary pilot areas

	Total area (hectare)	General maps of the area	# populated villages	Number of inhabitant	Distance to the city (kilometer)	Logistic back-stopping	Available development infrastructure					
							Electricity	Car road	Drinking water	Health center	Natural Gas pipeline	Local community
Chelchai	25,680	Yes	24	12577	5	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Baliran	20,605	Yes	8	10552	0	Yes	Yes	Yes	Yes	Yes	No	Yes
Dohezar	29,619	Yes	23	2728	15	Yes	Yes	Yes	Yes	Yes	No	Yes

[27]**Ecological Criteria**: Existence of internationally significant biodiversity values; Proximity to Protected Areas (inc. DoE PAs and FRWO set-asides; limitation to catchment boundaries (catchments with less than 50 kha of area are preferred); suffering from manageable threats: **Socio-Economic Criteria:** Existence of forest dwellers and local consumption of resources; potential for different income generation activities; any record of participatory natural resources management activities is an asset. **Managerial and Institutional Criteria:** enjoying acceptable logistics and backstopping; availability of adequate reliable data and information, and proven local/regional commitment and priority for implementation of the project

Table 5: Key Characteristics (Criteria) of Pre-Selected Pilot Areas

	Protected area including or adjacent	**Endemic / high conservation value species**	**BD threats**	**Communities' resource exploitation**	**Part. NRM experience**	**Mgt plan applying to the area**	**Major potential alternative livelihood**	**Potential for community participation**
Chelchai	10 and 37 km distance with Khoshyeylagh PA and Golestan NP	Populous caspica, taxus baccata, panther pardus	Forest degradation, deforestation and land use changes	agriculture, animal grazing,	No	yes	sericulture, aquaculture, beekeeping, tourism,	yes
Baliran	12 kilometers with Haraz PA	Parrotia persica, sorbus torminalis, panther pardus,	timber smuggling, intense animal grazing,	timber smuggling, intense animal grazing,	no	ordinal forest management plan prepared but not implemented	aquaculture, beekeeping, tourism, handicraft	yes
Dohezar	Adjacent to Beleskoh PA	Parrotia persica, buxushyrcana, taxus baccata, panther pardus,	forest degradation, land use change, deforestation, illegal logging	animal grazing, fuel wood gathering,	SGP project experience	comprehensive forest management plan but not implemented	tourism, aquaculture, handicraft, breeding ornamental plants breeding	yes

146. The systemic interventions planned will indirectly improve the status of biodiversity for a significant portion of northern Iran. This will be achieved directly by formulating appropriate policies and related frameworks and setting aside areas of high biodiversity importance - and indirectly - by improving the capacity for decision making amongst landscape level stakeholders and developing best practice multiple-use land management plans. The forests are the main source of biodiversity in the Caspian Hyrcanian landscape and their sustainable management, by also providing benefits to communities, will ensure that important habitats for biodiversity will be supported in the long term. The project takes a comprehensive approach towards mainstreaming approaches to conserving biodiversity within the Caspian Hyrcanian landscape.

147. This project aims to demonstrate that all sectors can work together through an integrated approach and that the development of an integrated sustainable forest management framework that involves the state, communities, civil society and the private sector in decision making can lead to better conservation practices and sustainable livelihoods. By design, the project will engage key stakeholders in implementing biodiversity management measures for these landscapes.

148. The engagement of stakeholders is of crucial importance to the project design and as well as coordination mechanisms will also include the creation of stakeholder groups at each pilot site to encourage shared planning exercises and lessons learning. The project will therefore promote broad stakeholder participation among the public, private sector and communities focusing on conservation, sustainable use and equitable sharing of benefits accrued in line with the three objectives of the CBD. The project will provide for the development of management panning and learning materials to ensure models for long-term sustainability are in place and provide a strategy and plan for the replication of best practices and lessons that can be used to create similar situations of multiple use forest management across the country and internationally.

149. The activities planned as part of the project will last five years. During this time, under the overall coordination of FRWO, a collaboration of state authorities, provisional and local government, private sector interests and land owners and custodians will work together to manage their natural resources in a sustainable manner through improved coordination and enhanced operational capacities. This project is formulated so as to build on the lessons learnt from previous projects in Iran and elsewhere.

1.14 Project Goal, Objective, Outcome, Components and Outputs

150. **The Goal of this Strengthened National Terrestrial Protected Area Networks Programme is:**"*An effective multiple use forest governance system is in operation resulting in enhanced biodiversity and maintained landscape level ecosystem functions, integrity and resilience for the Caspian Hyrcanian forests of Iran.*"

151. **The project will be responsible for achieving the following project objective:**"To put in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience".

152. The proposed project is designed to lift the barriers to establishment of a landscape approach to the management of biodiversity. The project will comprise three complementary components, which will be cost shared by the GEF and co-financing. Each addresses a different barrier and has discrete outcomes.

COMPONENT 1. An enabling policy and regulatory framework

COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management

COMPONENT 3. Community piloting of integrated forest management

153. The three components, and their related outcomes are described in further detail as follows:

154. ***Component 1: National and local level policies and regulatory frameworks enable optimised planning and management:*** Under this component, the project will establish a forest management policy and accompanying regulations in support of biodiversity conservation within multiple-use forest landscapes, encompassing biodiversity set-asides under FRWO and the surrounding production landscape. First, it will support the development of the national regulations and planning guidelines that will help the FRWO ensure that land use and sector development plans for these forest areas consider biodiversity conservation needs. Second, the project will help the FRWO as the lead organisation prepare together with other stakeholders a sustainable land use plan for the Caspian Hyrcanian mixed forest ecoregion that defines new protected forest areas and areas slated for other uses – including how to address threats through effective management zoning and guidelines over types of use of forestry, agriculture, livestock and tourism practices as well as on seasonal usage plans. The plan once prepared will be presented and validated at a broader stakeholders meeting including Civil Society Organisations (CSOs) and Community Based Organisations (CBOs) representatives to get their views before being ratified and put in place.

155. This will lead to the inclusion of an additional 100,000 hectares of land of high biodiversity significance as biodiversity set-asides under FRWO management, while also defining other important habitat blocks and corridors, where production activities will be controlled to enhance their conservation-compatibility. Biodiversity set-asides will be likely managed by FRWO directly because they do not have a direct production value and because FRWO has the enforcement mandate – however there is scope for these areas to be included as part of management contracts – whether to the community or private sector – which incorporate a clause that set-asides have to be managed as part of a wider production area. Baseline investments will be geared—in terms of their spatial focus, to reducing threats at source. This will include, inter alia, providing alternative fuel wood sources for communities, in areas suffering from firewood collection, as well as efforts to improve farming systems and strengthen livestock husbandry to address threats from agriculture. These will be accompanied by measures under component 2. to strengthen the enforcement of regulations.

156. Specific outcomes of the first component are expected to be:

- Policy and regulatory frameworks for managing multiple use forest landscapes ensures improved biodiversity conservation across~ 800,000 ha of forests;
- At least 100,000 ha of new biodiversity set asides under FRWO management defined (with management guidelines) and in place in the Caspian Hyrcanian forest landscape.
- No net loss of forest cover in areas defined as high interest for biodiversity and ecosystem functions between mid-term and end of the project;
- National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted;
- National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices;
- Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be gazetted as new PAs and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape;
- Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs;

157. ***Component 2: Institutional and individual capacities strengthened for multiple-use forest management:*** This component will build the capacity of FRWO so that they are able to apply and enforce the new policy and regulatory frameworks developed under component 1. The project will develop training curricula and modules to train staff of these institutions so that they are able to apply/oversee the application of the revised management approach in the Caspian Hyrcanian forests. The strong focus on capacity building within this component reflects that whilst FRWO has considerable skills and experience in forestry as a productive sector, through its own admission and willing needs support and training on (a) diversification of forest uses, including involving other production sectors like tourism, and (b) on mainstreaming conservation practices in day to day management oversight and monitoring. The rationale is that FRWO as an organisation will be far more likely to meet conservation objectives – including tackling threats like overgrazing and hunting, if there is a culture of conservation embedded into the organisational DNA of FRWO. Although not directly responsible for controlling wildlife movements (and addressing hunting) which is a DoE mandate, capacity in FRWO will be built up to ensure the importance of wildlife and wildlife movements is fully understood – making it easier for FRWO to alert and assist DoE in addressing threats to wildlife as well as forestry. In order to ensure the sustainability of the capacity development process post-project, it will also support the development of training modules and curricula to be incorporated into the induction and refresher courses that the training divisions of these two institutions offer to new recruits.

158. The project will also support the development and put in operation an effective monitoring mechanism to monitor resource uses by local communities - backed up by FRWO enforcement - so that they adhere to prescribed harvest limits, specified species to avoid creaming, avoid no take zones, curtail illicit felling of trees and monitor the multi-use management plan as it is implemented. This monitoring and evaluation (M&E) function will also ascertain factors that help or hinder the success of the community based FMPs so that Caspian Hyrcanian forest based guidelines for replication can adequately capture success factors. To facilitate 'learning by doing', implementation of a multiple use plan will be supported. This will enable the assessment of results and subsequent revision of the plan.

159. Specific outcomes of the second component are expected to be:

- Increase in capacity at the national and local levels for multiple use of forests, enabling FRWO staff to be able to effectively implement multiple use approaches and utilise biodiversity conservation measures;
- Increased biodiversity management measures for the forest biodiversity set asides delivers increased protection to 120,000 hectares under pilot interventions including indicator species such as Caucasus leopard and the brown bear plus to flagship plant species (e.g. wild cherry and Wych elm) and indirectly, through policy inputs, to 800,000 ha;
- Multiple land-use management of pilot forest landscape directly reduces pressures from agriculture and unsustainable use in 120,000 hectares; and indirectly over at least 800,000 ha of forests through post project replication activities;
- Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management;
- Training materials and best practices incorporated into FRWO staff induction courses;
- Effective monitoring and enforcement systems in place to control harvesting forest resources;
- Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised;
- Sustainable land-use plan implemented in a pilot landscape to provide learning by doing and input to fine tune general Caspian Hyrcanian Forest landscape;
- Replication plan for at 5 other pilot landscapes initiated with secured resources from central and provincial government by the end of the project.

160. **Component 3: Strengthened community capacities**: Through a targeted programme the project will build knowhow among the local communities and community institutions as relevant to adjust land uses, to reduces pressures on biodiversity. The increased involvement of local communities in decision-making is expected to increase their 'ownership' of the Caspian Hyrcanian Forests Management Plan. Specific measures will be taken over an area of at least 30,000 hectares, selected to reduce pressures on critical biodiversity areas. This will include i) identification of areas for sustainable harvest of forest resources; ii) establish locally appropriate management arrangements; and iii) emplace participatory monitoring and enforcement mechanisms. This will also ensure that local communities have secure and clear tenure arrangements that will encourage communities' investment of time and resources in the management of the forest resources.

161. This component will demonstrate viable community based forest management that (a) generates benefits for local communities through creation of employment opportunities based on conservation compatible land use, and (b) garners support to the protection services of the FRWO and complements their limited monitoring and enforcement capacities to reduce threats across the whole landscape. All these activities will be encompassed and delivered through a Community FMP that will detail prescriptions for sustainable use, off-take areas, schedule harvest timings during the plan period.

162. This plan will also stipulate the M&E requirement of the plan such as participatory assessments as well as periodic monitoring by the FRWO to ensure that the activities are being implemented as per plan and to identify and document lessons.

163. In addition a broad income generation / alternative livelihoods strategy will be developed as part of the community-based plan that will explore the potential of other income generating opportunities. During the PPG period, several consultations were held with local communities to identify the following information (table 6) as the basis for detailing out an alternative livelihood development framework for the project. These included information on the kinds of

economic activities that individual households or groups of households were undertaking including production, processing and marketing of products based on natural resources as well those services that are nature based. Following this, efforts were made to identify support services and conditions available. For instance information was gathered on available local organisations and groups (NGOs, CSOs) who are interested in or are currently engaged in supporting the development of community enterprises leading to increased household incomes. These institutions will become important partners while rolling out the alternative livelihood development activities under the project especially in mobilizing community groups and provision of business development trainings. Likewise, support available (and importantly that is required) from financial and marketing services that have such facility for small micro-enterprises were also identified. In the project areas several community groups and individual households that have experience with some type of alternative livelihood option whose experience will form primary baseline for the development of such enterprise under the projects.

Table 6: Summary of consultations with local communities on alternative livelihood options

Livelihood opportunity	Project areas	Impact no of people	Baseline condition	Support services required	Potential markets
Dairy product marketing	Chelchaii, Baliram, Dohezar,	~ 10-30 % of the population	A number of livestock farms exist in uplands of the basin.	Improvement of livestock productivity and grazing systems; livestock extension	Neighboring cities (e.g.Amol) and direct sale to tourists who visit the area
Cultivation and sale of medicinal and aromatic plants	Chelchaii, Dohezar, Polyrood	~ 15 – 30 % of the population	Sporadic experiences at the community level Limited experience with processing	Training and extension work on cultivation and processing. Support to linking with markets (especially sellers in Tehran)	Current markets include neighboring cities (Dohezar, Tonekabon) as well as Tehran. Potential overseas market.
Eco-tourism (including adventure)	Chelchaii, Baliram Dohezar	~upto 50 % of the population	Natural environment with supportive geomorphology suitable for kite flying; rivers for rafting (Dohezer);reasonable tourist facilities exists at Baliram and Dohezer)land grab by the rich for private villas	Guidelines on sustainable tourism; government support towards tourism infrastructure development; training on BD friendly measures; A sustainable tourism plan is required for most places esp. Dohezar.	Mainly domestic tourists from Amol and other cities
Beekeeping	Baliram, Polyrood	30-40 % of the population	Local people have experience harvesting wild honey	Training on beekeeping Extension messages targeted at adoption	Visiting tourist and local cities are natural markets

164. It is encouraging that there exists some limited experience related to working together as a group. The project aims to target community groups (consisting of a number of households) rather than individual households – to support efficient utilization of limited funds and increase social capital in the communities. Thus under this component, the project will undertake activities that are geared towards group formation and strengthening existing community groups. Such groups will require training on business development, book keeping etc. besides substantive knowledge in the area of the alternative livelihood that will be developed together. The training need assessment, preparation of curriculum, identification of resource persons will be carried out to achieve this. Substantive training imparted will include skills such as: small scale dairy farming based on sustainable grazing management practices; sustainable fishing and aquaculture; improved horticulture development; gums and resin collection and sale; rural craft making; development of eco-tourism products etc.

165. In order to implement the alternative livelihood options, this component will also provide technical and financial support to the community groups for community based enterprises that may reduce communities' further dependence on the natural resources. The strategy shall

broadly involve 'hard' and 'soft' components. While the soft component will involve imparting necessary vocational skills to the communities, the 'hard' component will offer support for practicing the skills acquired. The alternate livelihoods as described in the table will include activities such as – eco-tourism; apiculture; aquaculture; tailoring, plumbing and other household appliances repair, servicing of rural renewable energy devices. To ensure that these micro-enterprises remain viable, co-funding from government sources are secured and will subsidize some of the up-front costs that are key barriers for these enterprises. While the target beneficiaries will be forest resident, forest dependent communities, targeting will also ensue to select more poor households. In addition the project will carry out a reasonable gender analysis and shall take steps to ensure that perceptions and interests of both women and men are taken into consideration.

166. Specific outcomes of the third component are expected to be:

- Increased employment opportunities and increased income from sustainable forestry for the benefit of local communities – leading to direct engagement in sustainable revenue generating activities in forested areas;
- Forest degradation due to agriculture, illegal cutting and livestock grazing in community pilots decreased by at least 50% in total pilot area;
- At least 30,000 ha of forest under community management with clear tenure and rights improves stewardship of forests reducing illegal harvesting;
- Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy;
- At least two community-based FMPs developed and implemented that include prescriptions for sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan.

167. Specifically, the project will deliver 12 Outputs, organised within the three components and summarised here (see Logical Framework for detailed outputs under each component). Each output carries direct indicative activities, detailed in the Logical Framework.

Component 1. National and local level policies and regulatory frameworks enable optimised planning and management:

168. **Output 1.1.** *National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted.* This will involve conducting a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems and from that point adjusting and putting into practice the national policy and regulatory framework to meet BD mainstreaming needs. The rationale for doing this lies in the limited policy framework for incorporating BD conservation principles and practices into FRWO management actions.

169. **Output 1.2.** *National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices.* This will first incorporate the development of operational guidelines for development of multiple land-use management plans for forest ecosystems of the Caspian Hyrcanian landscape, sharing these guidelines with stakeholders for comments and their subsequent finalisation.

170. **Output 1.3.** *Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be classified as biodiversity set-asides and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed*

in the adjacent production landscape. The principle of the plan is based on providing a mechanism with which to incorporate biodiversity management into land use planning that is functional, financially viable and fully understandable to FRWO staff and associated stakeholders such as contractors and communities. The creation of the plan will involve the following steps: (a) Investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (b) Feasibility study of management options carried out for the Caspian Hyrcanian forests, (c) Financial and business planning carried out for Caspian Hyrcanian forests (d) Assessment of appropriate land-uses and management practices in the landscape, leading to (e) Develop sustainable land use plan and finally (f) to approve, implement and monitor sustainable land-use plan.

171. **Output 1.4.** *Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs.* This will involve the following (a) determine economic values of Caspian Hyrcanian forests' goods and services, (b) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian Area and (c) advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms. The rationale being that an FRWO that is fully conversant with the true ecosystem values of the forest landscape will be in a considerably stronger position to be able to manage and monitor that landscape, and ensure that ecosystem goods and services and paid for according to their true values.

Component 2. Institutional and staff capacity strengthening for multiple-use forest management:

172. **Output 2.1.** *Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management.* This will firstly involve a training and/or capacity needs assessment for FRWO other key stakeholders to understand the gaps – especially in terms of making the paradigm shift from FRWO as a production focused organisation to one that incorporates BD mainstreaming principles into its day to day management and is trained to taking multiple use approaches. A training/capacity development plan will be developed in a participatory manner involving key stakeholders - including selected local communities - and then implemented, utilising training staff. As part of the process, there will be an open exchange of technical knowledge pertaining to BD mainstreaming and multiple use approaches with specialised national and international entities.

173. **Output 2.2.** *Training materials and best practices incorporated into FRWO staff induction courses.* The rationale is that materials will build upon developing the institutional memory and capacity of FRWO and also better link it to other organisations working in forest landscape and biodiversity conservation by incorporating best practices nationally and internationally into the training process. The process will involve the training materials being incorporated into FRWO management guidelines and plans and induction courses set up and in place by specialists – a combination of internal and internal expert support will be utilised.

174. **Output 2.3.** *Effective monitoring and enforcement systems in place to control harvesting forest resources.* This will incorporate assessing the effectiveness of existing monitoring and enforcement mechanisms and associated gap analyses leading to the development and implementation of a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems. Monitoring will involve communities as well as FRWO and its contractors whilst enforcement is under the mandate of government – both FRWO as well as other law enforcement agencies as appropriate.

175. **Output 2.4.** *Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised.* There is a considerable need to instil a clear and functional understanding of multiple use approaches to forest management, utilisation and conservation to both FRWO (which to date has been more singularly focused) as well as the contractors - including communities – who can take steps towards the involvement of multiple

resource uses in multiple production sectors. This is a educational process which will involve the following steps: (a) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape, (b) investigate indigenous knowledge of forest dwellers for multiple-use forest management, (c) deploy international know-how and best practices of multiple-use forest management and (d) develop best practices manual and guidelines for multiple-use forest management.

176. **Output 2.5.** *Sustainable land-use plan implemented in a pilot landscape to provide 'learning by doing' and input to fine tune general the Caspian Hyrcanian forest landscape.* During PPG, the first three pilots were selected, including one of the community pilots that will form a key part of the project. Being able to test case the effectiveness of the land use planning carried out will require the use of one of the selected pilots - which will be selected at project inception. The rationale for sustainable land use plans hinges on shifting forest management practices away from the unsustainable: focus within the planning process will be on addressing key threats to the forest landscape – including overgrazing and hunting – with plans for improved livestock management, grazing controls and advice on stocking and rotation incorporated. The process will thus involve selecting the pilot landscape for piloting sustainable land-use planning and management, developing that sustainable land-use plan in a participatory manner and then to implement and monitor the plan.

177. **Output 2.6.** *Replication plan for five pilot landscapes initiated with secured resources from central and provincial government by the end of the project.* Following the pilot, at a later stage in the project, the results will be shared and disseminated into national and landscape level planning processes – by a learning by doing approach to then be tested in all the pilot areas. The approach taken will incorporate developing a pilot replication strategy, selecting replication pilot landscapes and thereafter to implement the replication strategy in all of the project pilot landscapes.

Component 3. Community piloting of integrated forest management:

178. **Output 3.1.** *Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy.* The principle of developing alternative livelihoods as a means to encourage economic diversification and as part of a multiple use approach is to both reduce pressure on forest resources whilst enhancing the economic potential of the landscape. The plan, building on the early findings at PPG and working closely with local communities will incorporate the following steps: (a) review and revise sustainable alternative livelihoods strategy developed during PPG, (b) finalise the detailing of the sustainable alternative livelihoods plan for each pilot landscape as per the strategy assessed during the PPG and (c) to implement a sustainable alternative livelihoods plan - and monitor it thereafter.

179. **Output 3.2.** *At least two community-based FMPs developed and implemented that include prescriptions for sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan.* Of fundamental importance of the ability of FRWO to assign greater levels of management authority of forest lands will lie in the proven ability for communities to rise to the challenge of being successful forest managers. This needs to involve (1) the selection and development of two pilot areas (as has been identified at PPG stage) and (2) a forest management planning process that clearly defines how the community pilots will be managed - steered by the communities themselves with project support – and what the roles and responsibilities shall be. The process will involve the following steps: (a) to assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management, (b) to conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes, (c), the development of FMPs for two pilot forest landscapes and its implementation (d) putting in place a participatory forest assessment, monitoring and evaluation system to measure progress against planned outcomes and impacts.

