

Annex 2

Project Title: The Project for Promoting Environmental Management and Sustainable Livelihoods in Lake Urmia and other wetlands
(Special component of UNDP's Conservation of Iranian Wetlands Project- Phase 3)

Project Number: 128285

Output Number: 126602

Implementing Partner: UNDP Iran and Iran Department of Environment

Start Date: 25 March 2021

End Date: 29 Feb 2024

PAC Meeting date: N/A

Brief Description

During the past two decades different factors including continuous drought, increasing number of dams, over-abstraction of underground waters, etc. have impacted many wetlands in Iran, particularly the Lake Urmia, the largest hyper-saline wetland of Iran supporting more than 5 million inhabitants and important biodiversity. To overcome this challenge, the Government of Islamic Republic of Iran, together with national and international organizations such as UNDP, started several initiatives to stop the degradation trend and restore this important Lake. UNDP's special efforts on LU the restoration started since 2014, with financial support of the government of Japan, and implemented through its' long-standing "Conservation of Iranian Wetlands Project. Initially, the project focused on local communities' participation in restoration measures mainly Sustainable Agriculture practices, but the results of experiences and lessons learnt led to extension of the scope of activities to other areas such as socio-economics and introduction of complementary tools during 7 phases of the project. These efforts significantly contributed to the stability of LU and introducing new approaches form improved management of LU basin. The latest information from LU monitoring stations in January 2020 shows the water level of the Lake as 1271.27 meters (approximately 1 meter increase in water level compared to the last year) with an area of 2807.79 km² which shows an improvement compared to 2014. However there are still several priority areas of work, including "wise use of land and water resources and agriculture water saving", "innovative sustainable economic initiatives "urgent biodiversity conservation" and "awareness raising" to stabilize the results of the past projects and restore the lake to its optimum ecological situation with water level of 1274.1.

The purpose of this new initiative is to strengthen the sustainable management of natural resources in the fragile ecosystems of Iran, while enhancing the economic and livelihood options of communities dependent on such ecosystems – by introducing climate-smart practices, drawing on the successful experience of Japan-UNDP-DOE cooperation in the Lake Urmia Basin implemented under the "Modeling Local Community Participation in the Restoration of Lake Urmia". Drawing on the capacity built and the lessons learnt during seven phases of the project implementation in Lake Urmia Basin, this new project will effectively contribute to sustaining the previous achievements of the project in LU and replicating the experience in other wetland areas in Iran.

For this purpose, successful practices already tested in the Lake Urmia basin will be up-scaled to additional pilots in the Lake Urmia (and its satellite wetlands) and 2 new replication sites including Shadegan Wetland (Khouzestan Province), and Bakhtegan Wetland (Fars province). The nature and root causes of threats faced by these new wetland basins are similar to Lake Urmia, and their existing infrastructures allows the project to speed up its interventions.

This proposed project will further improve intersectoral cooperation, local community engagement in wetland management/restoration and the establishment of climate smart initiatives including sustainable agriculture and innovative economic/livelihood solution across new pilots in the LU basin and 2 new wetland basins.

The proposal targets better application of ecosystem approach in LU and its satellite wetlands by making the wetland management committees more active and developing monitoring reports, promoting local participation in sustainable soil and water management and biodiversity conservation in Lake Urmia basin and its satellite wetlands by out-scaling the project methods to 140 new villages (80 pilots in LU basin and 30 for each of Shadegan and Bakhtegan wetlands) through application of integrated approach while institutionalizing Sustainable Agriculture practices in the existing 191 villages initiated during 2014-2020 in Lake Urmia Basin. It also targets to up-scale the project achievements at national and international level and incorporate the model in high level documents of the country, as well as enhancing the economic resilience of local communities in adaptation with LU basin resources in more integrated approach. This project will also focus on upscaling LU restoration achievement and lessons learnt to two other internationally important wetlands in Iran (Shadegan and Bakhtegan Wetlands) as part of a national plan.

Contribution outcome (UNDAF/CPD):

UNDAF Iran 2017-2021 Outcome 1.1: Responsible GOI agencies formulate, implement and monitor integrated natural resources management policies and programs more effectively.

UNDAF Iran 2017-2021 Outcome 1.2: Responsible GOI agencies formulate, implement and monitor low carbon economy and climate change policies and programs more effectively.