1.15 Project Risks and Assumptions

180. The identification of risks was initiated at a very early stage of project development. The main risks, risk rankings and mitigation measures are presented below.

Table 4. Risk Analysis

Risk	Rating	Risk Mitigation Measure
The commitment of FRWO management and staff to the new policies and practices - including increased coordination with other stakeholders - developed under the project may falter over time	Low	There is increasing debate within FRWO of the need to do things differently. Many officials including the Head of the FRWO responsible for the Caspian Hyrcanian forests recognise that the current management approach has weaknesses and have actively championed the new management paradigm proposed herein. Part of this is measured in FRWO's increased willingness to coordinate with communities, the private sector and other government partners in mainstreaming biodiversity conservation in the Caspian landscape. In addition FRWO is already taking steps to help permanent forest dwellers find alternative livelihoods and adopt improved agricultural and livestock husbandry practices. The results of the project demonstration activities will provide inputs to enrich these efforts.
Local communities may not be willing to participate in landscape level multiple use planning process unless the project addresses their livelihood needs.	Med	Community representation in discussions and decision-making processes will be ensured and awareness and capacity building programmes will be developed for the communities clearly outlining the benefits to them of joining the management scheme. This risk has also been internalised in the planned interventions of the FRWO (in the Fifth 5 Year Plan)—which specifically respond to expressed community needs following widespread consultations.
Climate change impacts, specifically changes in the distribution of biodiversity components.	Low	The project's focus on reducing the pressures on the forests, better coordination and planning to manage competing uses and increasing connectivity and effectiveness of biodiversity set-asides within the forest landscape will contribute towards addressing this risk through enhancing ecosystem resilience. In addition, the project will also ensure that climate change is factored in the design of awareness programmes, planning tools and guidelines and livelihoods improvement strategies.
Forest fires are expected to increase in frequency and intensity as result of climate change.	Low	The multi-use forest management planning in pay adequate attention to identification of forest hazard zones based on which appropriate actions such as fire breaks and other stand management activities will be implemented. These activities will be financed from regular forest management budgets that are earmarked for forest fire management. The information generated by the hazard mapping will also inform situating community forestry pilots – decision on not locating CFM areas in highly vulnerable areas to reduce risks.

*Risk rating – High (High Risk), Med (Modest Risk), and Low (Low Risk). Risks refer to the possibility that assumptions, defined in the logical framework, may not hold.

1.16 Alternative Strategies Considered

181. GEF support will be provided entirely as grants for technical assistance and investment in management demonstrations. The project is designed to lift barriers that are currently preventing the effective and sustainable incorporation of biodiversity conservation measures into key production sectors – especially forestry, agriculture and tourism – within the Caspian Hyrcanian landscape of northern Iran. This will allow FRWO to both underwrite future biodiversity mainstreaming management costs from its own financial resources and to ensure that future management implementation approaches successfully incorporate biodiversity management practices. However, the option of investing project resources in a different conservation strategy was considered during the development of this project.

182. The project could have taken the approach of developing a protected areas project under the first strategic objective of the Biodiversity focal area. However, closer analysis clarified that the primary threats and barriers that surround management of the Caspian Hyrcanian forest landscape stem from the areas that are not under protection, but under productive use from forestry, tourism, agriculture and other sectors. The scale of the area required not a protected areas approach, but a mainstreaming one, from which existing protected areas would indirectly benefit, as part of landscape –level interventions.

183. Due to the great extent that villagers depend on the landscape for agriculture, grazing, fuelwood and NTFPs, and their relatively low socio-economic status, as well as the dependence of Iran on forestry in the area, the only viable option is to focus on the sustainable management of the landscape rather than simply setting up PAs, which would not benefit local communities and therefore would gain little support and would be likely to fail. Increasing institutional and local capacity for sustainable management practices and providing opportunities to set up alternative livelihoods, which support the existence of the forest, will both improve socio-economic status and conserve the forest and its biodiversity.

1.17 Country Ownership and Eligibility

184. Environmental concerns are an important priority in Iran. The priority accorded by the Government of the Islamic Republic of Iran to biodiversity conservation, and broader natural resource management is underscribed through the National Biodiversity Strategy and Action Plan (NBSAP, 2006) as well as Vision 2025 and other relevant NDPs.

185. With support from UNDP/GEF (Biodiversity Enabling Activity), Iran has prepared a detailed NBSAP, which highlights the global significance of Iran's biodiversity, at the ecosystem (notably unique mountain ranges and desert ecosystem), species (notably large numbers of endemic and rare plants adapted to the harsh conditions) and genetic levels (for example, the wild relatives of many commercially important species). The NBSAP notes that, until recently, Iran's biodiversity was well protected, both through the formal protection system and through traditional management practices. However, in recent years, population growth, natural resource management practices and sectoral policies have adversely affected biodiversity.

186. The NBSAP has significantly influenced the development and implementation of the country s biodiversity policy framework. This framework, in turn, has lead to the development of the National Biodiversity Strategy, preparation of the biodiversity National Action Plan for implementation of the national biodiversity strategies, and the preparation and delivery of many National Reports to the CBD. Iran's four national biodiversity strategies include:

- Promotion of public awareness and participation;
- Formation of biodiversity information systems;
- Sustainable use of biodiversity resources; and
- Integrated management of biodiversity.

187. In addition the first draft of Action Plan to make the national strategies practicable were prepared in1999, after declaration of National Strategies, and in a participatory manner involving stakeholders from governmental, non-governmental and private sectors. The NBSAP has enhanced the environmental agenda of Iran by influencing the conservation agenda and proposing new tasks for several governmental institutions, including the FRWO and DoE, two lead agencies in Iran.

188. Further, the Constitution of the Islamic Republic of Iran states that all legal and real persons have a 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 of the Islamic Republic of Iran has increasingly striven to operationalise these objectives, by paying increasing attention to environmental issues and to biodiversity conservation. The Fourth NDP (2005-2009) devotes an entire Chapter to Environmental

Protection. The first Article in this Chapter states the importance of biodiversity conservation and emphasises the government's commitment to implementing the NBSAP[28].

189. The Constitution (Article 50) and the Environmental Protection Act (1974), both call for preventive and remedial measures for the protection and rehabilitation of the environment and set the broad policy framework with which this project is aligned. This project is also in line with and will contribute to the National Strategy for Environment and Sustainable Development (NSE) that is in turn linked to the NDP. This delineates Iran's principal environment and development objectives and establishes linkages with cross-sectoral plans.

190. The CBD considers PAs as cornerstones for biodiversity conservation and as critical tools for reducing the current rate of loss of species and habitats in all types of ecosystems (2010 biodiversity target, decision VI/26). Iran ratified the CBD in 1996. There is a strong policy framework for environmental management and for biodiversity conservation in Iran and the country has taken a number of key steps for environmental management that resonate positively for biodiversity conservation.

191. Iran has taken a number of significant steps toward realizing its commitments under the CBD, including strengthening the institutional framework for conservation and passing necessary enabling legislation. The proposed project will fulfil a number of the objectives of the Convention, including the in situ conservation of biodiversity and the enhancement of national capacities to manage natural ecosystems. Furthermore, the project is fully in line with national policies and strategies to protect biodiversity, including those recently articulated within the NBSAP. The project is strongly supported by the Iranian authorities and has been endorsed by the GEF Operational Focal Point (see attached letter of support).

192. In addition, Iran has ratified a number of other environmental conventions such as CITES, the Ramsar Convention, which it also hosted, the WHC and the UNCCD. Iran ratified the UNFCCC in 1996. Iran is eligible for technical assistance from UNDP.

193. This project addresses multiple priorities for the development of a mainstreaming approach to biodiversity conservation in Iran. The project responds to the NBSAP.GEF is the main funding mechanism for providing assistance to developing countries to facilitate them to achieve the targets set out within the CBD – to which they are signatories.

1.18 Programme Designation and Conformity

The Fit with GEF Focal Area Strategy

194. This proposed project in Iran is in line with GEF Strategic Objective 2 of GEF 5 in the Biodiversity Focal Area: *Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors* and in particular *Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.*

Table 5. Project Contribution to GEFBD-2 Indicators

Strategic Outcome	Indicators	Project's contribution
Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation	Policies and regulatory frameworks (number) for production sectors.	Putting in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest, incorporating policy inputs, capacity building and community involvement through a biodiversity mainstreaming approach that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience

Linkages to UNDP Country Programme

195. The objective of UNDP's work in ecosystems and biodiversity is to maintain and enhance the

[28] NBSAP was approved on June 11th, 2002 by Environmental High Council (EHC).

beneficial services provided by natural ecosystems. Doing so will secure livelihoods, and the provision of food, water and health. It will reduce vulnerability to climate change, store carbon and avoid emissions from land use change. UNDP's comparative advantage lies in its capacity to broker finance from different sources, to assist countries to meet their environmental finance needs.

196. The 2010-2011 UNDP-supported portfolio of Ecosystems and Biodiversity (EBD) projects contains a total of 157 projects. In terms of mainstreaming biodiversity, a total of 72 SO1 and SO2 projects are targeting a variety of production sectors including forestry and tourism. Biodiversity (BD) projects represent 76.4% of the entire portfolio. The Mainstreaming (SO2) cohort of the Biodiversity portfolio contains 41 projects, which have impacted at least 16 types of production sectors. In terms of the geographical distribution of projects, Asia & the Pacific make up 19.7% of the portfolio.

197. UNDP is selected as the GEF Implementing Agency by the Government to implement this project. UNDP has accumulated considerable experience over the past 20 years in developing and implementing improved governance systems for biodiversity conservation and forestry management. It also has significant experience in capacity building and in working collaboratively with different government agencies and other stakeholders. UNDP has strong and effective working relationships with all concerned government agencies, as well as with many other stakeholders.

198. UNDP's EBD Programme is aligned with the four Key Results of the Strategic Priority on Environment and Sustainable Development, agreed in UNDP's Strategic Plan for 2008–2011. The Strategic Plan includes the strategic priority *Environment and Sustainable Development for the Millennium Development Goals*. These four Key Results are:

- Mainstreaming environment and energy in MDG-based policy and planning frameworks at the national level.
- Generating new environment-based sources of finance to significantly scale-up investment in environment and energy to achieve the MDGs
- Promoting adaptation to climate change in order to lower the risks to the poor in developing countries and enable the attainment of the MDGs.
- Expanding access to environmental and energy services for the poor as a foundation for poverty reduction and economic growth.

199. In order to achieve these results, UNDP's Environment & Energy Group (EEG) draws on its expertise by implementing projects in six thematic areas, including biodiversity management. UNDP partners with the GEF, national and local governments, NGOs and CBOs to fund and implement projects in these thematic areas. GEF-funded projects and activities are integrated into UNDP's programme of work on environment and energy.

200. The existing UNDP Country Programme seeks to support the attainment of the Millennium Development Goals (MDGs) through the following programme components: Democratic Governance; Poverty Reduction; Environment and Energy; Crisis Prevention & Recovery; HIV/AIDS, TB, Malaria and Gender.

201. The Energy, Environment and Disaster Management Cluster of the UNDP Iran Country Office (CO) is comprised of one Team Leader with a Masters in Advanced Chemical Engineering and MBA in financial economics and many years of project design and management experience; and a Programme Analyst with a PhD and strong UNDP-GEF project management and oversight experience, as well as a support team of several programme associates, providing a combined experience of over 40 years)

202. This project is line with and directly supports the UN Development Assistance Framework (UNDAF)for 2012□2016 in particular Output 1.7: *Environmental assessment frameworks and tools developed/updated and effectively used at policy, plan and project levels.*

203. The UNDP2012-2016 country programme was prepared with the Government of the Islamic

Republic of Iran and derives from the 5th Five-Year National Development Plan, the agreed outcome areas of the UNDAF 2012- 2016 and key priorities of the UNDP Strategic Plan. In terms of environment, it focuses oncontributing to national capacities for integrated management, conservation, and sustainable use of ecosystems and biodiversity; and for a representative network of protected areas to be further strengthened. Agency key actions under the CPAP will focus almost exclusively in building national implementing partners' functional capacities and specialised technical skills in key areas.

204. The project will contribute to meeting the objectives as set out in the Country Programme Document and is consistent with the agreed terms in the UNDP key actions. The strategies to be adopted under the project are consistent with UNDP's mandates in the development arena, and will complement UNDP's work on strengthening governance, in particular improving institutional effectiveness in public institutions.

205. The project is also in line with other international activities and regional programmes. It is in line with the MDGs adopted by Iran, especially MDG-7 on "Environmental Sustainability", the indicators for which include biodiversity mainstreaming in production landscapes.

206. The programme will be guided by the five inter-related principles of the UN Development Group (UNDG):

- Human-rights-based approach to programming, with particular reference to the UNDG Guidelines on Indigenous Peoples' Issues,
- Gender equality;
- Environmental sustainability;
- Results-based management;
- Capacity development.

207. In addition, the project will:

- Facilitate partnerships, drawing on expertise from a range of national and international organisations acting as executing agencies to ensure well coordinated and timely action;
- Actively contribute to coordination and mainstreaming in-country, while avoiding duplication of effort with other initiatives.

Linkages with GEF Financed Projects

208. UNDP has considerable experience in the arena of biodiversity conservation in Iran, as is the case across the Middle East and Asia in general, working with a broad range of partner institutions. UNDP is thus in a good position to ensure inter-project learning within Iran, and with similar initiatives in neighbouring countries.

209. UNDP has experience in supporting the development and implementation of forest governance systems and creation of PAs internationally. Regionally and in Iran UNDP has ongoing and recently completed biodiversity conservation and sustainable land management projects.

210. This initiative forms part of a suite of GEF supported initiatives that aim at biodiversity conservation. The project will collaborate closely with other related initiatives in Iran supported by both GEF and other co-financiers. The GEF has made a sizable investment in biodiversity conservation in Iran.

Table 6. Directly Associated GEF Financed Projects in Iran

GEF ID	Project Name	Focal Area	Status
1145	Conservation of Iranian Wetlands	Biodiversity	Under Implementation
1322	Conservation of Biodiversity in the Central Zagros Landscape Conservation Zone	Biodiversity	Under Implementation

211. This project will collaborate closely with, and build on the findings of, other GEF projects in Iran, without repeating the efforts made in those projects. Notably, these are:

212. **Conservation of Iranian Wetlands.** The project goal is to catalyse the sustainability of Iran's system of wetland PAs, thereby enhancing its effectiveness as a tool for conserving globally significant biodiversity. The project commenced in early 2005 and is now in its closing stages in 2012. The project seeks to address the root causes of the damage to Iran's wetlands by applying the CBD's Ecosystem Approach at three levels: local, basin and national. The ecological context as well as the geography is very different, but there are lessons to be leant from successful project management leanings.

213. **Conservation of Biodiversity in Central Zagros.** This ongoing project aims to mainstream biodiversity into five production sectors across the Zagros landscape, including the forest sector. This project will also benefit from the lessons learned in cultivating the participation of local communities in forest management, as well as developing alternative livelihoods.

214. Also relevant, the **Caspian Environment Programme (CEP- International Waters)** - full title: 'Towards a Convention and Action Programme for the Protection of the Caspian Sea Environment' – has developed the Caspian Biodiversity Action Plan for the Caspian Sea. It ran from 2004 to 2007 and involved Iran as well as the four other neighbouring littoral states. Although an international waters project, there are lessons to be learnt for the proposed project due to the geography as well as the engagement of multiple public and private stakeholders in the region.

215. Also of note is the **Carbon Sequestration in Desertified Rangelands of Hosseinabad** project that was funded by GEF for seven years from 2003 through UNDP. Although the biophysical and geographical context is very different, lessons are available because it was implemented nationally by FRWO, as the proposed project will be.

216. UNDP in Iran also has a substantial **Small Grants Programme**. SGP projects supported, documented and influenced in Iran include:

- Initiated participatory conservation and first pilot site in the country
- Development/ innovative localised credit funds has been legislated as a mean of sustainable development in the Fifth NDP
- Developing trust between the officials and the working NGOs and inclusion of women in many of the projects through their natural role in production in their communities
- A Ramsar convention internationally important site listed in Montreux record (DorgeSangi or Sirangoli) is rehabilitated and other two wetlands are being revitalised (replication and scaling up through linkage with GEF wetlands project
- Eco-agriculture and Integrated Pest Management (IPM) has officially been adopted by the government and is being funded in 30,000 sites by the Ministry of Agricultural Jihad covering 22 agricultural products in the country
- Formation of a farmers Network between GEF SGP and FAO projects for eco-agriculture and IPM products nationally on over 20 crops
- Partnerships with private sector to promote and wider usage of energy savings technologies has been appreciated and encouraged by authorities
- Up-scaling the agricultural projects in dry areas to include the Evolutionary Participatory Plant Breeding in partnership with a grantee working with the International Centre for

Agricultural Research in the Dry Areas (ICARDA) and using GEF SGP project sites as pilots to upscale the work nationally

217. The work of the SGP portfolio in UNDP Iran has contributed to conserving nine endangered animal species, and two vulnerable plant species have been protected. Of note, GEF support through the SGP has been focused on Conservation of Endangered Persian Leopard in Golestan NP, part of the Caspian Hyrcanian landscape, where lessons can be learnt on a small scale.

218. Of interest as a case study in mainstreaming, in the Asia & Pacific region, the UNDP-GEF Baa Atoll Conservation project in Maldives assisted in mainstreaming biodiversity into the NDP and at least three other plans: Tourism Master Plan, National Adaptation Plan and the third National Environment Action Plan. The project played an important role in banning shark fishing nationally. It surpassed its original plan to establish three PAs within the Baa Atoll by supporting the declaration of six areas that cover over 3,700 ha. The project's work on alternative livelihoods has been implemented with several initiatives on vegetable farming, pearl culture and handicraft production. The project is undertaking several local initiatives to raise awareness of the importance of biodiversity conservation.

1.19 Sustainability

219. Sustainability has been a major consideration throughout the development of this project. There are three key interlinked challenges to assuring sustainability, social, economical and ecological.

Social sustainability

220. The social sustainability of activities and outputs is addressed through the execution of a community forest management capacity analysis and the formation of a detailed integrated forest management involvement strategy and plan which identifies stakeholders' interests, desired levels of involvement, capacities for participation (at different levels) and potential conflicts and, responsive mitigation measures. This will ensure that communities have continuous involvement in decision-making regarding their land and that they continue to support the management system via involvement in income generating practices which will in turn help to conserve the forest. The formulation of strategies and action plans to guide all stakeholders towards working together to manage the land will help to minimise any detrimental impacts of one practice on another, thereby reducing conflict between users in the future. With capacity built at all levels from local communities to district governments, sustainability of Community-based forest management plans will be ensured.

Economic sustainability

221. On a national level, sustainable forestry practices will ensure that the forests are not depleted and remain viable for key production sectors like forestry and tourism on a long-term basis and continue to significantly contribute to Iran's economy. At the landscape level, since for most people in the area agriculture and animal husbandry is a main source of income, the piloting of agri-livestock based activities has great potential to be replicated across the landscape as it builds upon current skills and knowledge and communities are likely to be open to varieties of their current practices rather than changing their livelihoods entirely.

222. The harvesting and local sale of NTFPs as well as sericulture and beekeeping provides an alternative and some income for many people in the landscape. However, currently the level of knowledge, skill and facilities in the processing, branding and marketing of the products is inadequate to turn these activities into a viable and sustainable livelihood. The project will build capacity for this by implementing education and training programmes in these areas, for example in the processing of cocoons into silk products, thereby adding value to the products sold and increasing income.

223. With regards to the development of tourism in the Caspian landscape, the natural beauty of the

landscape in terms of its geological features and its wildlife has the potential to become a booming ecotourism attraction. The area is already very popular amongst domestic tourists, yet tourism facilities are currently limited. Iran is investing in tourism as part of the Vision 2025 initiative, and the capacity building elements of the project in this area will enable ecotourism activities such as hiking and birdwatching to be developed, attracting more international tourists the area thus building a sustainable local economy as well as Iran's economy as a whole.

Ecological sustainability

224. Ecological sustainability will be addressed through the mainstreaming of biodiversity into policies and frameworks regarding management of the landscape. Integrated management at a landscape level will take into account ecological processes such as water flow through the ecosystem and the ecological cost of all activities and will provide management frameworks accordingly in order to ensure the sustainability of activities. Capacity will be built for biodiversity monitoring so that plans can be revised as and when necessary. As sustainable land management will provide long term incomes for all stakeholders there will be no need for either unsustainable resource use such as the offtake of wood for fuel or land practices such as livestock grazing in forests and increased capacity to enforce relevant regulations will ensure the prohibition of such activities; biodiversity will therefore be protected in key areas and managed appropriately across the rest of the landscape.

1.20 Climate Change Adaptation

225. As the climate changes, Iran is predicted to experience a loss in alpine species due to increasing temperatures; increased aridity and the expansion of deserts; reduced agricultural productivity due to changes in temperature and precipitation patterns as well as extreme weather events; an increase in forest fires which are already a major problem in northern Iran. Climate change will disrupt the relationship between species across both flora and fauna, reducing the ecological viability of habitats and threatening the survival of many species.

226. Adaptation is the process to improve society's ability to cope with changes in climatic conditions across time- and policy scales. It will be increasingly important to enhance the efficiency of water use and to manage the supply and demand of water by means of the conjunctive use of water resources, including landscape level approaches to water management. Spatial planning that takes ecosystem requirements with a landscape scope into consideration will be increasingly crucial. Three key issues surround planning for climate change adaptation approaches; policy limitations, capacity building and the management of data, as follows.

Table 7. Climate change adaptation implementation action plan.

Needs / Issue	Adaptation Measures	Scope & Management	Responsible
Policy Limitations	Apart from protecting productive resources of the rural population for sustainable use, policy should target the diversification of the rural economic environment and strengthen water and land management practices. A landscape vision is part of this approach.	As part of the overall landscape approach FRWO will work with stakeholders to build a shared understanding of policy requirements.	Landscape level partners, led by FRWO. Lessons learnt collated for and by FRWO, key issues taken forward on a policy level where supported by data and consensus.
Capacity building	Capacity should be in place to manage both protected forest areas and sustainable management in general to supply vital ecosystem services, in particular terrestrial goods and water supply and quality regulation, through the curtailment of habitat loss.	Spatial planning to be incorporated into the landscape coordination planning process in FRWO management systems, lessons learnt provided at a national level.	Landscape level partners, led by FRWO. national feedback, lessons learnt on capacity collated for and by FRWO.

Needs / Issue	Adaptation Measures	Scope & Management	Responsible
Data Management	Regular data collection needs to be conducted regarding precipitation and temperature, and corresponding processes such as water flow and agricultural productivity in order to assess and monitor the effects of climate change on land use.	Analysis of local data on a pilot and a landscape level through coordination mechanisms, led by FRWO.	Landscape and pilot site level partners, FRWO led; data collated in each pilot and shared in the wider Caspian Hyrcanian landscape.

227. The conservation and sustainable management of the Caspian Hyrcanian forests will help to mitigate the effects of climate change.

228. In 2000, CO^2 emissions due to change in Iran's forest and other woody biomass stocks as well as forest and grassland conversion totalled 9,802 Gg, whereas CO^2 uptake totalled 523.93 Gg. Conservation of the Caspian Hyrcanian forests, which constitute over 17 % of Iran's total forested area, could therefore significantly reduce Iran's CO^2 emissions.

229. In addition to storing carbon, the forests regulate the microclimate and water cycle. Droughts or sudden high levels of precipitation will have a reduced effect on the landscape as the forests maintain a healthy water catchment by increasing absorption and reducing fluctuations of water flow through the system. Furthermore, conservation and sustainable use of the forests for alternative livelihoods to agriculture, such as the harvesting of NTFPs for processing and sale, will ensure that households will still have a source of income when unfavourable climatic conditions reduce agricultural productivity.

1.21 Replication Strategy

230. A replication strategy has been developed, to codify good practices and ensure they are systematically replicated across the FRWO management system, while also documented for application in other countries (in Western Asia and elsewhere). Furthermore, the project will institutionalise the use of biodiversity mainstreaming approaches in FRWO and their partners to track the extent to which biodiversity conservation approaches have been incorporated into the primary production sectors, especially forestry. These steps are expected to make a major contribution to improving the overall sustainability of the Caspian Hyrcanian mixed forests landscape.

231. For UNDP, which has a defined strategic approach to replication, scaling up is the process of ensuring coverage, impact, and sustainability of a development innovation such as the approach being taken by this project. Such a process involves not only an expansion of successful projects to a larger scale, but also strengthening of national capacities, and improvements of global, national and local policies. In particular UNDP focuses on the following:

- Strengthening partnership and multi-practice support to deliver cross-sector approach, technical integration, and engage in policy dialogue;
- Addressing the weaknesses in business processes and institutional capacities required to move beyond pilots, demonstration, to wider adaptation and programme implementation;
- Supporting knowledge transfer, capacity development, advocacy and activism at the local level, not relying only on top-down approach to 'trickle down' to communities;
- Creating knowledge and political momentum for informing policy and legislative reforms and nurturing enabling environments.

232. The Project incorporates the documentation of lessons learned and best practices related to management coordination mechanisms and biodiversity conservation (monitoring, assessment and management). The participation of different stakeholders at different levels will enhance their capacities and will facilitate the dissemination and sharing of lessons, which will greatly increase replication success. Lessons from existing landscape coordination and mainstreaming

arrangements in the region and Asia in general are critical to ensure the success of replication, granted local level environmental, social and economic characteristics are taken into account. Work will be carried out at the landscape and individual land unit level (pilots) to have in place synergised development plans and management plans. It will be necessary to demonstrate benefits that stakeholders have gained through coordinated management structures, as it will encourage replication in other areas. The project aims as a core outcome to ensure that the mainstreaming approach will be successfully taken on board, at least initially as a result of efforts in this project, with sound examples set. The support the project will give to operational capacity will be documented, and lessons learned will be shared with regards to the financial planning and inputs from shareholder groups.

233. The project will support training, which will filter through the wider FRWO and national environmental management systems. If the mainstreaming approach can prove to influence enhanced biodiversity management and conservation prospects, with increased cooperation of landholders amid increased or at least stable biodiversity indicators, the approach can be taken to other parts of Iran where there are interlinked land users and usages co-supporting crucial ecosystems.

234. The following table details a replication strategy by component for this project.

Table 8. Replication Strategy by Component

Component	Needs/ Opportunities for Replication	Project Strategy for Replication
COMPONENT 1. An enabling policy and regulatory framework	Apart from protecting productive resources of the rural population for sustainable use, policy should target the diversification of the rural economic environment and strengthen water and land management practices.	The project will involve preparing operational guidelines for the development of management plans for forest ecosystems across the landscape, enabling the replication of plans according to the specific environment. Adjusting policies and frameworks will mean that broader landscapes outside the project area will be covered by the same guidelines. Sharing will be achieved through national and local level dialogues within FRWO, community and distribution of information through printed and spoken media
COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management	Considerable gains are expected in terms of incorporating best practices in sustainable forest management in productive lands amongst staff and managers within the FRWO system, filtered through to communities and other stakeholders.	Once lessons in management best practice have been learnt through the pilots, a replication strategy will be developed and implemented in selected replication pilot landscapes. Once a variety of areas have been subjected to the plan, with varying results, this will enable a comprehensive assessment and plan for appropriate replication and adaptation for other landscapes in the future. Sharing will be achieved through national and local level dialogues within FRWO, community and distribution of information through printed and spoken media
COMPONENT 3. Community piloting of integrated forest management	A proven approach top community engagement and collaborative forest management practices will provide opportunity for replication in the landscape and further afield.	By piloting integrated forest management, with defined involvement of communities, lessons will be learned on a small scale, enabling the plan to be revised according to the results and replicated across other parts of the Caspian Hyrcanian landscape and in other parts of Iran and the region. Sharing will involve printed and spoken media and local fora on community approaches.

PART III: INCREMENTAL LOGIC

1.22 GEF Alternative: Expected Global and National Benefits

235. The project will deliver global benefits by putting in place a governance framework for managing land uses in the Caspian Hyrcanian landscape that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience. The multi-use landscape level planning approach demonstrated by the project is expected to serve as a new model for managing similar mountain forest areas in the country whereby the forest is managed by ensuring an optimal balance among multiple competing uses – one which maximises environmental, economic and social benefits to the society. A summary of the GEF alternative is provided below.

Table 9. Current Practices and the GEF Alternative

Current Practice	Alternative to be put in place by the project
Limited monitoring of legal harvest operations and illegal harvesting leads to deforestation and degradation; Very little management of biodiversity set-asides within the forests	Improved planning and management of forest based on: - identification of forest functions and sites special interests and used to develop the landscape level plan and based on of a cost-benefit analysis of economic and other benefits of forests - forest utilisation areas managed strictly as per a management plan monitored and enforced effectively - community access and ownership increased with pilot community forest management in place and reduce pressures on rest of forests - areas of high biodiversity significance identified and set aside as forest biodiversity set-asides under improved FRWO management systems Delivers the following global benefits: Improved management of forests delivers: sustainable management of more than 800,000 ha of globally significant Caspian forests, with at least 100,000 ha of biodiversity set-asides and 120,000ha under effective pilots
Overgrazing and indiscriminate cutting of trees for fodder leading to forest degradation	Improved livestock management including improved breeds and reduction in total numbers; improved practices such as stall feeding; fallow land and pastures improved; Delivers the following benefits: reduced pressures from livestock practices and grazing, better regeneration of forests, stable income for local communities
Unsustainable agricultural practices leading to low yields, illegal clearing of forests to supplement production	Improved practices to conserve soil fertility and supplementing household incomes with alternative livelihoods - such as aquaculture, sericulture and beekeeping - to decrease dependence on agriculture; monitoring and prevention of land clearing for agriculture Benefits: better productivity and secure livelihoods for the local communities, discourage encroachment into forest areas thereby significantly reducing pressures.

Global Benefits

236. The global benefits that will be delivered by the project are: (i) Sustainable management of 800,000 ha Caspian Hyrcanian forest leading to reduced pressures from illegal felling and unregulated community timber harvesting; livestock rearing; encroachment by smallholder farms and emerging threats from infrastructure development; (ii) at least 100,000 ha added as biodiversity set-asides under FRWO management and increased capacity in multiple use, biodiversity mainstreaming approaches in an additional 120,000 ha of pilot areas; (iii) including least 30,000 ha of forestlands under improved community-based management with clear tenure and rights resulting in long term ownership and stewardship of forests by the local people.

National Benefits

237. Improved management of the Caspian Hyrcanian forests is expected to lead to better

conservation of soil and water resources. A reduction in soil erosion and enhancement of soil organic matter will improve the productivity of agricultural land. Forest function mapping efforts will identify important watersheds and activities to preserve / rehabilitate these areas will be included in the landscape management plan. This will ensure the availability of safe drinking water and water for irrigation.

238. In coordination with the baseline project, the pilot implementation of the landscape plan will generate employment for at least 50% of the people living within the five pilot sites of the Caspian Hyrcanian forests who depend on seasonal employment opportunities for their livelihoods.

239. In addition, the project's attention to increasing the role of communities' in forest management will increase direct benefits from the forest such as through the sustainable harvest of NTFPs such as sericulture, beekeeping and other products. Indirect project benefits will accrue through the increase in social capital and capacity for collective action amongst communities. The socio-economic benefits will span across all sections of the society including women and marginalised groups. Women are identified as active natural resource users and will be targeted as key beneficiaries. They are the primary resource users and are most likely to be engaged in activities such as fuel wood collection and use, collection of NTFPs etc. The project will expend efforts in carrying out wherever possible gender analysis for the design of project interventions especially under component three and shall take steps to ensure that perceptions of both women and men are taken into consideration.

Table 10. Summary of Global and National Benefits

Benefits	Baseline	Alternative	Increment
Global benefits	Mainstreaming approaches will not be taken up to the extent that the opportunity allows; risks from climate change will impact the forest environment with net loss to biodiversity and to incomes Wildlife, unable to range find themselves in areas of limited resources and under increasing pressure from threats from incompatible land uses and unable to adapt to climate change.	Enabled policy and regulatory framework for mainstreaming biodiversity and supporting multiple use approaches	Sustainable management of 800,000 ha Caspian Hyrcanian forest leading to reduced pressures from illegal felling and unregulated community timber harvesting; livestock rearing; encroachment by smallholder farms and emerging threats from infrastructure development; <100,000 ha added as biodiversity set-asides under FRWO management Biodiversity mainstreaming approaches in an additional 120,000 ha of pilot areas >30,000 ha of forestlands under improved community-based management
National and local benefits	Multiple use approaches will not be taken up to the extent that the opportunity allows; risks from biodiversity loss and climate change will impact the nation but particularly the region	Institutional and staff capacity strengthening for multiple-use forest management Community piloting of integrated forest management	Improved management of the Caspian Hyrcanian forests is expected to lead to better conservation of soil and water resources. Greater local employment for people who depend on seasonal employment opportunities for their livelihoods. Sustainable harvest of NTFPs such as sericulture, beekeeping and other products. Increased income from alternative livelihoods developed such as beekeeping, dairy products marketing, rural handicrafts, engagement in eco-tourism etc.

1.23 Cost Effectiveness

240. By encouraging a paradigm shift from unsustainable to sustainable practices to conservation-compatible productive sectors such as forestry and tourism, the project will increase biodiversity benefits without undermining the economic viability of production systems.

241. The relatively limited protection of biodiversity through the existing landscape places a conservation premium on landscapes with important rare and endemic biodiversity. In Iran the cost of rehabilitating fragile land that has become degraded is expensive and at times even prohibitively so. The costs of restoring land once degraded are estimated to be at least USD $ 2000 per km2. The mainstreaming approach follows the *Precautionary Principle* that aims to avoid such degradation in the absence of science-based advice, in addition to minimal upfront investment costs as initial groundwork has been done in three of the five proposed pilot areas.

242. The mainstreaming approach would serve to mitigate land degradation and thereby avoiding potential rehabilitation costs. Collaborative management approaches will allow the costs of biodiversity management operations to be shared amongst beneficiaries, underwritten through income secured from sustainable biodiversity use, rather than shouldered entirely by the Iranian taxpayers via the Ministry of Finance. In addition, expertise in the private sector is expected to render biodiversity conservation and management more cost effective through the transfer of skills and more business-oriented efficient approaches to management.

243. The key aspects of a multiple use approach and its viability will be creating systems for collaborative management of forest resources, financial sustainability, the generation of conservation compatible benefits, and importantly, the distribution, of these benefits. Tourism and forestry, amongst others, offer a couple of options for generating sustainable revenues from these landscapes, as do the alternative livelihoods proposed. The community engagement approach outlines in component three aims take the paradigm of multiple-use a step further by more deeply integrating the market into biodiversity management.

244. While the biodiversity of wildlife in forests can be theoretically be recovered through translocations and re-introductions, some losses are irreversible once they have occurred due to changes in the environment and climate over time. The project will seek to enhance the cost efficiency of biodiversity management by: (i) improving institutional effectiveness, thus ensuring that the positive impact-per-unit investment is improved; (ii) sharing conservation benefits and costs with other stakeholder groups through collaborative arrangements and addressing biodiversity incompatible land uses (by recommending activities with lower biodiversity impact and higher returns per unit of forest land used); and (ii) managing productive landscapes rather than a patchwork of protected areas, thus generating significant economies of scale in overall biodiversity management operations.

245. The project will work directly with targeted stakeholders from the proposed pilot sites as well as more widely, i.e. government, the private sector and communities. It will also be based out of existing facilities and infrastructure and hence, will make a direct contribution to office costs; operating at minimum cost to deliver maximum biodiversity conservation impact. The cost effectiveness of expected outputs and outcomes are summarised below per project Component:

Table 11. Cost effectiveness Strategies by Project Component / Outcomes

Project Component and Outcome	Cost effectiveness strategy
COMPONENT 1. An enabling policy and regulatory framework • Policy and regulatory frameworks for managing multiple use forest landscapes ensures improved biodiversity conservation • New biodiversity set asides under FRWO management defined (with management guidelines) and in place in the Caspian Hyrcanian forest	• Clear understanding of known biodiversity rich areas for the Caspian Hyrcanian forests • Financial and business planning carried out for Caspian Hyrcanian forests • Sustainable land use plan • Determined economic values of Caspian Hyrcanian forests' goods and services • Determined costs of ecosystem degradation in

Project Component and Outcome	Cost effectiveness strategy
landscape • No net loss of forest cover in areas defined as high interest for biodiversity and ecosystem functions between mid-term and end of the project	different land-uses of Caspian Hyrcanian Area • Incorporated values into planning and high level legislation mechanisms
COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management • Increase in capacity at the national and local levels for multiple use of forests, enabling FRWO staff to be able to effectively implement multiple use approaches and utilise biodiversity conservation measures • Increased biodiversity management measures for the Forest biodiversity set asides delivers increased protection • Multiple land-use management of pilot forest landscape directly reduces pressures from agriculture and unsustainable use	• Training to provide the institutional knowledge, that can then be replicated • Defined socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape as well as indigenous knowledge of forest dwellers for multiple-use forest management in order to efficiently deploy international and local know-how and best practices of multiple-use forest management • Coherent sustainable land-use plan • Clearly defined incremental replication strategy
COMPONENT 3. Community piloting of integrated forest management • Increased employment opportunities and increased income from sustainable forestry • Forest degradation due to agriculture, illegal cutting and livestock grazing in community pilots decreased • Forest under community management with clear tenure and rights	• Use of sustainable alternative livelihood strategy • Utilisation of capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management • Use of capacity development exercises and participatory management planning • Use of forest management plans

PART IV: PROJECT RESULTS FRAMEWORK

Table 12. Results Framework for Caspian Hyrcanian Forests Project: Outcomes, Outputs and Indicators

This project will contribute to achieving the following Country Programme Outcome as defined in the CPD for Iran: UNDAF/Country programme Outcome 1. Environmental considerations integrated into development decision-making; 2. Iran contributes to implementation of Multilateral Environment Agreements and internationally agreed targets; UNDAF/Country programme Outcome 4: National, subnational and local capacities enhanced to ensure 1) integrated management, conservation and sustainable use of ecosystems, natural resources and biodiversity; 2. mainstreaming environmental economics into national planning and audits; 3) effective use of knowledge and tools in prevention, control and response to current and emerging environmental pollution; 4) formulation and implementation of climate change mitigation and adaptation plans and projects.
Country Programme Outcome Indicators: Indicator 4.1. Number of localized (tailored to national context) frameworks and mechanisms that integrate sustainable environmental management. Baseline: The 5th NDP provides the legal basis for integration of principles of sustainable development. Target: By 2016, national frameworks for sustainable management of wetlands, mountain ecosystems, dryland and Caspian forests, and biodiversity conservation are in place and piloted. Indicator 4.2: Frameworks for improved PCB and HCFC Management in place and implementation started (Yes/No) . Baseline: Inadequate frameworks conducive to national development priorities. Target: Frameworks introduced by 2016 Indicator 4.3. Localized frameworks, mechanisms and models (tested and piloted according to national context) on climate change mitigation and adaptation are developed (Yes/No). Baseline: Second National Communication in place. Target: By 2016, Third National Communication and Residential Energy Efficiency Frameworks in place.
Applicable GEF Strategic Objective and Program: BD-2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes/ Seascapes and Sectors
Applicable GEF Expected Outcomes: Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation
Applicable GEF Outcome Indicators: Policies and regulatory frameworks (number) for production sectors.

Project Strategy	Indicator	Baseline	Targets[29]	Means of verification	Assumptions
The **long-term goal** to which the project will contribute is "an effective multiple use forest governance system is in operation resulting in enhanced biodiversity and maintained landscape level ecosystem functions, integrity and resilience for the Caspian Hyrcanian Forests of Iran".					
Objective: To put in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest that provides habitat integrity and helps	Landscape area in the Caspian Hyrcanian forests where forestry and other production activities mainstream biodiversity conservation	0 ha	Policy and regulatory frameworks for managing multiple use forest landscapes across~ 800,000 ha of forests	Project Reports; Independent mid-term and final evaluations	The interest and commitment of FRWO management and staff to the new policies and practices developed under the project remain sufficiently high and long-lasting to have the transformational impact. Cooperation of other production sectors such as Livestock, Tourism and Agriculture located

[29] The final time period for realizing project targets is project end (2018), unless otherwise specified.