UNDP/CPD, Outcome 1: Responsible government agencies formulate, implement and monitor integrated natural resource management, low carbon economy and climate change policies and programs more effectively

Indicative outputs (UNDP CPD):

Output 1.1:
Strategies and measures that promote sustainable and integrated management of natural resources, biodiversity and ecosystem services are developed and considered for adoption/implemented by the IR Iran

Output 1.2:
Climate change adaptation and mitigation solutions developed and considered for adoption/ implementation by IR Iran

Total resources required:	USD 3,000,000	
Total resources allocated:	UNDP TRAC	TBD
	Donor	3,000,000
	Government	TBD

Abbreviations:

CIWP	Conservation of Iranian Wetlands Project
CPD	Country Program Document
DOE	Department of Environment
DPC	Direct Project Costs
ESBM	Ecosystem Based Management
GMS	General Management Services
LURP	Lake Urmia Restoration Program
M&E	Monitoring and Evaluation
MoJA	Ministry of Jihad Agriculture
PBO	Plan and Budget Organization
PCO	Project Central Office
PSC	Project Steering Committee
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
WCRO	Wetland Conservation and Restoration Office (DOE)

Table of Contents

I	DEVELOPMENT CHALLENGES	6
II	STRATEGY	9
III	RESULTS AND PARTNERSHIP	16
IV	PROJECT MANAGEMENT	19
V	RESULTS FRAMEWORK	22
VI	MONITORING AND EVALUATION	25
VII	ANNUAL WORKPLAN	27
VIII	GOVERNANCE AND MANAGEMENT ARRANGEMENTS	37
IX	LEGAL CONTEXT	38
X	RISK MANAGEMENT	43
XI	Annexes	Error! Bookmark not defined.
	Annex 1. Project Quality Assurance Report	Error! Bookmark not defined.
	Annex 2. Social and Environmental Screening	Error! Bookmark not defined.
	Annex 3. Risk Log	Error! Bookmark not defined.

I DEVELOPMENT CHALLENGES

Water limitation normally leads to rivalry over water use and natural ecosystems & importantly wetlands usually suffer when in competition with development. Challenges in the management of Iran's wetlands have been exacerbated by unsustainable use of water resources, persistent droughts and climate changes. As a result of this situation a number of Iranian wetlands across the 83 protected areas and 25 Ramsar sites are currently under pressure. These combined impacts have led to considerable shrinkage of wetlands, and in some parts of the country, major wetlands are entirely dried out, with serious impacts on biodiversity and local communities' livelihoods.

During the last 7 years, with financial support of the government of Japan, UNDP's Conservation of Iranian Wetlands project focused on restoration of Lake Urmia and achieved significant results. This vast hyper-saline wetland located in the North West of Iran is a National Park, Ramsar Sites, UNESCO Biosphere Reserve, and the largest inland lake in Iran with about 100 islands is supporting populations of IUCN red listed endangered species of Persian Fallow Deer and Mouflon as a vulnerable species. The wetland also supports a number of other biodiversity species including 115 birds as well as 120 plant species.

The latest information from LU monitoring stations in August 2020 shows the water level of the Lake as 1271.35 meters with an area of 2862.67 km² which shows that the Lake situation has been stabilized to some extent and there has been a significant improvement compared to the situation of the lake in 2014. But stabilizing the current status and restoring the lake to its optimum ecological situation with water level of 1274.1 meters still demands considerable effort should be done.

This vast hyper-saline wetland is located in the North West of Iran. The Lake is a National Park, Ramsar Sites, UNESCO Biosphere Reserve, and is the largest inland lake in Iran. There are about 100 islands in the lake; the three bigger ones are supporting populations of IUCN red listed endangered species of Persian Fallow Deer and Mouflon as a vulnerable species. The wetland also supports a number of other biodiversity species including 115 birds as well as 120 plant species.

The lake has also several other functions including support for local communities' livelihoods to settle in the surrounding areas. There are more than 5 million inhabitants living in the basin and threats of drying lake will have tremendous impacts on their daily livelihoods.