Project Strategy	Indicator	Baseline	Targets[2]	Means of verification	Assumptions
maintain landscape level ecosystem functions and resilience.	Area of biodiversity set-asides created governed by clear specific management guidelines	Some areas (~ 10%) are under biodiversity set-asides but without any systematic management regime for biodiversity conservation	At least 100,000 ha of new biodiversity set asides under FRWO management defined (with management guidelines)	Project reports; Independent mid-term and final evaluations	in the Caspian forests landscape are forthcoming and fully supportive of the project's objective and approach
	Improvement in Total Capacity Development Scorecard (Annex V)	10	26 at the mid-term evaluatiuon course 42 at the final evaluation course	Mid-term and Final Evaluation	
	Extent and quality of forest cover	Incidents of illicit felling involving creaming of commercially important species; Clearance of forest areas for agriculture leading to 0.5% loss of forests	No net loss of forest cover and improved quality with reduced loss of high grade species	Monitoring reports GIS-RS data BD Tracking Tools	
Component 1: An enabling policy and regulatory framework for multiple use forest management is developed	National policy and regulatory framework is adjusted to meet BD mainstreaming requirements and is updated within operational procedures	FRWO and other FMPs are not coordinated and lack inclusion of biodiversity conservation practices	At least 2 FMPs reviewed; 1 FRWO regulation on multiple use planning issued	Government Orders or notifications, meeting records	FRWO and key sector agencies will support and act upon BD mainstreaming approaches including adoption of appropriate policies and regulations Stakeholder institutions are willing to share information that is required for mainstreaming biodiversity conservation into sector strategies and plans Caspian Hyrcanian Forest stakeholders will embrace and take ownership of a multiple use approach to sustainable forest management Support will be provided by FRWO and other land managers towards stronger degrees of coordination in multiple use management that
	Caspian sustainable land use plan defines a clear direction for the Caspian Hyrcanian Forests and supports mainstreaming biodiversity conservation	Land use plans exist at the basin/catchment levels under FRWO management and similar plans exist for DoE management of PAs. However, a coordinated plan for production sectors does not exist	Sustainable land use plan for Caspian Hyrcanian forest, that a) define biodiversity rich areas to be gazetted as new PAs and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape	Approved Sustainable use plan document	

Project Strategy	Indicator	Baseline	Targets[29]	Means of verification	Assumptions
	Operational guidelines are being utilised to manage multiple land uses in forest landscapes, including improved forestry, small holder agriculture and livestock practices	Forestry, tourism and agriculture sectors lack a coordinated approach to management	At least 3 improved operational guidelines for: i) improved forestry; ii) sustainable small holder agriculture; iii) improved livestock practices and iv) sustainable tourism	Approved operational guidleines documents Project reports	promotes mainstreaming biodiversity conservation There is interest and will to incorporate ecological values into the economics assessment of the of key production sectors and modify plans/strategies accordingly
	Extent of integration of ecosystem values into production sector strategies and plans	Ecosystem goods and services are utilised by production sectors, however their true ecological value is not understood or incorporated into the economics of key production sectors	Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs.	Review if sectoral plans of forestry, livestock and mining sectors	
Component 2: Enhanced institutional and staff capacity for implementing a multiple use forest management plan	Number of training materials and best practices prepared and incorporated into FRWO management planning and induction courses	0	At least 3	FRWO management guidelines Induction course curriculum	Institutions are unwilling to commit the expected number of personnel for training and capacity building Trained staff may not continue in current roles Sector representatives are committed to implementing the sectoral plans that form part of the landscape level Sustianable Land Use Plan for the Caspian Forests
	Improvement in Insitutional and Individual Level Indicators of Capacity Development Scorecard	INSTITUTIONAL	B/L	Tgt.	Mid-term and Final Evaluation
		1. Capacity to conceptualize and formulate policies, legislations, strategies and programme	3	MT: 5 F: 8	
		2. Capacity to implement policies, legislation, strategies and programmes	2	MT: 4 F: 6	
		3. Capacity to engage and build consensus among all stakeholders	1	MT: 5 F: 8	
		5. Capacity to monitor, evaluate and report and learn at the sector and project levels	0	MT: 2 F: 4	
		INDIVIDUAL			

Project Strategy	Indicator	Baseline	Targets[29]		Means of verification	Assumptions
		2. Capacity to implement policies, legislation, strategies and programmes	0	MT: 2 F: 4		
		4. Capacity to mobilize information and knowledge: Technical skills related specifically to the requirements of GEF SO-2 and SP-4	4	MT: 8 F: 12		
	Number of FRWO and other sector staff trained and able to apply multiple-use forest management approaches	0	FRWO: 100 Agriculture: 50 Mining: 20 Tourism: 50 Animal Husbandry: 50		Training records; training evaluations	
	Extend of implementation of the Landscape level sustainable land use plan and lessons generated		At least 50% of identified actions implemented A compendium of lessons learnt developed		Project reports Mid-term and terminal evaluation reports Lessons learnt reports	
	Use of a functional and effective monitoring mechanism for community based illicit felling and land clearing	Community based forests require support for monitoring	Effective monitoring systems in place to control harvesting forest resources		Project reports Mid-term and terminal evaluations	
	Replication strategy that provide a clear intellectual means to expand the work of the project into the wider Caspian Hyrcanian forest landscape	NA	Replication plan for 5 pilot landscapes initiated with secured resources from central and provincial government by the end of the project.		Replication strategy Project terminal report Terminal Evaluation report	

Project Strategy	Indicator	Baseline	Targets[29]	Means of verification	Assumptions
Component 3: Community based integrated forest management piloted	Number of activities included in the alternative livelihood development strategy that are implemented and percentage increase in income of community groups	0 Income baseline of community groups will be established during the first year	At least 4 different types of alternative livelihood activities such as beekeeping, NTFP enterprise, rural handicrafts, aquaculture, dairy product marketing etc. [to be further selected from the PPG shortlist during IW] At least 15-20 % increase in income of targeted community groups	Project administrative records Mid-term and terminal evaluations	Local communities are willing to participate in the conservation and protection of forests (the project addresses their livelihood needs and allays fears of loss of land for agriculture) The opportunities for economic activities would stimulate the poor natural resource dependent marginal communities to organize and perform better.
	Number of community based forest management plans developed and implemented	0	2	Project reports CBF management plan Mid-term and terminal evaluation reports	
	Number of people shifting to alternative livelihood options that reduce pressure on biodiversity	Baseline to be collected in Year 1	Target to be defined at the IW and after design of the SLUP and individual sector plans	Project administrative reports and records Monitoring reports Mid-term and terminal evaluation reports	
	The rate of forest clearance under CFM as compared against non-CFM areas	Baseline to be measured for both CFM and non-CFM in the first year	Forest degradation due to agriculture, illegal cutting and livestock grazing in community pilots decreased by at least 50% in total pilot area and less than non-CFM area	Monitoring and surveillance reports	

OUTPUT – ACTIVITY DETAIL TO ACHIEVE OUTCOMES

Table 13. Project Components, with Outputs and Related Activities

Output	Indicative Activities (carried out on a national and/or pilot level as appropriate)
Component 1: An enabling policy and regulatory framework	
1.1. National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted	1.1.1. Conduct a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems 1.1.2. Adjust and put in practice the national policy and regulatory framework to meet BD mainstreaming needs
1.2. National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices	1.2.1. Prepare operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian 1.2.2. Share the guidelines with stakeholders for comments and finalisation
1.3. Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be classified as biodiversity set-asides and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape	1.3.1. Investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests 1.3.2. Feasibility study of management options carried out for the Caspian Hyrcanian forests 1.3.3. Financial and business planning carried out for Caspian Hyrcanian forests 1.3.4. Assessment of appropriate land-uses and management practices in the landscape 1.3.5 Develop sustainable land use plan 1.3.6 Approve, implement and monitor sustainable land-use plan
1.4. Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs.	1.4.1. Determine economic values of Caspian Hyrcanian forests' goods and services 1.4.2. Determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian Area 1.4.3. Advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms
Component 2: Institutional and staff capacity strengthening for multiple-use forest management	
2.1. Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management	2.1.1. Conduct training/capacity needs assessment for FRWO other key stakeholders 2.1.2. Develop training/capacity development plan 2.1.3. Implement and monitor training/capacity development plan 2.1.4. Exchange technical knowledge with specialised national and international entities
2.2. Training materials and best practices incorporated into FRWO staff induction courses	2.2.1 Training materials are incorporated into FRWO management guidelines and plans 2.2.2 Induction courses set up and in place

Output	Indicative Activities (carried out on a national and/or pilot level as appropriate)
2.3. Effective monitoring and enforcement systems in place to control harvesting forest resources	2.3.1. Assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis 2.3.2. Develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems 2.3.3. Implement the plan
2.4. Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised	2.4.1. Investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape 2.4.2. Investigate indigenous knowledge of forest dwellers for multiple-use forest management 2.4.3. Deploy international know-how and best practices of multiple-use forest management 2.4.4. Develop best practices manual and guidelines for multiple-use forest management
2.5. Sustainable land-use plan implemented in a pilot landscape to provide 'learning by doing' and input to fine tune general the Caspian Hyrcanian forest landscape	2.5.1. Select pilot landscape for piloting sustainable land-use planning and management 2.5.2. Develop sustainable land-use plan in a participatory manner 2.5.3. Implement and monitor sustainable land-use plan
2.6. Replication plan for at 5 other pilot landscapes initiated with secured resources from central and provincial government by the end of the project.	2.6.1. Develop pilot replication strategy 2.6.2. Select replication pilot landscapes 2.6.3. Implement replication strategy in pilot landscapes
Component 3: Community piloting of integrated forest management	
3.1 Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy	3.1.1. Review and revise sustainable alternative livelihoods strategy developed during PPG 3.1.2. Develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy 3.1.3. Implement sustainable alternative livelihoods plan and monitor
3.2 At least 2 community-based FMPs developed and implemented that include prescriptions for sustainable\sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan.	3.2.1. Assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management 3.2.2. Conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes 3.2.3. Develop FMPs for 2 pilot forest landscapes 3.2.4. Implement and monitor management plans in a participatory manner
Project Management: Ensures effective project administration, M&E, and coordination have enabled timely and efficient implementation of project activities.	
Effective project administration, M&E, and coordination have enabled timely and efficient implementation of project activities.	- Establish project office(s) - Recruit skilled HR for efficient management and coordination of project components - Establish project monitoring mechanism

PART V: PROJECT TOTAL BUDGET

246. Total project financing amounts to USD $7,175,000, excluding preparatory costs. Of this, the GEF is expected to finance USD $1,900,000. See details on Total Budget and Workplan below.

Total Budget and Workplan

Table 14. Total Project Budget and Workplan

Award ID:	**To be filled**										
Project Id	**To be filled**										
Award Title:	**Iran: Building a multiple-use forest management framework to conserve biodiversity in the Caspian Hyrcanian Forest Landscape**										
Business Unit:	**IRAN10**										
Project ID:	**PIMS 4078**				**GEF 4470**						
Project Title:	**Building a multiple-use forest management framework to conserve biodiversity in the Caspian Hyrcanian Forest Landscape**										
Executing Agency:	**Forests, Rangeland and Watershed Organisation (FRWO)**										
GEF Component/Atlas Activity	**ResParty (IA)**	**SoF**	**Atlas Budget Account Code**	**Input/ Descriptions**	**Amount (USD) Year 1 (2013-14)**	**Amount (USD) Year 2 (2014 - 15)**	**Amount (USD) Year 3 (2015-16)**	**Amount (USD) Year 4 (2016-17)**	**Amount (USD) Year 5 (2017-18)**	**Total (USD)**	**Budget Notes**
COMPONENT 1. An enabling policy and regulatory framework											
	FRWO	GEF	71200	International Consultants	14,000	15,000	15,000	15,000	12,000	**71,000**	1
	FRWO	GEF	71300	Local Consultants	34,000	41,000	4,2000	40,500	33,000	**190,500**	2
	FRWO	GEF	72100	Contractual Services - Companies	12,000	12,000	12,000	12,000	12,000	**60,000**	3
	FRWO	GEF	71400	Service Contracts – Individuals	15,000	20,000	20,000	15,000	11,500	**81,500**	4
	FRWO	GEF	75700	Training, Workshops and Confer	15,000	24,000	23,000	20,000	20,000	**102,000**	5
	FRWO	GEF	74210	Printing and Publications	5,000	5,500	5,000	5,000	5,000	**25,500**	6
	FRWO	GEF	71600	Travel	7,000	8,000	8,000	8,000	8,000	**39,000**	7

GEF Component/Atlas Activity	ResParty (IA)	SoF	Atlas Budget Account Code	Input/ Descriptions	Amount (USD) Year 1 (2013-14)	Amount (USD) Year 2 (2014 - 15)	Amount (USD) Year 3 (2015-16)	Amount (USD) Year 4 (2016-17)	Amount (USD) Year 5 (2017-18)	Total (USD)	Budget Notes
				Total Component 1 (GEF)	**102,000**	**125,500**	**125,000**	**115,500**	**101,500**	**569,500**	
COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management											
	FRWO	GEF	71200	International Consultants	9,000	10,000	9,000	8,000	8,000	**44,000**	8
	FRWO	GEF	71300	Local Consultants	18,000	19,500	19,500	20,000	19,000	**96,000**	9
	FRWO	GEF	72100	Contractual Services - Companies	20,000	20,000	20,000	20,000	20,000	**100,000**	10
	FRWO	GEF	71400	Service Contracts – Individuals	12,500	13,000	14,000	13,000	12,000	**64,500**	11
	FRWO	GEF	75700	Training, Workshops and Confer	18,000	20,000	20,000	19,000	17,000	**94,000**	12
	FRWO	GEF	74210	Printing and Publications	8,000	9,000	10,000	9,000	9,000	**45,000**	13
	FRWO	GEF	71600	Travel	13,500	14,000	15,000	13,500	13,500	**69,500**	14
				Total Component 2 (GEF)	**99,000**	**105,500**	**107,,500**	**102,500**	**98,500**	**513,000**	
										-	
COMPONENT 3.Community piloting of integrated forest management											
	FRWO	GEF	71200	International Consultants	10,000	10,000	10,000	10,000	10,000	**50,000**	15
	FRWO	GEF	71300	Local Consultants	16,500	17,000	16,500	16,500	16,500	**83,000**	16
	FRWO	GEF	72100	Contractual Services - Companies	50,000	58,000	55,000	50,000	50,000	**263,000**	17
	FRWO	GEF	71400	Service Contracts – Individuals	16,000	18,000	18,000	17,000	15,000	**84,000**	18
	FRWO	GEF	75700	Training, Workshops and Confer	14,000	15,000	14,500	14,500	14,000	**72,000**	19
	FRWO	GEF	74210	Printing and Publications	8,500	9,000	9,000	8,500	8,500	**43,500**	20
	FRWO	GEF	71600	Travel	6,000	7,000	7,000	6,000	6,000	**32,000**	21
				Total Component 3 (GEF)	**121,000**	**134,000**	**130,000**	**122,500**	**120,000**	**627,500**	
Project											

GEF Component/Atlas Activity	ResParty (IA)	SoF	Atlas Budget Account Code	Input/ Descriptions	Amount (USD) Year 1 (2013-14)	Amount (USD) Year 2 (2014 - 15)	Amount (USD) Year 3 (2015-16)	Amount (USD) Year 4 (2016-17)	Amount (USD) Year 5 (2017-18)	Total (USD)	Budget Notes
Management		GEF	71200	International Consultants	0	0	5,000	0	5,000	**10,000**	22
		GEF	71300	Local Consultants	19,000	19,000	44,000	19,000	44,000	**145,000**	23
		GEF	72100	Contractual Services - Companies	3,000	3,000	3,000	3,000	3,000	**15,000**	24
		GEF	71600	Travel	2,000	2,000	2,000	2,000	2,000	**10,000**	25
		GEF	72210	Machinery and Equipment	3,000	2,000	3,000	1,000	1,000	**10,000**	26
				Total Project Management (GEF)	**27,000**	**26,000**	**57,000**	**25,000**	**55,000**	**190,000**	
				PROJECT TOTAL	**349,000**	**391,000**	**419,500**	**365,500**	**375,000**	**1,900,000**	

1.24 *Budget Notes*

General Cost Factors:

247. Local consultants (LC) are budgeted at USD $1,500 per week. International consultants (IC) are budgeted at USD $3,000 per week. This is based on UNDP Iran standard rates.

No.	Budget Notes
	COMPONENT 1. An enabling policy and regulatory framework
1	Technical support required from International Consultants – providing methodological and strategic insight, as well as support in quality control to local consultants - to carry out (a) a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems ($10,000); (b) updating national policy and regulatory framework to meet BD mainstreaming needs ($2,000), (c) preparing operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian ($3,000), (d) an investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests ($10,000) (e) feasibility study of management options carried out for the Caspian Hyrcanian forests ($5,000); (f) financial and business planning for Caspian Hyrcanian forests ($10,000) (g) assessment of appropriate land-uses and management practices in the landscape ($10,000) (h) development of a sustainable land-use plan ($5,000); (i) determine economic values of Caspian Hyrcanian forests' goods and services ($6,000);(j) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian area ($10,000).
2	Substantial technical inputs required from Local Consultants - carrying out the bulk of assignments but provided with technical support from international consultants as appropriate - to carry out (a) a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems ($20,000); (b) updating national policy and regulatory framework to meet BD mainstreaming needs ($5,000), (c) preparing and sharing operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian ($22,000), (d) an investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests ($30,000) (e) feasibility study of management options carried out for the Caspian Hyrcanian forests ($10,000); (f) financial and business planning for Caspian Hyrcanian forests ($30,000) (g) assessment of appropriate land-uses and management practices in the landscape ($30,000) (h) Approve, implement and monitor sustainable land-use plan ($20,000); (i) determine economic values of Caspian Hyrcanian forests' goods and services ($10,000);(j) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian area ($5,000); (k) Advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms ($5,000).Also includes costs for the National Project Manager, under local consultant contract, to provide technical inputs to (a) share multiple use operational guidelines with stakeholders for comments and finalisation ($1,500) and to support a Feasibility study of management options carried out for the Caspian Hyrcanian forests ($2,000).

No.	Budget Notes
3	Contractual Services from Specialist Companies required to carry out (a) Adjust and put in practice the national policy and regulatory framework to meet BD mainstreaming needs ($10,000); (b) investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (($10,000); (c) feasibility study of management options carried out for the Caspian Hyrcanian forests ($10,000) and (e) to develop sustainable land use plan ($30,000).
4	Individual hires required for technical support roles, assisting the NPM in working with consultants to implement the following: conduct a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems ($2,000); adjust and put in practice the national policy and regulatory framework to meet BD mainstreaming needs ($15,000); prepare operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian ($5,000); share the guidelines with stakeholders for comments and finalisation ($1,500); investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests ($5,000); financial and business planning carried out for Caspian Hyrcanian forests ($5,000); assessment of appropriate land-uses and management practices in the landscape ($5,000); develop sustainable land use plan ($10,000); approve, implement and monitor sustainable land-use plan ($10,000); determine economic values of Caspian Hyrcanian forests' goods and services ($10,000); determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian Area ($5,000); advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms ($3,000).
5	Trainings will be utilised to ensure preparation and awareness activities are carried out to achieve the following project outputs: 1.1. National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted ($25,000); 1.2. National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices ($17,000); 1.3. Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be classified as biodiversity set-asides and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape ($35,000), and; 1.4. Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs ($25,000).
6	Funds will be required to ensure adequate stakeholder awareness of project activities therefore once complete these will be printed and disseminated to all key stakeholders in project pilots, the Caspian Hyrcanian landscape, nationally and internationally as appropriate ($25,500).
7	Funds will be required for travel for consultants, contractors and project staff to reach landscape sites whether for research, activity implementation or stakeholder meetings as well as to national level meetings. Stakeholders will be required to attend national and / or landscape level meetings and seminars as appropriate to the particular output and activity ($39,000).
	COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management

No.	Budget Notes
8	Specialist technical support will be required by International Consultants Consultants – providing methodological and strategic insight, as well as support in quality control to local consultants - to implement the following activities: (a) conduct training/capacity needs assessment for FRWO other key stakeholders ($5,000);(b) develop training/capacity development plan($3,000);(c) implement and monitor training/capacity development plan($3,000);(d) exchange technical knowledge with specialised national and international entities(NIL);(e) training materials are incorporated into FRWO management guidelines and plans($2,000);(f) induction courses set up and in place(NIL);(g)assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis($2,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems($1,500);(i) implement the plan($3,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape($3,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management($2,000) ;(l) deploy international know-how and best practices of multiple-use forest management ($5,000);(m) develop best practices manual and guidelines for multiple-use forest management ($3,000);(n) select pilot landscape for piloting sustainable land-use planning and management ($2,000);(o) develop sustainable land-use plan in a participatory manner($3,000);implement and monitor sustainable land-use plan($3,000);(p) develop pilot replication strategy($1,500);(q) select replication pilot landscapes($1,000); and to (r) implement replication strategy in pilot landscapes ($3,000).
9	Specialist and substantial technical support will be required by Local Consultants - carrying out the bulk of assignments but provided with technical support from international consultants as appropriate -to implement the following activities: (a) conduct training/capacity needs assessment for FRWO other key stakeholders ($7,000);(b) develop training/capacity development plan($3,000);(c) implement and monitor training/capacity development plan($7,000);(d) exchange technical knowledge with specialised national and international entities($2,000);(e) training materials are incorporated into FRWO management guidelines and plans($2,000);(f) induction courses set up and in place($5,000);(g)assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis($4,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems($2,000);(i) implement the plan($5,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape($5,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management($3,000) ;(l) deploy international know-how and best practices of multiple-use forest management (NIL);(m) develop best practices manual and guidelines for multiple-use forest management ($4,000);(n) select pilot landscape for piloting sustainable land-use planning and management ($5,000);(o) develop sustainable land-use plan in a participatory manner($10,000);implement and monitor sustainable land-use plan($7,000);(p) develop pilot replication strategy($3,000);(q) select replication pilot landscapes($3,000); and to (r) implement replication strategy in pilot landscapes ($7,000). Also includes costs for the National Project Manager to provide technical inputs to (a) implement and monitor sustainable land-use plan ($10,000) and (b) select replication pilot landscapes ($2,000).
10	Contractual Services from Specialist Companies required to carry out the following activities under NPM supervision: (a) implement and monitor training/capacity development plan ($25,000); (b) induction courses set up and in place ($10,000); (c) implement the monitoring plan ($30,000); (d) implement and monitor sustainable land-use plan ($15,000) and (e) implement replication strategy in pilot landscapes ($20,000).

No.	Budget Notes
11	Individual hires required for technical support roles, assisting the NPM in working with consultants to implement the following activities: (a) conduct training/capacity needs assessment for FRWO other key stakeholders ($5,000);(b) develop training/capacity development plan($2,500);(c) implement and monitor training/capacity development plan($5,000);(d) exchange technical knowledge with specialised national and international entities($2,000);(e) training materials are incorporated into FRWO management guidelines and plans($1,500);(f) induction courses set up and in place($3,000);(g) assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis($2,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems($1,000);(i) implement the plan($3,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape($5,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management($3,000) ;(l) deploy international know-how and best practices of multiple-use forest management ($2,000);(m) develop best practices manual and guidelines for multiple-use forest management ($3,000);(n) select pilot landscape for piloting sustainable land-use planning and management ($2,000);(o) develop sustainable land-use plan in a participatory manner($5,000);implement and monitor sustainable land-use plan($5,000);(p) develop pilot replication strategy($3,000);(q) select replication pilot landscapes($1,500); and to (r) implement replication strategy in pilot landscapes ($10,000).
12	Trainings will be utilised to ensure preparation and awareness activities are carried out to achieve the following project outputs: 2.1. Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management ($26,00); 2.2. Training materials and best practices incorporated into FRWO staff induction courses ($3,000); 2.3. Effective monitoring and enforcement systems in place to control harvesting forest resources ($6,000); 2.4. Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised ($26,000); 2.5. Sustainable land-use plan implemented in a pilot landscape to provide 'learning by doing' and input to fine tune general the Caspian Hyrcanian forest landscape ($24,000) and 2.6. Replication plan for at 5 other pilot landscapes initiated with secured resources from central and provincial government by the end of the project ($9,000).
13	Funds will be required to ensure adequate stakeholder awareness of project activities therefore once complete these will be printed and disseminated to all key stakeholders in project pilots, the Caspian Hyrcanian landscape, nationally and internationally as appropriate ($45,000).
14	Funds will be required for travel for consultants, contractors and project staff to reach landscape sites whether for research, activity implementation or stakeholder meetings as well as to national level meetings. Stakeholders will be required to attend national and / or landscape level meetings and seminars as appropriate to the particular output and activity ($69,500).
	COMPONENT 3.Community piloting of integrated forest management

No.	Budget Notes
15	Specialist technical support will be required by International Consultants– providing methodological and strategic insight, as well as support in quality control to local consultants - to implement the following activities under the guidance of the NPM: (a) review and revise sustainable alternative livelihoods strategy developed during PPG ($4,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy ($2,000); (c) implement sustainable alternative livelihoods plan and monitor ($10,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management ($4,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes ($20,000); (f) develop FMPs for 2 pilot forest landscapes ($5,000); and (e) implement and monitor management plans in a participatory manner ($5,000);
16	Specialist technical support will be required by Local Consultants - carrying out the bulk of assignments but provided with technical support from international consultants as appropriate -to implement the following activities under the guidance of the NPM: (a) review and revise sustainable alternative livelihoods strategy developed during PPG ($5,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy ($2,000); (c) implement sustainable alternative livelihoods plan and monitor ($10,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management ($6,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes ($35,000); (f) develop FMPs for 2 pilot forest landscapes ($5,000); and (e) implement and monitor management plans in a participatory manner ($10,000). Also - costs for the National Project Manager to provide technical inputs to implement the sustainable alternative livelihoods plan and monitor it ($10,000).
17	Contractual Services from Specialist Companies required to carry out the following activities under NPM supervision: (a) implement sustainable alternative livelihoods plan and monitor it ($75,000); (b) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes ($30,000); (c) develop FMPs for 2 pilot forest landscapes ($18,000) and (d) implement and monitor management plans in a participatory manner ($140,000).
18	Individual hires required for technical support roles, assisting the NPM in working with consultants to implement the following activities: (a) review and revise sustainable alternative livelihoods strategy developed during PPG ($5,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy ($3,000); (c) implement sustainable alternative livelihoods plan and monitor ($35,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management ($6,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes ($10,000); (f) develop FMPs for 2 pilot forest landscapes ($5,000); and (e) implement and monitor management plans in a participatory manner ($20,000);
19	Trainings will be utilised to ensure preparation and awareness activities are carried out to achieve the following project outputs: 3.1 Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy ($18,000) and 3.2 At least 2 community-based FMPs developed and implemented that include prescriptions for sustainable\sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan ($54,000).

No.	Budget Notes
20	Funds will be required to ensure adequate stakeholder awareness of project activities therefore once complete these will be printed and disseminated to all key stakeholders in project pilots, the Caspian Hyrcanian landscape, nationally and internationally as appropriate ($43,500).
21	Funds will be required for travel for consultants, contractors and project staff to reach landscape sites whether for research, activity implementation or stakeholder meetings as well as to national level meetings. Stakeholders will be required to attend national and / or landscape level meetings and seminars as appropriate to the particular output and activity ($32,00).
	Project Management
22	Technical support required from International Consultant(s) for midterm ($5,000) and final evaluations ($5,000) (teamed up with local consultants).
23	Technical support required from Local Consultants for midterm ($25,000) and final evaluations ($25,000) (teamed up with an international consultant). Also includes costs for the National Project Manager (a local consultant hire) to carry out day-to-day management activities (not specifically covered by output based consultant costs or local hire) under the three components ($95,000).
24	Contractual Services from specialist accountancy companies required in carrying out annual audits at $3,000 a year ($15,000).
25	A total of $10,000 has been budgeted for non-output specific activities travel by staff of the PCU to allow for effective project coordination between the PCU and the different pilot areas and numerable field sites within them.
26	$10,000 has been budgeted for computer purchases, computer upgrades and services and field and office equipment.

WORKPLAN. This budget will be used as the basis for the preparation of Annual Work Plans by the Project Management Unit.

1.25 Co-Financing

Table 15. Details of Co-financing

Name of Co-financier (source)	Classification	Type	Project (USD)	%
Forests, Rangeland Watershed Organisation (FRWO)	Government	Grant	3,000,000	57
Forests, Rangeland Watershed Organisation (FRWO)	Government	In Kind	1,925,000	36
UNDP	Imp.Agency	Grant	150,000	3
UNDP	Imp.Agency	In Kind	200,000	4
Total Co-financing			**5,275,000**	**100**

Government of Iran co-financing

248. The Government of Iran, through FRWO, is committed to co-financing of the amount of USD 4,925,000 (of which USD 3,000,000 is in cash and 1,925,000 is in kind).

United Nations Development Programme co-financing

249. UNDP's contribution is estimated USD 350,000 (of which USD 150,000 is in cash and 200,000 is in kind).

PART VI: MANAGEMENT ARRANGEMENTS

1.26 Project Management & Implementation

250. The project will be implemented over a period of five years beginning in 2013. The project implementation plan is presented below. An inception period will be used to refine the project design and bring on board fully the relevant stakeholders for implementation.

Execution Modality.

251. The project will be executed under National Implementation (NIM) modalities where UNDP will act as the provider of the services and facilities that come about through a successful proposal. The project will be funded by GEF through UNDP, which is accountable to GEF for project delivery. UNDP thus has overall responsibility for supervision, project development, guiding project activities through technical backstopping and logistical support.

252. FRWO shall retain overall responsibility for UNDP support and shall be the National Implementing Partner. FRWO will work in close cooperation with the Ministry of Agriculture Jihad (its home ministry), the Ministry of Foreign Affairs, the GEF Focal Point, and the Ministry of Finance. FRWO will also coordinate activities on a local pilot level with through direct engagement with its provisional level offices.

253. The project will thus be executed by FRWO but in close collaboration on an implementation level with other government divisions as well as with civil society and private sector stakeholders and with financial and technical support from UNDP.

254. The Ministry of Agriculture Jihad is ultimately responsible for policy mainstreaming whereas FRWO is ultimately responsible for site activity execution, however site execution by FRWO will be managed in close collaboration with responsible parties, the stakeholder implementation partners (government, communities, civil society and private sector). Within the government, the Ministry of Foreign Affairs will be the GEF Focal point for this project and have a close association to other Ministry and FRWO senior officials in ensuring top-level project oversight.

Implementation Modality.

255. Coordination among the Government ministries and FRWO will be achieved through creation of a **Project Central Office** (PCO). A **Project Steering Committee** (PSC) and allowing for project assurance and technical advisory support from UNDP, will oversee the PCO. The PSC will allow not only high-level coordination between government agencies, but will also provide a mechanism for open and effective project management.

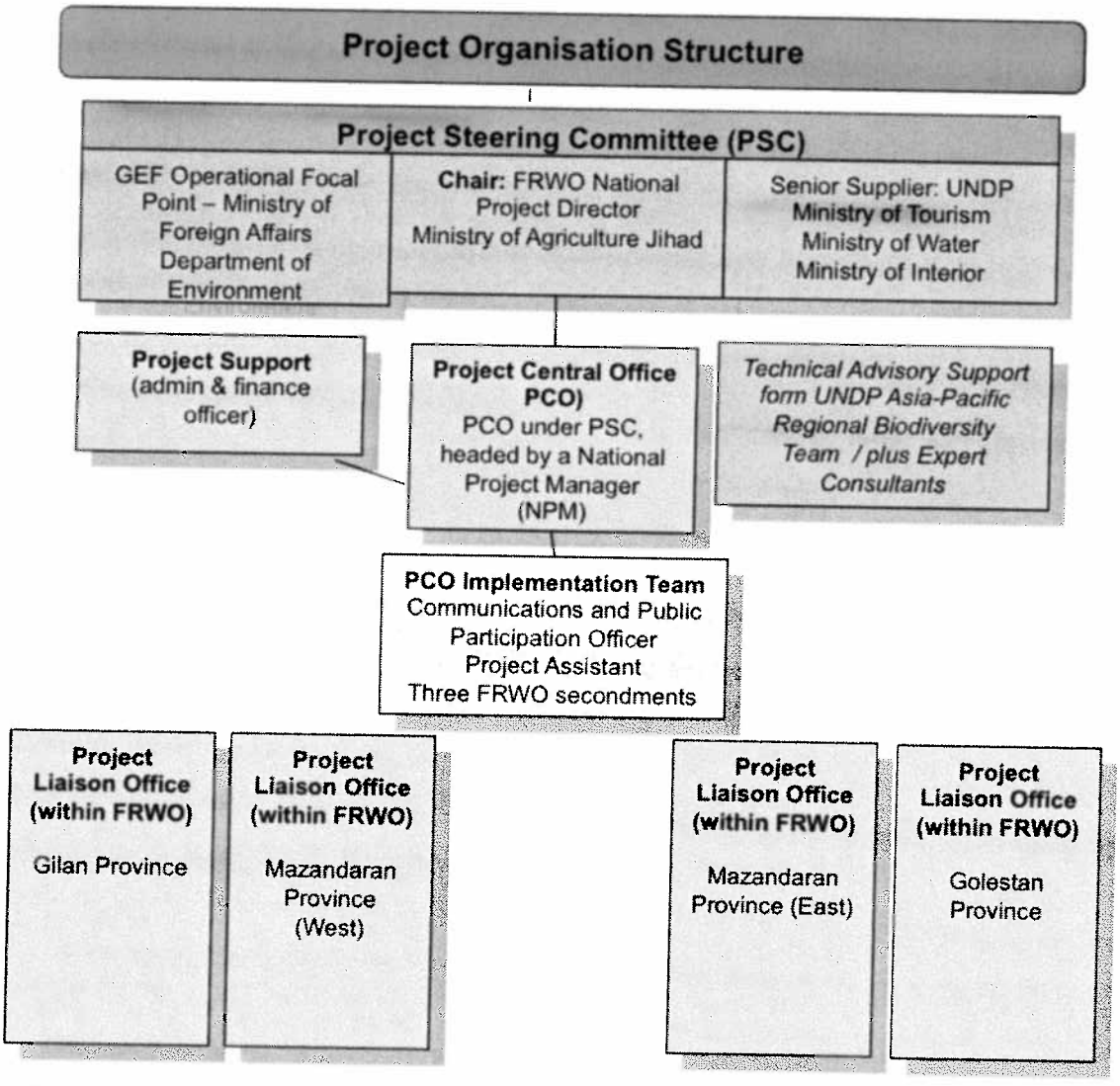


Figure 10. Overview of Project Organisation Structure

256. Project activities will be implemented at the overall management and the two landscape levels. The PCO will be responsible for overall coordination of project activities, but in particular, it will coordinate national and intra-landscape level activities that are largely linked to policy and systematic and institutional capacities for managing PAs landscapes.

257. The PCO will also be responsible for coordination and mainstreaming of lessons and experiences into government operations, lessons learnt from activities in other related GEF funded projects and linking with additional ongoing related projects. The PCO will be headed by a National Project Manager (NPM) who shall be a fulltime resource acquired competitively. Funds will flow from UNDP to a dedicated project account, managed by FRWO. At the Caspian Hyrcanian landscape level, the NPM will be supported by a project assistant, a finance and administration officer, a communications and public participation officer and three or four FRWO staffers, seconded from FRWO - dedicated to implementing the work of the project via the PCO on the landscape level. The

PCO will also engage the support of volunteer researchers if necessary.

Project Steering Committee

258. The PCO will be guided by the PSC. The PSC will be chaired by an agreed senior FRWO representative, who will also take the role of National Project Director and shall be responsible for supervising project development, guiding project activities through technical backstopping and for contracting staff where necessary. In total one representative of each government agency shall be members (membership to be finalised at inception, but likely to include Ministry of Foreign Affairs, FRWO, DoE, Ministry of the Interior, Ministry of Water and Ministry of Tourism). UNDP will have one representative present who will advise the PSC in its deliberations and may vote in cases where a majority has not been met. Members shall have been elected during the Inception meeting. The PSC shall report to UNDP and GEF.

259. The PSC members shall meet at least twice in a year prior to PCO meetings. The NPM will be a member of the PSC as an ex-officio observer responsible for taking and distributing minutes. Other PCO staff working under the NPM shall attend meetings of the PSC by invitation and only on a need to basis.

260. The role of the PSC will be to:

- Provide strategic advice to the PCO for the implementation of project activities to ensure the integration of project activities with poverty alleviation and sustainable development objectives
- Ensure coordination between the project and other ongoing activities in the country
- Ensure interagency coordination
- Ensure full participation of stakeholders in project activities
- Provide technical backstopping to the project
- Assist with organisation of project reviews and contracting consultancies under technical assistance
- Provide guidance to the PCO

Project Coordination

261. The PCO project management team will be responsible for day-to-day oversight and coordination on implementation of project activities including supervision of activities contracted to consultants by Government. The NPM heading the PCO will report to the Project Steering Committee, on a quarterly basis and maintain a direct liaison with UNDP through the Energy and Environment cluster. The NPM shall be assisted by an Administrator/ Accountant and will be based at FRWO headquarters in Chalus. The NPM will receive reports and feedback from the pilot level, fed through FRWO liaison officers for the four offices (Gilan, Mazandaran West. Mazandaran East and Golestan) within the three provinces. Each liaison officer shall act as a lynch pin to coordinate activities on a pilot level between the partners.

262. The NPM will link with other GEF project coordinators sharing lessons learnt relevant to mainstreaming activities and also to other government led initiatives such as institutional strengthening activities, policy and preparation of management plans. The NPM will report directly to the PSC on the basis of approved workplan participate directly at the PSC with the agencies

reports and workplan approved at the same meeting, and shall work under the guidance of outputs from PAC meetings.

Landscape Level Project Implementation

263. Overall management of activities in these pilots will be coordinated by the PCO through the NPM and his/her team under the guidance of the PSC.

264. In order to gain maximum efficiency in project implementation, under the guidance ands assistance of the NPM in Chalus (with regular site visits required dedicated liaison officers seconded from FRWO will be responsible for the implementation of pilot related activities. Where there are lessons learnt, intra-landscape / intra pilot area crossover issues, or higher-level engagement is required, responsibility will be decreed to the NPM.

Project Components.

265. The project will comprise three complementary components. Each addresses a different barrier and has distinct outcomes. Overall management of these shall be coordinated by the PCO under the leadership of the Project Steering Committee.

Inception Session

266. The project will begin with an inception session. The Project Steering Committee, with the support of the NPM will review the project document prior to the meeting and recommend revisions in light of the prevailing situation. This may include updating the log-frame and institutional arrangements. The NPM will present the finalised work plan and first quarterly plan to the Steering Committee, copied to the PSC. All key stakeholders will participate and the workshop will offer an opportunity to ensure coordination between all the players and establish a common ground of understanding necessary to ensure the smooth running of project implementation.

267. A fundamental objective of the Inception Session (IS) will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalise preparation of the project's first annual workplan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalise the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

268. Additionally, the purpose and objective of the IS will be to: (i) introduce project staff with the UNDP-GEF expanded team which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and the project team; (iii) provide a detailed overview of UNDP-GEF reporting and M&E requirements, with particular emphasis on the Annual Project Implementation Reports (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Reviews, as well as mid-term and final evaluations. Equally, the IS will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget re-phasings.

269. The IS will also provide an opportunity for all parties to understand their 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

and decision-making structures will be discussed again, and broadened, as needed, in order to clarify each party's responsibilities during the project's implementation phase.

Technical Assistance

270. Short-term national as well as international technical assistance will be provided by the Project, on a consultancy basis, in order to overcome barriers and achieve the project outputs/outcomes. Technical assistance will be directly contracted by the PSC, through a transparent procurement process (i.e. the development of Terms of References and recruitment) following UNDP regulations and will directly assist the implementing entities and report to the Project Steering Committee. Many of the project components are innovative and need some level of consultancy input. These include issues such as: Landscape planning, PA Economics, Business Plans, Institutional Capacity Building, gap analysis and climate change adaptation strategies, etc. Where needed these local consultancy inputs have been identified and budgeted.

Funds flow

271. Project funds will pass from GEF to UNDP and thereafter to FRWO, which in turn may commission funds to consultant bodies, civil society specialists or other government agencies, according to the specific tasks agreed upon and based upon standard UNDP bidding, recruitment, transparency and auditing requirements and regulations, against specific outputs.

Public involvement Plan

272. At the national level the project will engage with governments, the private sector, communities, donors, NGOs and experts over meeting the project objective according to its strategy. The project will also seek to inform all stakeholders of the values of landscape level activities, the problems that they are facing, why they need to support project outcomes and how this should go about in an equitable and efficient manner.

Reporting

273. As head of the PCO, under the Steering Committee, the NPM will be responsible for the preparation of reports for the Steering Committee, PSC and UNDP on a regular basis, including the following: (i) Project Inception Report (PIR); (ii) APR; (iii) Project Implementation Report; (iv) Quarterly Progress Reports; and (v) Project Terminal Report. The Quarterly progress reports will provide a basis for managing project disbursements. These reports will include a brief summary of the status of activities, explaining variances from the work plan, and presenting work-plans for each successive quarter for review and endorsement. The APR will be prepared annually, and will entail a more detailed assessment of progress in implementation, using the set indicators. It will further evaluate the causes of successes and failures, and present a clear action plan for addressing problem areas for immediate implementation.

274. *Annual Monitoring* will occur through the *Tripartite Review (TPR).* The TPR will be composed of Government representatives, UNDP and the Project. This will serve as the highest policy-level meeting of the parties directly involved in the implementation of the project. The project will be subject to TPR at least once every year. The first such meeting will be held within the first twelve months of implementation. The APR will be prepared and submitted to UNDP-CO and the UNDP-GEF Regional Office at least two weeks prior to the TPR for review and comments. The project will be subjected to at least two independent external evaluations:

- **Mid-term Evaluation** - will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed;
- **Final Technical Evaluation** - will take place three months prior to the terminal TPR meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals.

275. The PCO will, utilising input from the NPM, provide the country UNDP Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognised auditor of the Government, or by a commercial auditor engaged openly by the PCO.

276. FRWO will provide the country UNDP Resident Representative with certified periodic financial statements, with an annual audit of the financial statements relating to the status of funds according to the established procedures set out in the Programming and Finance Manuals. The Audit will be conducted by the legally recognised auditor of the Government, or by a commercial auditor engaged by the Government.

1.27 Legal Context

277. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of the Islamic Republic of Iran and the UNDP. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

278. UNDP acts in this Project as Implementing Agency of GEF, and all rights and privileges pertaining to UNDP as per the terms of the SBAA shall be extended mutatis mutandis to GEF.

279. The UNDP Resident Representative in Iran is authorised to effect in writing the following types of revision to this Project Document, provided that s/he has verified the agreement thereto by the UNDP-GEF Unit and 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, outcomes 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.*

Audit Requirement

280. The Project Steering Committee will provide UNDP with certified periodic financial statements, with an annual audit of the financial statements relating to the status of project funds according to

the established procedures set out in the UNDP Programming and Finance manuals.

PART IV: Monitoring and Evaluation Plan

281. A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goal and objective, as well as finalise preparation of the project's first AWP. This will include reviewing the log-frame (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the AWP with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

282. Additionally, the purpose and objective of the IW will be to: (i) introduce project staff with the UNDP-GEF team which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting M&E requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Review Report (ARR), as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings. The IW will also provide an opportunity for all parties to understand their roles and responsibilities within the project's decision-making structures, including reporting and communication lines.

283. A detailed schedule of project review meetings will be developed by project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the PIR. Such a schedule will include: (i) tentative time frames for Project Steering Committee Meetings (PSCM) and (ii) project related M&E activities. Day-to-day monitoring of implementation progress will be the responsibility of the NPM based on the project's AWP and agreed indicators. The NPM will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The NPM will also fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the AWP. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

284. Measurement of impact indicators related to global biodiversity benefits will occur according to the schedules defined in the Inception Workshop, using tracking tool scores, assessments of forest cover, wildlife movements and other means. Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the Implementing Partner, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project

activities. Annual Monitoring will occur through the Project Steering Committee Meetings (PSCM).This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to PSCMs four times a year. The first such meeting will be held within the first six months of the start of full implementation.

285. A terminal PSCM will be held in the last month of project operations. The NPM is responsible for preparing the Terminal Report and submitting it to UNDP-CO and UNDP-GEF RCU after close consultation with the PSCM. It shall be prepared in draft at least two months in advance of the terminal PSCM in order to allow review, and will serve as the basis for discussions in the PSCM. The terminal meeting considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its objectives and contributed to the broader environmental objectives. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation.

286. UNDP COs and UNDP-GEF RCU as appropriate, will conduct yearly visits to project sites based on an agreed upon schedule to be detailed in the project's PIR/AWP to assess first hand project progress. A Field Visit Report/BTOR will be prepared by the CO and UNDP-GEF RCU and circulated no less than one month after the visit to the project team, all PSC members, and UNDP-GEF.

1.28 Project Reporting

287. The core project management team (under the NPM) in conjunction with the UNDP-GEF extended team, will be responsible for the preparation and submission of the following reports that form part of the monitoring process. The first six reports are mandatory and strictly related to monitoring, while the last two have a broader function and their focus will be defined during implementation.

288. A Project Inception Report (PIR) will be prepared immediately following the Inception Workshop. It will include a detailed First Year Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any M&E requirements to effectively measure project performance during the targeted 12 months time-frame.

289. The PIR will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalised, the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP CO and UNDP-GEF's Regional Coordinating Unit will review the document.

290. The Annual Project Report/ Project Implementation Review must be completed once a year. The APR/ PIR is an essential management and monitoring tool for UNDP, the Executing Agency and PCs and offers the main vehicle for extracting lessons from ongoing projects at the portfolio level.

291. Quarterly progress reports: Short reports outlining main updates in project progress will be provided quarterly to the local UNDP CO and the UNDP-GEF RCU by the project team, headed by the Policy

Specialist using UNDP formats.