There are still several challenges needs to be considered for better management of LU and other important wetlands basin in Iran including sectoral attitudes, lack of intersectoral cooperation, lack of supportive legislations and high level of water consumption in agriculture sector in competition with other sectors and lack of innovative and sustainable economic solution to overcome the above challenges and support the change to new approaches . Several approaches were tested which partially

resolved the problems, but there are still obstacles hindering the progress towards project objectives. Besides, sustainability of the project achievements still needs time.

The purpose of this initiative is to sustain the achievements of previous year efforts on LU restoration and also apply the gained experiences for restoring 2 other wetland sites of Shadegan and Bakhtegan, shown in the map below.

These wetland sites located in south-west and south of the country, deliver outstanding ecological functions and have been providing considerable benefits to the livelihoods of the local population surrounding them who are highly and directly dependent on wetland water and products. These wetlands have also been registered as Ramsar Sites with international importance and are located midway along an important international migratory water bird flyway and thus play an important role in the conservation of biodiversity.

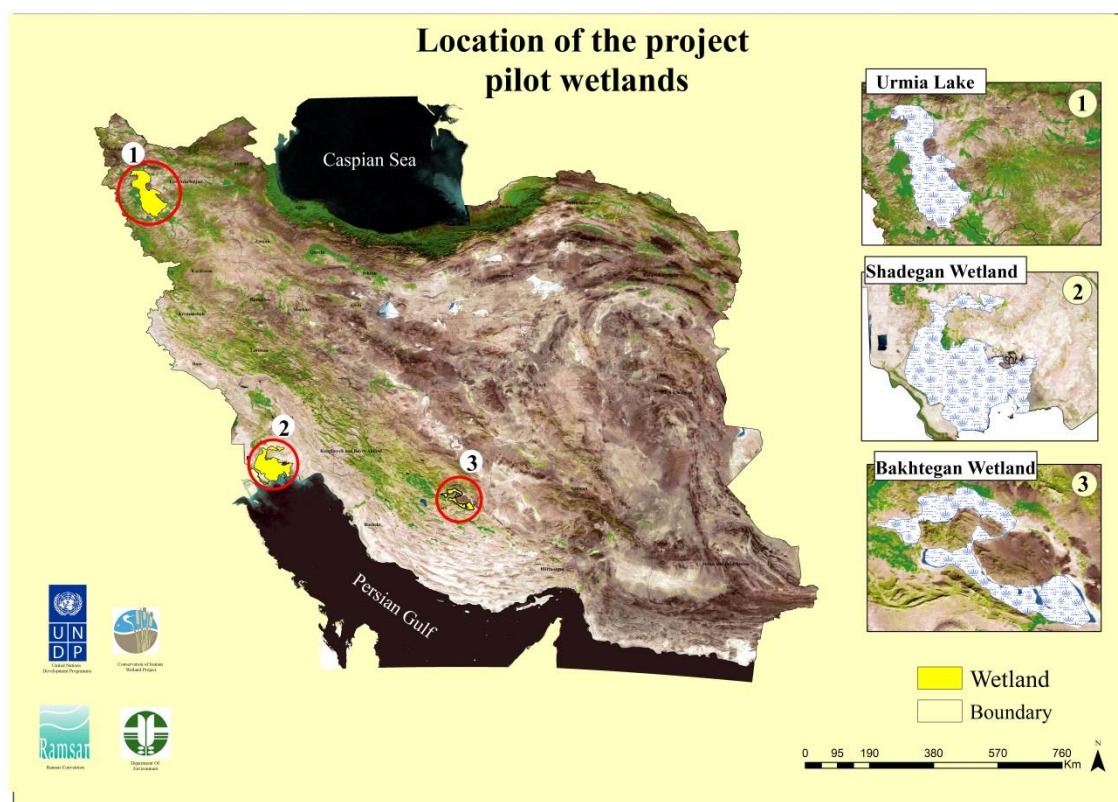


Figure 1: Location of Lake Urmia and 2 other pilots of the project

Shadegan Wetland

Shadegan wetland (5377 sq.km) is a vast environmental system comprising fresh and brackish wetlands, as well as the inter-tidal Khur Musa bay and off-shore islands. It lies at the downstream reach of the Jarrahi river catchment, in between the Shadegan, Abadan and Mahshahr cities in Khuzestan Province. At its downstream side, the wetland is connected to the Persian Gulf. The wetland is the largest Ramsar site in Iran

(designated since 1975), and has been recognized as an internationally important wetland that supports significantly rich biodiversity. The designated area of the wetland in Ramsar Convention is 400,000 ha, excluding marine and littoral areas in Persian Gulf. Part of the wetland with the area of 327000 ha (south to the Darkhuin-Shadegan road) is designated as Wildlife Refuge since 1974 and is protected as a no hunting area.