292. UNDP ATLAS Monitoring Reports: A Combined Delivery Report (CDR) summarizing all project expenditures, is mandatory and should be issued quarterly. The NPM will send it to the PSC for review and the Executing Partner will certify it. The following logs should be prepared: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the NPM to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the NPM to maintain and update the Risk Log, using Atlas; and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on the positive and negative outcomes of the project. It is the responsibility of the NPM to maintain and update the Lessons Learned Log.

293. Project Terminal Report: During the last three months of the project the project team under the NPM will prepare the Project Terminal Report. This comprehensive report will summarise all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure the long term sustainability and the wide replicability of the Project's outcomes.

294. Periodic Thematic Reports: As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered.

295. Technical Reports are detailed documents covering specific areas of analysis or scientific specialisations within the overall project. As part of the PIR, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialised analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

296. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team, under the NPM, will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognisable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

1.29 Independent Evaluations

297. The project will be subjected to at least two independent external evaluations as follows: An independent Mid-Term Evaluation will be undertaken at exactly the mid-point of the project lifetime. The Mid-Term Evaluation will determine progress being made towards 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 organisation, 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 CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

298. An independent Final Technical Evaluation will take place three months prior to the terminal Project Steering Committee meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Technical Evaluation should also provide recommendations for follow-up activities.

Table 16. Project Monitoring and Evaluation Plan and Budget

Type of M&E activity	Responsible Parties	Budget USD *Excluding project team Staff time*	Time frame
Inception Workshop	▪ National Project Manager ▪ UNDP CO ▪ UNDP GEF	$10,000	Within first two months of project start up
Inception Report	▪ Project Team ▪ UNDP CO	None	Immediately following Inception workshop
Measurement of Means of Verification for Project Purpose Indicators	▪ National Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members	To be finalised in Inception Phase.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	▪ Oversight by National Project Manager ▪ Monitoring and Evaluation Officer ▪ Project team	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR and PIR	▪ Project Team ▪ UNDP-CO ▪ UNDP-GEF	None	Annually
Quarterly progress reports	▪ Project team	None	Quarterly
CDRs	▪ National Project Manager	None	Quarterly
Issues Log	▪ National Project ManagerUNDP CO	None	Quarterly

Type of M&E activity	Responsible Parties	Budget USD *Excluding project team Staff time*	Time frame
	Programme Staff		
Risks Log	▪ National Project Manager ▪ UNDP CO Programme Staff	None	Quarterly
Lessons Learned Log	▪ National Project Manager ▪ UNDP CO Programme Staff	None	Quarterly
Mid-term Evaluation	▪ Project team ▪ UNDP- CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team)	$30,000	At the mid-point of project implementation.
Final Evaluation	▪ Project team, ▪ UNDP-CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team)	$30,000	At the end of project implementation
Terminal Report	▪ Project team ▪ UNDP-CO ▪ local consultant	Funds are budgeted for local consultants to assist where needed	At least one month before the end of the project
Lessons learned	▪ Project team ▪ Monitoring and Evaluation Officer ▪ UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc)	0	Yearly
Audit	▪ UNDP-CO ▪ Project team	$3,000 per annum	Yearly
Visits to field sites	▪ UNDP Country Office ▪ UNDP-GEF Regional Coordinating Unit (as appropriate) ▪ Government representatives	Paid from IA fees and operational budget	Yearly
TOTAL INDICATIVE COST **Excluding project team staff time and UNDP staff and travel expenses**		**USD 150,000***	

ANNEX I: STAKEHOLDER ANALYSIS

1.30 Stakeholder Overview

Table 17. Key Stakeholders, Role and Responsibilities

Stakeholder	Role and Responsibilities
Forests, Rangelands and Watershed Organisation (FRWO)	Government institution mandated with the management and control of forests in the country. FRWO will be the Implementing partner (GEF executing agency) for the project.
DoE	With advice from the High Council for Environment, has the oversight over implementation of environmental projects including also the management of the national PAs. DoE will be involved in the overall multi-use planning and in particular in the implementation of the activities related to protected forest areas and eventually take over the management of these areas.
Ministries responsible for Agriculture, Livestock and Tourism	In order to ensure that the development plans of the sector ministries are aligned with those that will be promoted under the project, local representatives of these sector ministries will be engaged to the extent possible in all consultations, planning and design of project interventions that relate to agriculture, livestock and tourism. Information and knowledge products developed by the project that are of relevance to the different sectors will also be shared.
CSOs / CBOs	CSOs and CBOs are important stakeholders. They are most active at the local level but will also be engaged and their views will be included in the design implementation of the multiple use management plan and the capacity development activities.
Livestock herders, local communities	Key users and beneficiaries of forests and pasturelands. Will form primary beneficiaries and stakeholders.

1.31 Stakeholder Involvement Plan

299. The project will provide the following opportunities for long-term participation of all stakeholders, with a special emphasis on the active participation of local communities:

300. Decision-making – through the landscape mechanisms and stakeholder groups. The establishment of these structures will follow a participatory and transparent process involving the confirmation of all stakeholders; conducting one-to-one consultations with all stakeholders; development of Terms of Reference and ground-rules; inception meeting to agree on the constitution, ToR and ground-rules for the mechanism and its active land use planning, ecological monitoring and community development units.

301. Capacity building – at systemic, institutional and individual level – is one of the key strategic interventions of the project and will target all stakeholders that have the potential to be involved in brokering, implementing and/or monitoring management agreements related to activities in and around the reserves. The project will target especially organisations operating at the community level to enable them to actively participate in developing and implementing management agreements.

302. Communication - will include the participatory development of an integrated communication strategy.

303. The communication strategy will be based on the following key principles:

- providing information to all stakeholders;
- promoting dialogue between all stakeholders;
- promoting access to information.

304. The project will be launched by a well-publicised multi-stakeholder inception workshop. This workshop will provide an opportunity to provide all stakeholders with updated information on the project as well as a basis for further consultation during the project's implementation, and will refine and confirm the work plan.

305. Based on the extensive list of stakeholders (mostly consulted) a more specific stakeholder involvement strategy and plan can be developed at that inception stage.

Goal and Objectives for Stakeholder Involvement

306. The social sustainability of activities and outputs is addressed through the execution of a stakeholder capacity analysis and the elaboration of a detailed collaborative management involvement strategy and plan which identifies stakeholders' interests, desired levels of involvement, capacities for participation (at different levels) and potential conflicts and, responsive mitigation measures.

Principles of Stakeholder Participation

307. Based on the stakeholder analysis carried out during the PPG phase it is clear that different levels of capacity development activities will be required at the landscape level on the level of the individual PAs. The pilot sites in which the project will work are quite different in nature, composition of members and technical needs on the ground. It is therefore recommended at the generic proposal for capacity development activities will be refined and regularly updated at the level of each landscape.

308. Capacity needs fall overall into four main categories:

- Awareness raising and knowledge development about a landscape approach:
- Knowledge and skills for taking multiple use approaches
- Technical knowledge and skills
- Financial support and investments

The stakeholder participation plan that is further developed at inception will also be based on the principles outlined below.

Table 18. Stakeholder participation principles

Principle	Stakeholder participation will:
Value Adding	be an essential means of adding value to the project
Inclusivity	include all relevant stakeholders
Accessibility and Access	be accessible and promote access to the process
Transparency	be based on transparency and fair access to information; main provisions of the project's plans and results will be published in local mass-media
Fairness	ensure that all stakeholders are treated in a fair and unbiased way
Accountability	be based on a commitment to accountability by all stakeholders
Constructive	seek to manage conflict and promote the public interest
Redressing	seek to redress inequity and injustice

Principle	Stakeholder participation will:
Capacitating	seek to develop the capacity of all stakeholders
Needs Based	be based on the needs of all stakeholders
Flexible	be flexibly designed and implemented
Rational and Coordinated	be rationally planned and coordinated, and not be ad hoc
Excellence	be subject to ongoing reflection and improvement

1.32 Long-term Stakeholder Participation

309. A comprehensive stakeholder analysis was undertaken during the preparation phase. Site visits were carried out through both landscapes. Stakeholders include, but are not limited to key government agencies like FRWO, regional government and local authorities (to provide support through their administrative functions), the private sector, civil society and local communities.

310. Project design reflects strong and effective two-way dialogue between relevant stakeholders at all stages. The full project will continue in this vein, and includes significant investment in a Knowledge Management system, for coordinating the collection, storage, analysis and dissemination of a wide range of information related to FRWO's mandate. In order to ensure the absolute best use is made of this resource, the project will endeavour to ensure that appropriate and sustainable lines of communication are established between FRWO and other stakeholders.

1.33 Analysis of Key Stakeholders

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
FRWO National agency with responsibility for conservation, utilisation, rehabilitation and management of forest landscapes	1. Selection and establishment of FPAs and definition of boundaries	• Improved data on forests in Iran (inventory) • Improved system for selecting new forest protected areas • Prioritised programmefor designation of new FPAs • Improved system for mapping forest protected areas and defining their boundaries	
	2. Management of FPAs	• Improved management plans being prepared and implemented for all FPAs according to the ecosystem approach (river-basin context, inter- sectoral coordination, local community involvement, protection and sustainable use) • Improved understanding of ecological requirements of forest biodiversity • Improved knowledge of species and habitat management techniques	
	3. Legislation for FPAs	• Improved legislation, according to the ecosystem approach (e.g. allowing sustainable use where appropriate) • Improved guidelines for application of legislation • Improved application of EIA legislation (and for smaller projects) • Improved enforcement of legislation within FPAs	
	4. Information and Monitoring of FPAs	• Need for an integrated information management system • Need for guidelines for monitoring forest biodiversity including reporting • Improved capacity in field staff for monitoring forest biodiversity	
	5. Enforcement for implementing rules, standards and legalese	• Improved Standards of wise use of forest products and servises, etc.	

[30] **1 = Low; 2 = Medium; 3 = High; 4 = Very High**

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
		• Improved application of rules and standards of NTFPS, Hunting , Fisheries, Ecotourism, etc, • Improved policies, guidelines and legislation for NTFPs, fisheries, hunting, Ecotourism ,etc,	
	6.Raising and engagement of general public and local communities in environmental issues.(biodiversity conservation, forest protection and rehabilitation, wise use , etc.)	• Improved awareness of forest benefits and of the negative impacts of human activities on forests. • Sensitizing general public and local people to environmental issues and forests. • Engaging people for developing alternative livelihood methods and making sustainable use of forest benefits	
DOE National agency with responsibility for conservation and management of protected areas	1.Selection and establishment of PAs and definition of boundaries	• Improved data on FPAs in Iran (inventory) • Improved system for selecting new forest protected areas • Prioritised programme for designation of new FPAs • Improved system for mapping FPAs and defining their boundaries	
	2.Management of PAs	• Improved management plans being prepared and implemented for all FPAs according to the ecosystem approach (river-basin context, intersectoral coordination, local community involvement, protection and sustainable use) • Improved understanding of ecological requirements of forest biodiversity • Improved knowledge of species and habitat management techniques	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
		• Engaging people in planning and implementing FPAs to develop alternative livelihood methods and making sustainable use of forest benefits • Capacity in field staff and local communities for monitoring Forests biodiversity	
	3.Legislation for PAs	• Improved legislation, according to the ecosystem approach (e.g. allowing sustainable use where appropriate) • Improved guidelines for application of legislation • Improved application of EIA legislation • Improved enforcement of environmental legislation within FPAs • Need for an integrated information management system • Need for guidelines for monitoring forest biodiversity including reporting • Improved Standards of soil and water pollution, etc • Improved application of EIA legislation in FPAs	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
	.4.Information and Monitoring of FPAs 5.Enforcement for implementing rules, standards and legalese 6.Raising and engagement of general public and local communities in environmental issues of forest landscapes	• Improved application of rules and standards of Wise use of FPAs like aquaculture, Hunting ,Ecotourism, etc , • Improved policies, guidelines and legislation for wise use of FPAs including Aquaculture, hunting ,ecotourism , etc, • Improved awareness of forest benefits and of the negative impacts human activities on Biodiversity of forests • Sensitizing general public and local people to environmental issues and forests .	
Ministry of Energy Overall responsibility for energy resources development, management and distribution via Water Resources Management Organisation. Potential benefits from forests include the important role that forests play in the hydrological cycle, microclimate control, groundwater re-charge and flood control.	1. Water resources development and management (dams, diversions, etc) may cause major damage to downstream forest landscapes through reduced inflows, changes to hydrodynamics, changes to water quality, etc.	• Improved awareness of forest benefits and the negative impacts of water resource development activities on forest ecosystems • Improved planning through knowledge of where forests are located • Improved planning and management of dams to safeguard forests • Improved application of Strategic Environmental Assessment for water resource development programmes • Improved application of Environmental Impact Assessment	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
		for water resource development projects • Improved knowledge of best practice approaches	
	2. Water management infrastructure may directly damage forest habitats	• Improved awareness of forest benefits and the negative impacts of water management infrastructure in or near to forests • Improved planning through knowledge of where forests are located • Improved application of Environmental Impact Assessment for water resource development projects • Improved knowledge of best practice approaches	
	3. Monitoring of water quality in rivers, forests and ground water to produce healthy fresh water as a mean of alternative livelihoods for local communities.	• Need for guidelines for monitoring water quality in forests (including reporting) • Improve awareness and capacity in field staff and local communities for monitoring water quality in forests • Improved equipment for monitoring water quality in forests	
Ministry of Agricultural Jihad Responsible for Agriculture and food , management of natural resources (including livestock grazing in forests and watersheds), and fisheries (Shilat) Potential benefits from forests include producing food and improving food security through CBNRM , groundwater recharge, microclimatic moderation, flood and drought control , aquaculture, ecotourism,NTFPs, grazing, etc.			
Legislation	1.Lack of enough and efficient rules and incomplete implementation of current rules and legalese.	• Improved legislation, according to the necessities and ecosystem approach (e.g. allowing sustainable use where appropriate)	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
	2.Laws for Land ownership	• Improved guidelines for application of legislation • Preparing and having approved required rules • Improved enforcement of legislation	
Agriculture Sector	1.Conversion forest lands to farms specially tea and hazelnut orchards	• Improved awareness of forest benefits and the negative impacts of land conversion on forests amongst all staff and local communities • Improved policies and guidelines for agriculture efficiency • Improved policies and guidelines for market analysis and development of community based enterprises • Strategic EIA and EIA to reduce impacts of agriculture policies and projects on forests • Improved knowledge of best practice approaches	
	2.Traditional farming resulted in land and forests degradation	• Improved awareness of forest benefits and the negative impacts of forests degradation on agriculture • Improved management of land and forests to increase agriculture productivity • Improved policies and guidelines for reducing negative impacts of land conversion • Improved knowledge of best practice approaches	
	3. Application of excessive fertilisers and pesticides to agricultural lands may cause eutrophication and toxic pollution in forest ecosystems	• Improved awareness of forest benefits and about the negative impacts of fertilisers and pesticides on forest biodiversity • Improved guidelines, policies and legislation concerning the use of fertilisers and pesticides • Improved knowledge of best practice approaches	
	4. Conversion of forest habitats through large-scale agricultural developments and small-scale farmer encroachment cause to degradation of forest habitats	• Improved awareness of forest benefits • Improved planning through better knowledge of where forests are located • Improved application of Environmental Impact Assessment for large-scale agricultural developments • Improved guidelines policies and regulations to stop and reverse encroachments	
	5. Conversion of rangelands to farms causes soil erosion and land degradation	• Improved awareness of forest benefits • Improved awareness of negative impacts of soil erosion and	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
		land degradation on human's life . • Enforcement for implementing rules and preventing conversion of rangelands.	
Natural resources sector	1. Co-management of natural resources and managing natural resources in coordination of locals.	• Improved awareness of forest benefits • Improved awareness of importance of local community's contribution in managing natural resources. • Improved guidelines and policies for co- management in forests watershed areas.	
	2.NTFPs gathering and shrubs cutting in watershed areas.	• Improved awareness of importance of green cover for pretending erosion to locals and general public • Enforcement for implementation of rules and preventing degradation.	
	3. Flood distribution activities which protect forest watersheds and improve ground water stocks.	• Improved awareness of forest benefits and about the positive impacts of flood distribution in ground water Reservation for community's farms. • Improved flood distribution activities and more attention to watershed management.	
	4. Inadequate enforcement to prevent Over-grazing in the watershed areas increased erosion	• Improved awareness of forest benefits and about the negative impacts of over-grazing on forests • Improved policies, legislation and guidelines to prevent overgrazing and observe the ecological carrying capacity of rangelands • Policies and guidelines for restoration of degraded watersheds	
<u>Fisheries (Shilat) & Aquaculture act.</u> Responsible for organised utilisation of aquaculture in forests and development of aquaculture Strong interest in forests as habitat for aquaculture.	1. Aquaculture activities in forests may disturb forest landscape	• Improved awareness of forest benefits • Improved policies, guidelines and legislation for fisheries in forests to reduce problems of disturbance of forest landscapes • Improved fishery management techniques to reduce disturbance of forest landscape	
	2. Development of sustainable aquacultures will increase the value of forests and works as an alternative livelihood for forest dwellers	• Improved awareness of forest benefits and the negative impacts of introduced species on forest biodiversity • Improved policies, guidelines and legislation about the introduction of environmental impacts assessment on forests • Improve Market analysis and development for community	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
		based enterprises including fish production	
	3. Development of aquaculture facilities inside forests damage forest habitats/landscape and cause pollution	• Improved awareness of forest benefits and about the negative impacts of building aquaculture developments in forest areas • Improved planning of aquaculture projects through knowledge of where forests are located • Improved application of Environmental Impact Assessment for large-scale aquaculture developments • Improved policies, legislation and guidelines relating to aquaculture developments in forests.	
	4. Monitoring of aquaculture activities	• Improved guidelines for monitoring fisheries in forests (including reporting) • Improved capacity in field staff and local communities for monitoring aquaculture activities in forests	
Management and planning organisation	1. management and planning for environmental and conservation activities 2. Planning forests for local economic growth 2. Budget provision and allocation	• Enhancement priority of environmental problems, Biodiversity conservation and forest management • Improved supervision on activities of different organisations and institutions. • Enhance capacity to Plan forest watersheds as a potential source for income and employment generation and economic growth	
Media Agencies (TV, papers, radio) (IRIB ,News agencies, Newsletters , etc)	Raising awareness about forests	• Improved public awareness of forest benefits and the impacts of human activities on forests using different tools like advertisements, training films, CDs…	
Main agencies for the dissemination of information to the public	Facilitating the process of expanding relations with related agencies , organisations and people	• Improved relations between media agencies and the project through holding meetings, etc.	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
Cultural Heritage and Tourism Organisation Responsible for the development of all types of tourism, and also for the protection of cultural and natural heritage Potential major interest in forests through the development of tourism, especially ecotourism. Also interested in the conservation of cultural heritage within and surrounding and within forests Development of sustainable tourism will increase the value of forests	Unsustainable tourism facilities and activities causing direct or indirect damage to forests (including habitat loss, pollution and disturbance). Development of sustainable ecotourism and preparing and implementation of standards will increase the value of forests as an alternative livelihood for local communities	• Improved awareness of forest benefits and about the negative impacts of non-sustainable tourism developments on forests through stakeholders • Better planning of tourism developments respecting the natural heritages of forests • Improved policies, guidelines and legislation for the development and management of tourism (eco-tourism) and enforcement of them inside forests. • Enhance capacity of staff and local communities to plan and implement community based ecotourism management	۳ ۳ ۴
Ministry of Roads and Transportation Establishment of roads and transport infrastructure	Transport infrastructure may cause direct or indirect damage to forests through habitat loss, effects on hydrodynamics, disturbance of wildlife, disturbance of landscapes, etc.	• Improved awareness of forest benefits and about the negative impacts of transport developments on forests • Improved planning of transport developments through knowledge of the location of forests • Improved policy, legislation and guidelines for transport developments near forests • Improved application of EIA for transport developments	
Ministry of Interior Oversees the coordination of national/provincial Governors offices.	Policies from provincial Governor's offices may have negative impacts on forests (e.g. land and water use planning)	• Improved awareness of forest benefits and about the negative impacts of poor land and water use planning on forests in provincial governors offices • Improved policies, guidelines and legislation take into account the ecosystem approach to the management of FPAs	
National Iranian Oil Company	1. Fuel distribution can reduce degradation of	• Improved awareness of forest benefits and of the negative impacts of fuel wood extracting on forests	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
Development and exploitation of oilfields and distribution of fuel	fuel wood gathering from forests	• Improved planning oil distribution through knowledge of where forests are located • Improved legislation, policies and guidelines to minimise environmental damage to forest ecosystem • Improved management of oil distribution systems	
	2. Oil and gas infrastructure (well-pads, roads, pipelines, refineries, etc.) may cause conversion/damage to of forest habitats 3. Oil and gas pollution in water and soil may cause negative impacts on forest biodiversity	• Improved awareness of forest benefits and of the negative impacts of oilfield developments on forests • Improved application of Environmental Impact Assessment for oilfield developments • Improved legislation, policies and guidelines to minimise environmental damage to forests • Improved management of oilfield developments • Improved legislation, policies and guidelines for controlling pollution • Improved emergency response mechanisms for oil pollution in forests	
Ministry of Industry, Mines and trade Policies and guidelines and laws for trade, industries and mines Develop and improve trade, industries and mines of Iran	1. Establishment of Factories and mines may cause conversion of / damage to forest habitats 2. Pollution from factories and mines may cause damage to biodiversity in downstream forests	• Improve awareness of forest benefits and of the negative impacts of infrastructure developments on forests • Improve planning through knowledge of where forests are located • Improve application of Environmental Impact Assessment (EIA) for infrastructure developments • Improved legislation, policies and guidelines to avoid environmental damage to forests • Improve environmental management of factories and mines developments and establishment of ISO 14000 grade leads to implementation of control and execution of Industrial Units.	
	1.Import and export of forest products may affect internal market 2.Lack of policies, guidelines and laws to trade certified forest products resulted in forest degradation and loss of biodiversity	• Improve awareness of forest benefits • Improved legislation, policies and guidelines for trading certified forest products, control prices and markets • Improve awareness of merchantable forest products • Enhance capacity to develop and implement mechanism of forest products' Market analysis and development	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
Military	1. Military facilities and infrastructure may cause conversion of / damage to forests	• Improved awareness of forest benefits and of the negative impacts of military activities on forests • Improved knowledge of where forests are located • Mechanisms for restoring habitats damaged by military activities	
	2. Military activities may cause damage to forests (e.g. pollution from camps, disposing of unused weapons , military maneuvers, explosion of ammunition etc)	• Improved awareness of forest benefits and of the negative impacts of military activities on forests • Improved policies and guidelines for activities to avoid pollution	
Ministry of Education Responsible for all aspects of education	1. Low technical backstops of the values of forests and the impacts of human activities leads to the loss and degradation of forests	• Improved awareness and education of forest benefits and of the negative impacts of human activities on forests among those emerging from education	
	2. Poorly educated staff of all stakeholder agencies leads to poor decisions and management of forests	• Improved awareness of forest benefits and human impacts on forests amongst forest stakeholder decision-makers and managers. • Improved capacity for ecosystem-based management of forests	
Ministry of Health Responsible for the general health of the public Potential major beneficiary from the health benefits that well-functioning forests can provide (reduced flood and drought catastrophes, forest food products, recreation, psychological benefits of a good environment, microclimatic moderation, good water quality) Also concerned by negative impacts of water-borne diseases	Poor awareness of forest health benefits causes lack of attention to forest conservation (healthy weather, healthy water ,Healthy crops, health village,…)	• Improved awareness of health benefits derived from forests, and of the negative impacts human activities on forests • Integration of environment (forests) into health policies • Improved legislation, policies and guidelines to take into account forests contribution to public health • Improved legislation, policies and guidelines to plan and implement forest health villages as an alternative livelihood for local communities and forest dwellers	
Ministry of Foreign Affairs	1. International conventions determine high	• Improved awareness of benefits derived from forests, and of	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
Responsible for international affairs relating to forests	level policies affecting forests	the negative impacts human activities on forests • Improved evidence-based positioning on the future development of international conventions related to forests • Improved translation of international conventions into national legislation and policy	
	2. International financial support (bilateral or multilateral) can either enhance or damage forest conservation	• Improved awareness of benefits derived from forests, and of the negative impacts of human activities on forests • Enhanced bilateral and multilateral funding and technical support for forest conservation and sustainable use • Avoid agreeing bilateral or multilateral financial or technical support that damages forests	
Ministry of Science and Technology (including Universities) Responsible for research and higher level training	1. Poorly educated specialists on co-management leads to damage to forests	• Improved awareness of benefits derived from forests, and of the negative impacts of sectoral activities on forests • Improved opportunities for specialised training on forest co-management	
	2. Poor research on forests biodiversity leads to poor decision-making and management of forests	• Improved awareness of benefits derived from forests, and of the negative impacts of human activities on forests biodiversity • Improved support for research on participatory and sustainable management of forests and biodiversity conservation	
National, provincial and local environmental NGOs Representing those members of the general public who have an interest in the environment, Cultural and social NGOs, may be involved too.	1. Low public awareness and support for forests leads to damage to forests	• Improved awareness of forest benefits and about the negative impacts of human activities on forest amongst NGO members and staff • Improved effectiveness in raising public awareness of forest benefits and human impacts on forests • Improved effectiveness in influencing decision-makers for the ecosystem approach to the conservation and management of forests • Improved effectiveness in influencing and training local communities for the ecosystem approach to the conservation and management of forests	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
	2. Low influence on decision-makers leads to damage to forests	• Improved awareness of forest benefits and about the negative impacts of human activities on forests amongst NGO members and staff • Improved campaigns for influencing national decision-makers for the conservation of forests	
Ministry of Culture and Islamic guidance, Develops and facilitates formal and some informal training and cultural activities such as publications, theater, newspapers, etc.	Sensitizing society members about forest issues,	• Improved awareness of forest benefits and about the negative impacts of human activities on forests • Establishment of a core for more relations between FRWO, department of environment and ministry of culture and Islamic guidance.	
Religious Bodies Raising awareness and training in religious subjects and with attention to link religious values and environmental faith to scientific aspects of project.	Raising awareness and sensitizing the general publicabout the conservation of nature and importance of forests as a religious value.	• Improved awareness of forest benefits and of the negative impacts human activities on forests • More pressure on politicians to conserve forests • More sustainable activities of the public with regard to forests	
Other international Initiatives and projects Exchanging ideas and preparing platform for common activities.	Exchanging ideas about experiences, lessons learned, and technical corporations.		
UNDP-GEF/SGP Supports and prepares conservation projects particularly with attention to local community's participation,	Designing and starting new conservation projects with locals in forests sites	• Improved communication between SGP and project and giving more awareness about forests and finding new working ways. • Exchanging ideas about experiences, lessons learned, and technical cooperation.	
UNDP/GEF Conservation of Siberian		• Improved communication between projects and giving more awareness about Forests for finding new working ways	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
Crane project	May lead to improved management of certain forests and forest species	• Exchanging ideas about experiences, lessons learned, and technical cooperation	
UNDP/GEF Conservation of Biodiversity in the Central Zagros Mountain Ecosystems	May lead to improved management of forest watersheds	• Improved communication between projects and giving more awareness about Forests for finding new working ways • Exchanging ideas about experiences, lessons learned, and technical corporations	
Technical and research institutes Providing Scientific ,Technical and professional backstopping to the project, informing and training experts about new conservation and management methods. helping for technical & professional studies and surveys	.		
Forest and Rangeland Research Centre	Management of forests and rangelands affect the condition of forest ecosystems	• Improved awareness of benefits of forest biodiversity and about the negative impacts of human activities on forests • Enhanced attention to participatory sustainable management of forest watersheds in research programmes	
Centre for Agricultural Research	Agricultural activities affect forests	• Improved awareness of forest benefits and about the negative impacts of human activities on forests • Enhanced attention to forests in research programmes	
Watershed management institute	Management of watersheds affects downstream forests	• Improved awareness of forest benefits and about the negative impacts of human activities on forests • Enhanced attention to forests in research programmes	
Fisheries Research	Management of aquacultures affects forest biodiversity	• Improved awareness of forest benefits and about the negative impacts of human activities on forests • Enhanced attention to forests in research programmes	
The Environment High Council Highest intersectoral government body that	Agrees policies and legislation on the environment which affect FPAs.	• Improved policies and decision-making are compatible with the ecosystem approach for the integrated management of forests	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
makes decisions concerning the management of the environment			
The Forest High Council Highest intersectoral government body that makes decisions concerning the management of forests	Agrees policies and legislation on water which affect FPAs	• Improved policies and decision-making are compatible with the ecosystem approach for the integrated management of forests	
The General Public Potential major beneficiary of multiple forest benefits, and also seriously impacted by the loss of forest benefits for human welfare through damage to forests	1.Low awareness of forest benefits and of the impacts of human activities on forests causes loss and degradation	• Improved awareness of forest benefits and of the negative impacts human activities on forests and human welfare • More pressure on politicians to conserve forests • More sustainable activities of the public with regard to forests	
	2. Ambitions to access more welfare and excessive utilisation of forest products.	• Improved awareness of forest benefits and of the negative impacts human activities on forests • More sustainable activities of the public with regard to forests and human welfare • Enforcement for implementation of rules to prevent excessive utilisation of forest resources	
	3. Lack of sustainable welfare (Poverty) causes excessive utilisation of Natural resources and damages forests.	• Improved awareness of forest benefits and of the negative impacts human activities on forests • Attention to alternative livelihood ways and finding new ways for sustainable utilisation with help of Governmental Organisations, International aids and NGOs,	
Islamic Council of the City Represents the local community to governmental and non-governmental organisations .Working on cultural and some administrative issues of city management and direct work with general	4.Making environmental decisions , Affecting decisions on the city to be environment friendly.	1. Improved awareness of forest benefits 2. Improved awareness about the importance of forests for saving health life in the region. 3. Improved guidelines and policies for environmental management of the city. 4. Improved awareness of developing activities which has impact on forests.	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
public.		5. Using potential of private sector (capital and participation) in conservation issues.	
Islamic Council of Province	Making environment friendly decisions , effecting on other decisions in city and villages	1. Improved awareness of forest benefits 2. Improved awareness about the importance of forests for saving health life in the region. 3. Improved guidelines and policies for environmental management of the city. 4. Improved awareness of developing activities which has impact on forests.	
Islamic Council of villages Representative organisation of local community, Decision making on behalf of local community and presenting community's feedback to governmental and non-governmental organisations .Working on cultural and some administrational issues of city management and direct work with general public.	Making environmental decisions , Affecting decisions on the city to be environmentally friendly.	1. Improved awareness of forest benefits 2. Improved awareness about the importance of forests for saving health life in the region. 3. Improved guidelines and policies for environmental management of the city. 4. Improved awareness of developing activities which has impact on forests	
Islamic Council of the City Represents the local community to governmental and non-governmental organisations. Working on cultural and some administrative issues of city management and direct work with general public.	Making environment friendly decisions , Affecting decisions on the city to be environment - friendly.	• Improved awareness of forest benefits • Improved awareness about the importance of forests for saving health life in the region. • Improved guidelines and policies for environmental management of the city. • Improved awareness of developing activities which has impact on forests. • Using potential of private sector (capital and participation) in conservation issues.	
Islamic Council of Province	Making environment – friendly decisions ,	• Improved awareness of forest benefits	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
	effecting on other decisions in city and villages	• Improved awareness about the importance of forests for saving health life in the region. • Improved guidelines and policies for environmental management of the city. • Improved awareness of developing activities which has impact on forests.	
Islamic Council of villages Representative organisation of local community, Decision making on behalf of local community and presenting community's feedback to governmental and non-governmental organisations .Working on cultural and some administrational issues of city management and direct work with general public.	Making environment-friendly decisions , Affecting decisions on the city to be environment- friendly.	• Improved awareness of forest benefits • Improved awareness about the importance of forests for saving health life in the region. • Improved guidelines and policies for environmental management of the city. • Improved awareness of developing activities which has impact on forests	
Forest dwellers cooperatives & other CBOs Responsible for community forestry Organised bodies of local community trying for reforming situation and more development in the villages	1. directly involved in forest management 2. implementing small project which can improve forest based enterprises as alternative livelihoods to generate income and employment for forest dwellers 3. A great potential for local community's involvement in project activities.	• Improved awareness of forest benefits and about the negative impacts of human activities on forest • Improved awareness about community forestry activities and methods. • Empowerment of local community for establishment of CBOs and working through project goals. • Enhance capacity of local communities and forest dwellers to plan and implement community forestry • Enhance capacity of local communities and forest dwellers to plan and implement community based enterprises • Enhance capacity of local communities and forest dwellers to monitor and evaluate community forestry • Enhance capacity of local communities and forest dwellers to analyse and develop market of forest products and services	

Stakeholder / Interest in forests	Assessment of Impacts	Potential Strategies for Obtaining Support or Reducing obstacles	Priority[30]
Local communities forums and gathering Local communities living around forests Direct users of forests as Potential major beneficiary of multiple forest benefits, and also seriously impacted by the loss of forest benefits through damage to forests	1. Low awareness of forest benefits and of the impacts of human activities on forests causes loss and degradation	• Improved awareness of forest benefits and of the negative impacts human activities on forests • More pressure on politicians to conserve forests • More sustainable activities of the public with regard to forests	
	2. Lack of sustainable welfare (Poverty) causes excessive utilisation of Natural resources and damages forests.	• Improved awareness of forest benefits and of the negative impacts human activities on forests • Attention to alternative livelihood ways and finding new ways for sustainable utilisation with help of Governmental Organisations, International aids and NGOs,	
	3.Over-use of forest products (water, land, grazing, hunting, NTFPs, etc) and/or disturbance causes damage to forests (biodiversity)	• Improved awareness of forest benefits and of the negative impacts of human activities on forests • Better information and education on sustainable use of forest resources, and on sustainable harvests • Participation in preparation and implementation of forest management plans • Need for alternative livelihoods to reduce pressure on forests	
	4. Domestic wastes lead to pollution of forests	• Improved awareness of forest benefits and of the negative impacts of pollution on forests • Improved waste treatment systems	

ANNEX II: TERMS OF REFERENCE – KEY PERSONNEL

Position	Duties and Responsibilities	Qualifications
National Project Manager	• Ensure the timely and effective implementation of the project • Supervise and coordinate activities and production of project outputs • Supervise and coordinate the work of project staff, consultants and any other sub-contractors • Recruit and manage project personnel • Prepare financial plans and budgets as required by UNDP • Liaise with UNDP, MWCT, relevant Government agency and donors/NGO's • Oversee the timely submission of reports, reviews and other documentation required by UNDP, GEF, Project Steering Committee • Disseminate any relevant information about the project as and when necessary • Report project progress to the Project Steering Committee and donors	• A PhD or MSc degree in forestry or wildlife management, environmental science or other related field • More than 15 years experience in forestry / biodiversity conservation and management in Iran • More than 10 years of experience in project/programme management • Working experience with FRWO and the Government of Iran • Experience in coordinating large, multi-stakeholder projects • Ability to administer budgets, supervise staff at all levels and interact with local stakeholders and Government officials • Strong drafting, editing, reporting and presentation skills • Computer efficient • Excellent writing and communication skills
Project Assistant	• Work with the Project Manager to provide technical support to implementation of project activities at central and site level protected areas • Collect, register and maintain all information on project activities • Contribute to the preparation and implementation of progress reports • Maintain project correspondence and lines of communication • Support the preparation of work plans	• A MSc degree in forestry management, environmental science or other related field • More than 5 years experience in biodiversity conservation and management • More than 5 years of experience in project/programme management • Working experience with the Government of Iran • More than 5 years experience of administration

Position	Duties and Responsibilities	Qualifications
	• Assist in logistical organization, field visits, workshops and meetings • Maintain a proper filing system and office administration • Perform other duties as and when required	• financial expenditure and track accounts • Ability to correspond effectively and different stakeholders and organizations • Computer efficient • Excellent writing and communication skills

ANNEX III: CO-FINANCING SUPPORT LETTERS

The letters of co-financing support are attached separately.

ANNEX IV: TRACKING TOOLS

"Objective 2: Mainstreaming Biodiversity Conservation in Production Landscapes/Seascapes and Sectors"

I. General Data	Please indicate your answer here	Notes
Project Title	Building a multiple-use forest management framework to conserve biodiversity in the Caspian Forest Landscape	
GEF Project ID		
Agency Project ID	4078	
Implementing Agency	UNDP	
Project Type	FSP	FSP or MSP
Country	Iran	
Region	MENA	
Date of submission of the tracking tool	September 19th, 2012.	Month DD, YYYY (e.g., May 12, 2010)
Name of reviewers completing tracking tool and completion date	Paul Harrison, M. Reza Khosravi. September 19th, 2012.	Completion Date
Planned project duration	5 years	years
Actual project duration		years
Lead Project Executing Agency (ies)	Forests, Rangeland and Watershed Organisation (FRWO) of the Ministry of Agriculture	
Date of Council/CEO Approval		Month DD, YYYY (e.g., May 12, 2010)
GEF Grant (US$)	$1.9Million	
Cofinancing expected (US$)	$5.175m	
Please identify production sectors and/or ecosystem services directly targeted by project:		
Agriculture	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Fisheries	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Forestry	1	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project

I. General Data	Please indicate your answer here	Notes
Tourism	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Mining	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Oil		1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Transportation	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Other (please specify)		

II. Project Landscape/Seascape Coverage		
1. What is the extent (in hectares) of the landscape or seascape where the project will directly or indirectly contribute to biodiversity conservation or sustainable use of its components? An example is provided in the table below.		
Foreseen at project start (to be completed at CEO approval or endorsement)		
Landscape/seascape[1] area directly[2] covered by the project (ha)	120,000 ha	
Landscape/seascape area indirectly[3] covered by the project (ha)	800,000 ha	
Explanation for indirect coverage numbers:	Policy level	Please indicate reasons
Actual at mid-term		
Landscape/seascape[1] area directly[2] covered by the project (ha)		
Landscape/seascape area indirectly[3] covered by the project (ha)		

II. Project Landscape/Seascape Coverage		
Explanation for indirect coverage numbers:		Please indicate reasons
Actual at project closure		
Landscape/seascape[1] area directly[2] covered by the project (ha)		
Landscape/seascape area indirectly[3] covered by the project (ha)		
Explanation for indirect coverage numbers:		Please indicate reasons

[1] For projects working in seascapes (large marine ecosystems, fisheries etc.) please provide coverage figures and include explanatory text as necessary if reporting in hectares is not applicable or feasible.
[2] Direct coverage refers to the area that is targeted by the project's site intervention. For example, a project may be mainstreaming biodiversity into floodplain management in a pilot area of 1,000 hectares that is part of a much larger floodplain of 10,000 hectares.
[3] Using the example in footnote 2 above, the same project may, for example, "indirectly" cover or influence the remaining 9,000 hectares of the floodplain through promoting learning exchanges and training at the project site as part of an awareness raising and capacity building strategy for the rest of the floodplain. Please explain the basis for extrapolation of indirect coverage when completing this part of the table.

2. Are there Protected Areas within the landscape/seascape covered by the project? If so, names these PAs, their IUCN or national PA category, and their extent in hectares

Number	Name	Category	Area (ha)	Year of establishment	Province	Remarks
1	Golestan	National Park	87402	1967	Golestan	Some eastern parts located in KhorasanShomali province.
2	Paband	National Park	24270	2004	Mazandaran	
3	Kiasar	National Park	7312	2004	Mazandaran	
4	Khoshkedaran	Natural/national monument	254	1967	Mazandaran	
5	Sosansefid	Natural/national monument	.6	1976	Gilan	
6	Harzevil	Natural/national monument	.6	1988	Gilan	
7	Miankaleh	Wildlife Refuge	66933	1969	Mazandaran	
8	Khosh-yeylagh	Wildlife Refuge	150057	1967	Golestan&Semnan	The major parts located in Irano-Turanian region.

Number	Name	Category	Area (ha)	Year of establishment	Province	Remarks
9	DashteNaz	Wildlife Refuge	56	1967	Mazandaran	
10	Dodangeh	Wildlife Refuge	15531	1973	Mazandaran	
11	Semeskandeh	Wildlife Refuge	1041	1973	Mazandaran	
12	Lavandvil	Wildlife Refuge	1074	1973	Gilan	
13	Central Alborz	Protected Area	398853	1968	Mazandaran& Tehran	The major parts located in Irano-Turanian region.
14	Jahannama	Protected Area	103983	1973	Golestan	
15	Lisar	Protected Area	31142	1970	Gilan& Ardebil	
16	BelesKouh	Protected Area	11211	2002	Mazandaran	
17	ChaharBagh	Protected Area	19482	2002	Mazandaran	
18	Vaz	Protected Area	9646	2002	Mazandaran	
19	Haraz	Protected Area	15481	2002	Mazandaran	
20	Shirgah Cascade	Protected Area	3639	2000	Mazandaran	
21	Khibous	Protected Area	3471	2000	Mazandaran	
22	Sheshroudbar	Protected Area	7832	2002	Mazandaran	
23	Asas	Protected Area	2997	2002	Mazandaran	
24	HezarJarib	Protected Area	6159	2002	Mazandaran&Semnan	
25	Boula	Protected Area	3907	2000	Mazandaran	
26	Gashtroudkhan&Siahmazgi	Protected Area	39514	2000	Gilan	
27	Siahroud	Protected Area	28289	2000	Gilan	
28	Sarvelat&javaherdasht	Protected Area	21254	2000	Gilan	
29	Louve	Protected Area	3589	2000	Golestan	

Number	Name	Category	Area (ha)	Year of establishment	Province	Remarks
30	Zav A	Protected Area	5008	2002	Golestan	
31	Zav B	Protected Area	9315	2002	Golestan	

3. Within the landscape/seascape covered by the project, is the project implementing payment for environmental service schemes? If so, please complete the table below. Example is provided.		
e.g. Foreseen at Project Start		*Please Indicate Environmental Service*
		Extent in hectares
		Payments generated (US$)/ha/yr if known at time of CEO endorsement
Foreseen at project start (to be completed at CEO approval or endorsement)		Please Indicate Environmental Service
		Extent in hectares
		Payments generated (US$)/ha/yr
Actual at mid-term		Please Indicate Environmental Service
		Extent in hectares
		Payments generated (US$)/ha/yr
Actual at project closure		Please Indicate Environmental Service
		Extent in hectares
		Payments generated (US$)/ha/yr

4. Within the scope and objectives of the project, please identify in the table below the management practices employed by project beneficiaries that integrate biodiversity considerations and the area of coverage of these management practices. Please also note if a certification system is being applied and identify the certification system being used. Note: this could range from farmers applying organic agricultural practices, forest management agencies managing forests per Forest Stewardship Council (FSC) guidelines or other forest certification schemes, artisanal fisherfolk practicing sustainable fisheries management, or industries satisfying other similar agreed international standards, etc.		
e.g. Foreseen at Project Start		*Please indicate specific management practices that integrate BD*
		Name of certification system being used (insert NA if no certification system is being applied)
		Area of coverage
Foreseen at project start (to be completed at CEO approval or endorsement)	Multiple Use Forest Management	Please indicate specific management practices that integrate BD
		Name of certification system being used (insert NA if no certification system is being applied)
	120,000 hectares	Area of coverage

4. Within the scope and objectives of the project, please identify in the table below the management practices employed by project beneficiaries that integrate biodiversity considerations and the area of coverage of these management practices. Please also note if a certification system is being applied and identify the certification system being used. Note: this could range from farmers applying organic agricultural practices, forest management agencies managing forests per Forest Stewardship Council (FSC) guidelines or other forest certification schemes, artisanal fisherfolk practicing sustainable fisheries management, or industries satisfying other similar agreed international standards, etc.		
Actual at mid-term		Please indicate specific management practices that integrate BD
		Name of certification system being used (insert NA if no certification system is being applied)
		Area of coverage
Actual at project closure		Please indicate specific management practices that integrate BD
		Name of certification system being used (insert NA if no certification system is being applied)
		Area of coverage

Part IV. Market Transformation

5. For those projects that have identified market transformation as a project objective, pleasedescribe the project's ability to integrate biodiversity considerations into the mainstream economy by measuring the market changes to which the project contributed. The sectors and subsectors and measures of impact in the table below are illustrative examples, only. Please complete per the objectives and specifics of the project.		
Foreseen at project start		
		Unit of measure of market impact
Name of the market that the project seeks to affect (sector and sub-sector)		*E.g., US$ of sales of certified apple products / year*
		E.g., cubic meters of sustainably produced wood processed per year
Name of the market that the project seeks to affect (sector and sub-sector)		Unit of measure of market impact

Part IV. Market Transformation		
Actual at mid-term		
		Unit of measure of market impact
Name of the market that the project seeks to affect (sector and sub-sector)		*E.g., US$ of sales of certified apple products / year*
		E.g., cubic meters of sustainably produced wood processed per year
Name of the market that the project seeks to affect (sector and sub-sector)		Unit of measure of market impact
Actual at project closure		
		Unit of measure of market impact
Name of the market that the project seeks to affect (sector and sub-sector)		*E.g., US$ of sales of certified apple products / year*
		E.g., cubic meters of sustainably produced wood processed per year
Name of the market that the project seeks to affect (sector and sub-sector)		Unit of measure of market impact

Part V. Policy and Regulatory frameworks
6. For those projects that have identified addressing policy, legislation, regulations, and their implementation as project objectives, Please complete these tables for each sector that is a primary or a secondary focus of the project. Please answer (1 for YES or 0 for NO) to each statement under the sectors that are a focus of the project.