The wetland is particularly significant for its diversity in fish and birds. It hosts high populations (sometime as high as 150,000) of migratory birds during the winter season which use the wetland for wintering, feeding and breeding. *Phalacrocorax carbo*, *Phoenicopterus ruber*, *Tadorna tadorna*, *Fulica atra* and different species of ducks and gulls are among the more numerous species. 32 bird species have been observed in breeding condition among which different species of waders, terns, gulls, egrets and *Recurvirostra avosetta* are the most abundant. About 100,000 local people depend fully or partly on the resources from the wetland for their livelihoods. More than 80000 ha of the wetland reed beds in the north of Darkhuin- Shadegan road are in free zone. Hence the common activities such as harvesting reed, fishing, etc... are permitted and carried out by the locals.

Bakhtegan Wetland

Bakhtegan Protected area, including Tashk and Bakhtegan Lakes along with its mountainous lands, is managed by the Department of Environment and was designated as a protected area in 1968. Bakhtegan protected area includes of two separate sections called Bakhtegan Wildlife Refuge and Bakhtegan National Park and the area of Bakhtegan National Park and Wildlife Refuge is 117047 hectares and 242223 hectares, respectively. Bakhtegan protected area, located in the north west of Neyriz city in Fars Province. Parts of Bakhtegan, Kamjan and Tashk wetlands with an area of 108 thousand hectares were registered in the list of international wetlands of Ramsar Convention (1975). Tashk and Bakhtegan lakes are permanent and in some rainy years form a single lake. Tashk and Bakhtegan wetlands are one of the largest and most water-rich lakes in the country. (Of course, these wetlands have been facing drought and scarcity for several years in a row and have dried up almost completely).

These wetlands play an important role in water storage for agricultural lands around the wetlands and are one of the few wetlands in the world that fresh water flows in the east in winter and water in the west in the summer. These wetlands are one of the most suitable places for birds to lay their eggs due to their small and large islands and are considered as an important habitat for birds by the International Organization for Bird Life. Tashk and Bakhtegan wetlands played a very important role in the survival of the country's genetic and ecological diversity before drought, and for this reason, these two wetlands are included in the list of international wetlands in the country.

Currently, only the lake's water needs are met through the water intake of Gomban spring, rainfall and seasonal floods, and due to the water limiting factor (annual rainfall is about 230 mm), the lakes have not received water in recent years and on the other

hand, frost and heavy snowfall rarely occur in the region, and the average. Tashk and Bakhtegan lakes are considered to be the largest and most water-rich lakes in the country, which in recent years have been reduced in volume and area by reducing the inflow of the Kerr River and successive droughts. These lakes are considered as the fourth wetland in Iran and the second largest lake in the country.

There has been some activities in both Shadegan and Bakhtegan Wetlands to restore these wetlands including preparation of Integrated Management Plans and establishment of implementation structures, strengthening the wetland-related legislations, awareness raising and capacity development of the stakeholders and the public on the value of the wetlands. Nevertheless, there are also several challenges inherent in multi-stakeholder ecosystem-based management for these wetlands, among which the lack of adequate collaboration between stakeholders and the lack of knowledge on climate-smart resource use and sustainable livelihoods could be mentioned, and as a result of which the approach has not yet been effectively implemented in these two targeted wetlands. This is while, Shadegan and Bakhtegan wetlands are still suffering from various threats including lack of competition in water-use and unsustainable development at the basin level which is exacerbated by effect of climate change.

II Strategy

This project will be implemented as part of long standing Conservation of Iranian Wetlands Project (CIWP) which initially started in 2005 as a joint UNDP/GEF Project implemented by DoE, has entered its third phase based on a new 5-years strategic plan focusing on establishment of ecosystem management at local and national levels, appropriate platform for participation of stakeholders, and development and implementation of management plans.