Biodiversity considerations are mentioned in sector policy		
Agriculture	1	Yes = 1, No = 0
Fisheries	1	Yes = 1, No = 0
Forestry	1	Yes = 1, No = 0

Part V. Policy and Regulatory frameworks		
Tourism	1	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
Biodiversity considerations are mentioned in sector policy through specific legislation		
Agriculture	1	Yes = 1, No = 0
Fisheries	1	Yes = 1, No = 0
Forestry	1	Yes = 1, No = 0
Tourism	1	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
Regulations are in place to implement the legislation		
Agriculture	0	Yes = 1, No = 0
Fisheries	0	Yes = 1, No = 0
Forestry	1	Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
The regulations are under implementation		
Agriculture	0	Yes = 1, No = 0
Fisheries	0	Yes = 1, No = 0
Forestry	0	Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
The implementation of regulations is enforced		
Agriculture	0	Yes = 1, No = 0
Fisheries	0	Yes = 1, No = 0
Forestry	0	Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
Enforcement of regulations is monitored		
Agriculture	0	Yes = 1, No = 0
Fisheries	0	Yes = 1, No = 0
Forestry	0	Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0

ANNEX V: CAPACITY DEVELOPMENT SCORECARD

Project/Programme Name: Building a Multiple-Use Forest Management Framework to Conserve Biodiversity in the Caspian Hyrcanian Forest Landscape. GEFSEC PROJECT ID: 4470; GEF AGENCY ID: PIMS 4078; Project/Programme Cycle Phase: PPG. Date: 22-09-12

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
CR 1: Capacities for engagement						
Indicator 1 – Degree of legitimacy/mandate of lead environmental organisations	Organisational responsibilities for environmental management are not clearly defined	0	1	At least rural people as one of main stakeholders don't recognised the formal authority of lead organisations.	Train and learning about formal organisation responsibility is essential	
	Organisational responsibilities for environmental management are identified	1				
	Authority and legitimacy of all lead organisations responsible for environmental management are partially recognised by stakeholders	2				
	Authority and legitimacy of all lead organisations responsible for environmental management recognised by stakeholders	3				
Indicator 2 – Existence of operational co-management mechanisms	No co-management mechanisms are in place	0	0		Co management have to be defined	
	Some co-management mechanisms are in place and operational	1				
	Some co-management mechanisms are formally established through agreements, MOUs, etc.	2				
	Comprehensive co-management mechanisms are formally established and are operational/functional	3				
Indicator 3 – Existence of cooperation with stakeholder groups	Identification of stakeholders and their participation/involvement in decision-making is poor	0	0	Formal stakeholders are identified however there is no cooperation among	To build a mechanisms lead to cooperation between stakeholders	
	Stakeholders are identified but their participation in decision-making is limited	1				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	Stakeholders are identified and regular consultations mechanisms are established	2		them	specially villagers	
	Stakeholders are identified and they actively contribute to established participative decision-making processes	3				
.... *Add your own indicator(s)*						
CR 2: Capacities to generate, access and use information and knowledge						
Indicator 4 – Degree of environmental awareness of stakeholders	Stakeholders are not aware about global environmental issues and their related possible solutions (MEAs)	0	1	Stakeholders (local people) know the global environmental issues somehow, but they don't know any solution or position in solving the problem	Training the stakeholders to bold the situation and search to find solutions	
	Stakeholders are aware about global environmental issues but not about the possible solutions (MEAs)	1				
	Stakeholders are aware about global environmental issues and the possible solutions but do not know how to participate	2				
	Stakeholders are aware about global environmental issues and are actively participating in the implementation of related solutions	3				
Indicator 5 – Access and sharing of environmental information by stakeholders	The environmental information needs are not identified and the information management infrastructure is inadequate	0	2		Reinforcement the environmental information especially in the situation with lack of information	
	The environmental information needs are identified but the information management infrastructure is inadequate	1				
	The environmental information is partially available and shared among stakeholders but is not covering all focal areas and/or the information management infrastructure to manage and give information access to the public is limited	2				
	Comprehensive environmental information is available and shared through an adequate information management infrastructure	3				
Indicator 6 – Existence of environmental education	No environmental education programmes are in place	0	0		It can be start from first	

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
programmes					educational learning in elementary stage in schools	
	Environmental education programmes are partially developed and partially delivered	1				
	Environmental education programmes are fully developed but partially delivered	2				
	Comprehensive environmental education programmes exist and are being delivered	3				
Indicator 7 – Extend of the linkage between environmental research/science and policy development	No linkage exist between environmental policy development and science/research strategies and programmes	0	1	There are considerable research in the region but few of them used for policy development, in addition environmental policy making are centralised and local organisation have no authority in decision making process		
	Research needs for environmental policy development are identified but are not translated into relevant research strategies and programmes	1				
	Relevant research strategies and programmes for environmental policy development exist but the research information is not responding fully to the policy research needs	2				
	Relevant research results are available for environmental policy development	3				
Indicator 8 – Extend of inclusion/use of traditional knowledge in environmental decision-making	Traditional knowledge is ignored and not taken into account into relevant participative decision-making processes	0	0	Formal agents believe that traditional knowledge is not useful	Recognizing related traditional knowledge and bold the strength of it and rectify the weakness points	
	Traditional knowledge is identified and recognised as important but is not collected and used in relevant participative decision-making processes	1				
	Traditional knowledge is collected but is not used systematically into relevant participative decision-making processes	2				
	Traditional knowledge is collected, used and shared for effective participative decision-making processes	3				
.... *Add your own indicator(s)*						
CR 3: Capacities for strategy, policy and legislation development						

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
Indicator 9 – Extend of the environmental planning and strategy development process	The environmental planning and strategy development process is not coordinated and does not produce adequate environmental plans and strategies	0				
	The environmental planning and strategy development process does produce adequate environmental plans and strategies but there are not implemented/used	1				
	Adequate environmental plans and strategies are produced but there are only partially implemented because of funding constraints and/or other problems	2				
	The environmental planning and strategy development process is well coordinated by the lead environmental organisations and produces the required environmental plans and strategies; which are being implemented	3				
Indicator 10 – Existence of an adequate environmental policy and regulatory frameworks	The environmental policy and regulatory frameworks are insufficient; they do not provide an enabling environment	0	2		Environmental issues must be consider as high priority issues for decision makers	
	Some relevant environmental policies and laws exist but few are implemented and enforced	1				
	Adequate environmental policy and legislation frameworks exist but there are problems in implementing and enforcing them	2				
	Adequate policy and legislation frameworks are implemented and provide an adequate enabling environment; a compliance and enforcement mechanism is established and functions	3				
Indicator 11 – Adequacy of the environmental information available for decision-making	The availability of environmental information for decision-making is lacking	0	1	National environmental decision making are mainly related with national environmental issues.	Mechanisms to connect environmental decision making an environmental research organisations must be identified	
	Some environmental information exists but it is not sufficient to support environmental decision-making processes	1				
	Relevant environmental information is made available to environmental decision-makers but the process to update this information is not functioning properly	2				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	Political and administrative decision-makers obtain and use updated environmental information to make environmental decisions	3				
.... *Add your own indicator(s)*						
CR 4: Capacities for management and implementation						
Indicator 12 – Existence and mobilisation of resources	The environmental organisations don't have adequate resources for their programmes and projects and the requirements have not been assessed	0	2			
	The resource requirements are known but are not being addressed	1				
	The funding sources for these resource requirements are partially identified and the resource requirements are partially addressed	2				
	Adequate resources are mobilised and available for the functioning of the lead environmental organisations	3				
Indicator 13 – Availability of required technical skills and technology transfer	The necessary required skills and technology are not available and the needs are not identified	0	0			
	The required skills and technologies needs are identified as well as their sources	1				
	The required skills and technologies are obtained but their access depend on foreign sources	2				
	The required skills and technologies are available and there is a national-based mechanism for updating the required skills and for upgrading the technologies	3				
.... *Add your own indicator(s)*						
CR 5: Capacities to monitor and evaluate						
Indicator 14 – Adequacy of the project/programme monitoring process	Irregular project monitoring is being done without an adequate monitoring framework detailing what and how to monitor the particular project or programme	0	0	There are no monitoring systems for programmes	Determining of relevant indicators are mandated	
	An adequate resourced monitoring framework is in	1				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	place but project monitoring is irregularly conducted					
	Regular participative monitoring of results in being conducted but this information is only partially used by the project/programme implementation team	2				
	Monitoring information is produced timely and accurately and is used by the implementation team to learn and possibly to change the course of action	3				
Indicator 15 – Adequacy of the project/programme evaluation process	None or ineffective evaluations are being conducted without an adequate evaluation plan; including the necessary resources	0	0			
	An adequate evaluation plan is in place but evaluation activities are irregularly conducted	1				
	Evaluations are being conducted as per an adequate evaluation plan but the evaluation results are only partially used by the project/programme implementation team	2				
	Effective evaluations are conducted timely and accurately and are used by the implementation team and the Agencies and GEF Staff to correct the course of action if needed and to learn for further planning activities	3				
.... *Add your own indicator(s)*			10			

ANNEX VI: Threats To Biodiversity in the Pilot Basins of Baliran, Dohezar and Chelchai

Threats to Biodiversity in Baliran Basin

311. The main threats to the biodiversity of Baliran basin are caused by the high density of livestock and the traditional animal husbandry techniques used in the area. Different threats also work in combination to further degrade the habitat. For example, in the east of the basin, intensive grazing and the existence of basic infrastructure such as electricity and roads have encouraged further conversion of the natural forest into orchards and agricultural fields.

312. Livestock owners carry out a shepherd-based forestry system whereby in each area they clear cut large and well-stratified trees at 0.5-2 ha in order for sunlight to penetrate through to the animals. Livestock density in the basin is high, at 8.4 units per hectare. This increases soil compaction and theanimals feed on leaves, branches and saplings, impeding the regeneration of native trees and causing important tree species tobe replaced by undesirable species such as Caspian Locust and Date Plum. Yearlings and seedlings have low survival rates and as a result, the forest is declining.

313. Forest wood is the main source of fuel in Baliran. The average household consumes 3 m^3 of firewood per month in winter, although recently a natural gas supply has been brought to the area via the national pipeline and whilst almost half of the population use it, other villages not yet connected will be within the next two years. In addition to being a fuel resource, wood is also heavily depended upon by livestock keepers. Each herder uses approximately 100 m^3 of wood annually for construction, processing dairy products and tools. Degradation of the forest in the north-western part of the basin is also caused by the cutting oflarger trees for charcoal production. Illegal logging also occurs widely across the watershed, with loggers using chainsaws and transporting timber in lorries for the commercial selling of high quality wood.

314. Hunting is also a significant threat to the bird and mammal diversity of the basin, and occurs partly in response to threats by the animals to crops and people.Species known to have been hunted include red deer, European roe deer, Eurasian otter and brown bear. Other species known to damage crops include wild boar, jungle cat, leopard and Indian crested porcupine. The current activity of game-guards of the DoE is not sufficient to control hunting. People also hunt birds, including the Eurasian golden oriole, Eurasian woodcock, common wood pigeon and common pheasant.

Threats to Biodiversity in Dohezar Basin

315. Forest degradation and conversion to crops, as well as demand for housing, are the major threats to the biodiversity ofDohezar basin.

316. Using forest wood in traditional heating systems and stoves is common across most of the basin, increasing deforestation and degradation in the area. Lack of a natural gas supply and increasing oil prices is the main reason for the use of fuelwood. The average household consumes 1.5 m^3 of forest wood per month in winter, collected from the forest. Some villagers also use kerosene, gas oil, and liquid gas; however, with decreasing government subsidies for energy, it is likely that the use of firewood will increase. For example, kerosene has increased in price by 500 %.

317. As well as subsistence wood collection, illegal logging occurs on a large scale in the Dohezar basin,

and targets species of high economic value, such as European yew, maple, elm and oriental beech.

318. Grazing also occurs in the basin, although at a lower density than in Baliran, at 1.5 animal units per hectare. In addition, traditional dairy products processing depends heavily on the forest woods. Each herder uses around 100 m^3 of forest wood annually for construction, processing dairy products and tools.

319. Weather conditions in the basin are not particularly favourable for agriculture; late winter frosts plus occasional drought and strong winds results in unreliable yields. Additionally, wild boars damage crops and fruits and nuts are eaten by small mammals. As a result of this, real estate activities have recently flourished in Dohezar basin, since the price for land outweighs income from crops. The area is well known in the region due to a favourable cool climate in summer, and foreigners buy plots on which to build holiday homes, despite the relatively high risk of landslides in the area. Upper areas of the basin are more popular for construction, and so farmers sell these plots and buy new plots in lowland areas. This has led to increased conversion and degradation of forest as additional plots are cleared for agriculture. Similarly, grazing areas have been pushed from their original sites further into the forest.

320. Adirect threat to biodiversity of the basin is hunting; law enforcement is weak and so illegal hunting is prevalent, particularly of brown bear. Wild boar and Indian crested porcupine are also at risk of being killed due to the damage they cause to crops.

Threats to Biodiversity in Chelchai Basin

321. Forest degradation, deforestation and land use changes are considered major threats to Chelchai; due to the spatial distribution of villages in the watershed, forests have been largely converted to farmlands, residential areas and infrastructure. 400 ha of land in the Chelchai watershed were deforested between 1987 and 2006. The remaining area is highly fragmented and degraded due to intensive animal grazing, clear cutting, and removal of branches. Only in the north-western and south-eastern part of the watershed does forest remain, also it is not completely intact.

322. Similarly to Baliran basin, grazing is putting considerable pressure on the forest ofChelchai. This basin supports the greatest number of livestock in Golestan, at 5.4 animal units per hectare. The impact of high-density livestock in natural forest destroys the vegetation of the forest floor, decreasing soil quality. Numerous reports also highlight damages caused by cattle grazing on trees and seedlings at an unsustainable level, and many people do not realise that the forest is a finite source.

323. The average household in Chelchai uses 2 m^3 of wood per month in the winter, collected from the forest. However, a supply of natural gas has recently been installed via a national pipeline, which is now used by the majority of dwellers. Reports have shown that problem animals exist in the basin, namely wild boar, leopard, brown bear and Indian crested porcupine. Illegal hunting occurs in the area and it is likely that these animals are targeted due to the damage caused to crops and conflict with livestock.

FINAL VERSION

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'[1] and 'Implementing Partner'[2] 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

[1] 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.

[2] 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.

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.

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[3] who, under the direction of the Implementing Partner, will be responsible in the country for the Implementing Partner's participation in the project. 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 of 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.

ANNEX L: LETTER OF AGREEMENT BETWEEN UNDP AND GOVERNMENT OF IRAN FOR THE PROVISION OF SUPPORT SERVICES

Dear ... (the NPD),

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.

2. 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.

3. 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

Resident Representative

_____

National Project Director for
(Title of the Project)

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. In accordance with the provisions of the letter of agreement signed on [*insert date of agreement*] and the project document, the UNDP country office shall provide support services for the Project as described below.

2. 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 L	As per workplan of official request of Implementing Partner	As per Annual Price List of Annex N	As per ISS arrangements described in Annex N
2.			
3.			

ANNEX M: UNDP COST RECOVERY POLICY

The following outlines the UNDP Cost Recovery Policy for Regular Resources[1] and Other Resources[2] as approved by the Executive Board in its 98/2 and 2007/18 Decisions.

Background

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

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):

[1] 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

[2] 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):

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, 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.

ANNEX N: UNDP IRAN LOCAL PRICE LIST- 2012 FOR SERVICES TO NIM PROJECTS

UNDP 2012 Price List

Service	*Cost $*	
Financial Management/Payment Process		
Issuance of a cheque for collection at UNDP Finance	23.59	*
Issuance of a cheque for transfer to Tejarat Bank	22.25	
Pay cycle only (UNFPA and GFATM & Radio Room)	12.69	*
Cheque Cancelation	2.44	
Reissuance of a cheque	26.03	
AR Deposit	21.35	*
GLJE Creation and approval	21.67	
GLJE approval	4.38	
AP Journal (APJV)	14.13	
Approve requisition	4.27	
Approve PO	7.01	
Budget Revision	21.67	
Financial Record Management/per Voucher	10.98	
HR Services		
Selection/recruitment process per SC (including Adv., Short listing and interviewing)	371.37	*
Advertisement (20%)	74.27	*
Short Listing (40%)	148.55	*
Interviewing (40%)	148.55	*
Staff HR & Benefits Administration & Management 8 (onetime fee, per staff. Service incl. contract issuance, UNJPF/MIP enrollment, payroll setup - Starting 2006 this price applies to the separation process as well)	128.77	*
Recurrent personnel management services: Staff Payroll & Banking Administration & Management 9 (per staff, per calendar year)	**288.75**	*
Payroll validation, disbursement (35%)	101.06	*
Performance evaluation (30%)	86.63	*
Extension, promotion, entitlements (30%)	86.63	*
Leave monitoring (5%)	14.44	*
Contract management per SC	277.60	
Selection/recruitment process per FT	371.37	*
Contract management per FT	283.50	
LP issuance/renewal.	23.86	*
Consultant recruitment	145.21	*
Advertising (20%)	29.04	*
Short-listing & selection (40%)	58.08	*
Contract issuance (40%)	58.08	*

Consultant Recruitment Process. + Written Exam	203.29	
Computer based exam center rent.	100.00	
Computer based exam center rent. + Admin.	150.00	
Employment Letter	2.95	
Language Proficiency Exam	159.47	
Interns Management	43.38	*
Procurement Services		
Procurement process involving local CAP (and/or ITB, RFP requirements)	**333.8**	*
Identification & selection (50%)	166.9	*
Contracting/issue purchase order (25%)	83.45	*
Follow-up (25%)	83.45	*
Procurement not involving local CAP 7,10,11 (low value procurement)	**133.07**	*
Identification & selection (50%)	66.54	*
Contracting/issue purchase order (25%)	33.27	*
Follow-up (25%)	33.27	*
Transfer of project assests (vehicle)/per case	131.23	
Transfer of project assests (equipment)/per case	73.68	
Logistical support to organizing events/event (within UNDP office)/excluding cost of event itself (tea/coffee, refreshments, meals, stationery, equipment etc)*		
Logistical support to organizing events/event (out of UNDP office)/excluding cost of event itself (tea/coffee, refreshments, meals, stationery, equipment etc)*		
Travel Services		
Visa request per Note Verbal	14.62	
Outgoing Visa Issuance (Full Proccess including Note Verbal)	41.76	
Incoming Visa Issuance (Full Proccess including Note Verbal)	49.07	
Ticket booking and purchasing per ticket (Local) (or Reissuance / Cancelation)	7.31	
Ticket booking and purchasing per ticket (International) (or Reissuance / Cancelation)	14.62	
Travel authorization per person	21.75	*
Hotel reservation (per reservation)	14.62	
DSA Calculation (80% Advance)	7.31	
F10 settlement	19.94	*
Admin. Home Leave Allowance	21.93	
Reassignment / Relocation Allowance /Lumpsum	29.24	
Reassignment / Relocation /shipment arrangement	29.24	
Education Grant	14.62	

General Services		
Vendor profile (Creation or Modification)	12.17	*
Issuing the UN ID (UN ID, UN LP,etc)	23.86	*
Advertisement (Not received from UNDP HR)	74.27	*
MFA ID card	14.29	
Disposal of equipment	169.90	*
Custom Clearance	118.57	
Issuance of Permission (i.e. Tax Exemption, Plate, License, Satellite License)	34.74	
Shipment Arrangement	29.24	
Donation (including custom clearance)	59.98	
Event Organization (Outside Office)	426.14	
MFA coordination (for vehicles)	48.31	

* The prices are based on UPL