In line with overall approach of the Wetlands project, this proposal supports integrated sustainable development practices at basin level for better management of wetlands ecosystems; These practices includes but not limited to a) improved land and water management initiatives such as sustainable agriculture and participatory water resources managements, b) provide economic and new sustainable livelihoods opportunities such as women micro-credit fund, provision of support to more water friendly jobs, support to value chain and better marketing opportunities c) improved ecosystem management and biodiversity conservation initiatives such as developing business model for protected areas, local community participation for saving endangered species and establishing payment for ecosystem services scheme

It needs to be also highlighted, UNDP in close cooperation with related government authorities works based on area-based and integrated bottom up approaches and through that best practices in previous similar projects will be mainstreamed and institutionalized to adapt to current status of Lake Urmia and replicate in Shadegan and Bakhtegan wetlands; These practices are included but not limited to below items:

- Providing a practical platform for more inclusive governance structures among all stakeholders

- Engaging local community within decision making and decision taking mechanism through participatory approaches
- Introducing good practices of NGOs and private sector partnership in conservation activities
- Reducing vulnerability of rural and agricultural communities to climate change through sustainable alternative livelihoods;

The project also aims to continue support for behavioral change in natural resources management among local communities towards sustainable development mainly through capacity building for different target groups at villages including youth and women. This would be done through completing value chain with an emphasis on market's role as a stimulant for production of the healthy crop.

The key activities during the past 7 years could be categorized in 3 main areas listed below:

- **Raising Public awareness on ecosystem services provided by Lake Urmia and its Satellite Wetlands promoting public participation in conservation and restoration of LU ecosystem.**
 - ✓ The knowledge and awareness of local people and other stakeholders regarding the values and functions of Urmia Lake and satellite wetlands has been improved.
 - ✓ Implementation of Communication, Education, Awareness and Participation plan supported, to provide better understanding of link between SA integrated approach and biodiversity conservation
 - ✓ Stakeholders awareness raised and capacities developed at all levels on impacts of interrelated projects of SA, water-friendly livelihood and women micro-credit funds in pilot sites.
 - ✓ Best practices of project integrated approach introduced and promoted at basin and national level;
 - ✓ International experience exchange on inter-sectoral cooperation and local communities' participation in restoration of Wetland Ecosystems. For accomplishing this activity similar international projects and organizations such as WLI, WWF, IUCN, UNEP, etc. were identified and a community of practice for exchanging experiences being formed.
 - ✓ A knowledge sharing platform developed to provide access to project results and lessons learnt to wider audience at local, national and international levels.
- **Sustainable management of land and water resources in LU basin**
 - ✓ Significant reduction in water and chemical inputs consumption on farms with increased soil fertility.
 - ✓ Conducting an integrated approach and also Participatory Technology Development (PTD) to aggregate the result of different activities and components of the project.

- ✓ The intersectional participatory approach of the project makes capacity development an inseparable part of the Urmia Lake restoration.
 - ✓ Implement selected marketing channels based on priority actions of value chain assessment on SA pilot sites.
 - ✓ Implementation methodology defined and local IPs identified based on elicited proposals. The implementation methodology for working in new pilots was defined based on the advice of the project consultants.
 - ✓ Technical monitoring and evaluation of project results through expanding and using established monitoring and evaluation system.
- **Biodiversity conservation and wise use of wetland ecosystem services**
 - ✓ Implementation of LU satellite wetlands management plans supported through establishment of inter-sectoral management structures and implementation.
 - ✓ Payment for ecosystem services (PES) approach introduced and promoted as a market-based mechanism, to encourage the conservation and restoration of LU via participation of local communities, private sector, Industrial sector and the government.
 - ✓ Conservation measures for habitat protection implemented in at least 2 main LU satellite wetlands as LU biodiversity back-up ecosystems. In coordination with East and West Azerbaijan DoEs , 2 implementing partners (2 NGOs) were assigned to conduct conservation measures in Hasanloo and Gharegheshlagh wetlands.
 - ✓ Participation for LU restoration in the form of a toolkit.

Key result of project in Lake Urmia for the above activities could be summarized as below:

- ✓ Number of trained local farmers: 12,000 people;
- ✓ Number of trained volunteers local people: 1,800 people;
- ✓ Number of sustainable agriculture pilots: 191 villages;
- ✓ Average increase in water productivity across farms: 49%;
- ✓ Average decrease in the consumption of chemical inputs: 40%;
- ✓ The number participating local private sectors: 50 companies;
- ✓ Creating employment opportunities for local experts: 250 persons;
- ✓ Number of participating non-governmental organizations: 20 NGOs/ CBOs;
- ✓ Number of trained women villagers: 800 women;
- ✓ Establishment of micro-funds for female villagers: 13 villages;
- ✓ Piloting sustainable livelihoods initiatives: 19 villages;
- ✓ Establishment of green livelihood options: 12 individual/ groups;
- ✓ Number of participating female villagers: 500 women;
- ✓ Implementing the participatory technology development: 11 villages;
- ✓ Established wetland inter-sectoral management bodies: 5 wetlands who local communities' representatives are involved in them;
- ✓ Establishment of PES scheme: Kanibarazan wetland
- ✓ Developing more than ten movies, video clips, and animations;

- ✓ Organizing more than 50 campaigns, exhibitions, festivals;
- ✓ Publication and dissemination of more than 30 informational material including brochures, booklets, posters;
- ✓ Number of trained students and teachers: respectively 4,700 and 380;

The process of writing 7th National socio-economic Plan is ongoing and project aims to reflect the achievements and result in the plan, which highlights the importance of cooperation with MoJA to incorporate the project model in the plan. Besides, the project will continue to keep cooperate with the Lake Urmia Restoration Program to up-scale the project activities at the basin and national levels and sustain the project results by incorporating these activities in their annual budget plans.

The project's design considers the above-mentioned achievements and will include following three components:

Component 1: Fragile wetland ecosystems of Iran are well-managed using an innovative framework to integrated basin-management

The multiple functions and 'ecosystem services' of the wetlands have directed global attention towards the need to ensure their protection and conservation. This has mainly occurred due to unsustainable development - particularly in the water resources system, including construction of large storage dams, simplification and channelization of rivers, large scale irrigation and drainage and fish culturing development projects, large agro-business and agro-industrial projects, as well as oil field developments in the wetland areas, and other damaging interventions. The first component of the project aims to specifically improve the management of fragile wetland ecosystems of Iran using an innovative framework to integrated basin-management.

Component 2: Livelihood options of local communities are enhanced through more sustainable and 'climate-smart' practices

For the past two decades approximately, Global climate change has further exacerbated some of the challenges referred to above. The following changes have been noted in general: reduction of average precipitation; reduction in river flows and surface and ground water resources, drying out of land cover vegetation, soil erosion, and desiccation of wetlands mainly in central, southern and eastern regions, increase of average ambient temperature and evaporation potential, increase of the frequency and magnitude of extreme events -for instance intensive precipitation, flash floods, prolonged droughts, etc. These processes result in significant increases in water abstraction for municipal uses and for irrigation. These changes have happened against a backdrop of population growth, rising needs for more production as well as increased demands for new jobs and alternative revenues. The project will try to address this through innovative economic solution including enhancing the livelihood options of local communities, support value chain and digital marketing, sustainable and 'climate-

smart' practices and introducing participatory nature-based solutions, and equipping the local community with livelihood tools. This will also happen through sustaining and replicating the lessons and achievements of “Modeling Local Community Participation in the Restoration of Lake Urmia”, in additional pilots in Lake Urmia Basin and other six more replication wetlands.

Component 3: Engagement of local communities in wetland management is enhanced through community mobilization and public awareness

The project will also engage local communities in wetland management – in the implementation of all the above components, through community mobilization and public awareness. This initiative will create an adequate balance between socio-economic development and wetlands management and restoration, with a view to inform national programmes and national policy dialogues.

Theory of Change

As applied to project evaluations, “Theory of Change” (TOC) reveals the logical sequence of desired changes that the project is expected to contribute towards. It shows the causal linkages between changes at different results levels (outputs, components) and identifies the factors that influence those changes. The reconstruction of a TOC helps identify linkages between outputs and components and sequences that need to be followed to achieve impact; these causal pathways of outputs may vary considerably from their numerical sequence or position in the logical framework.

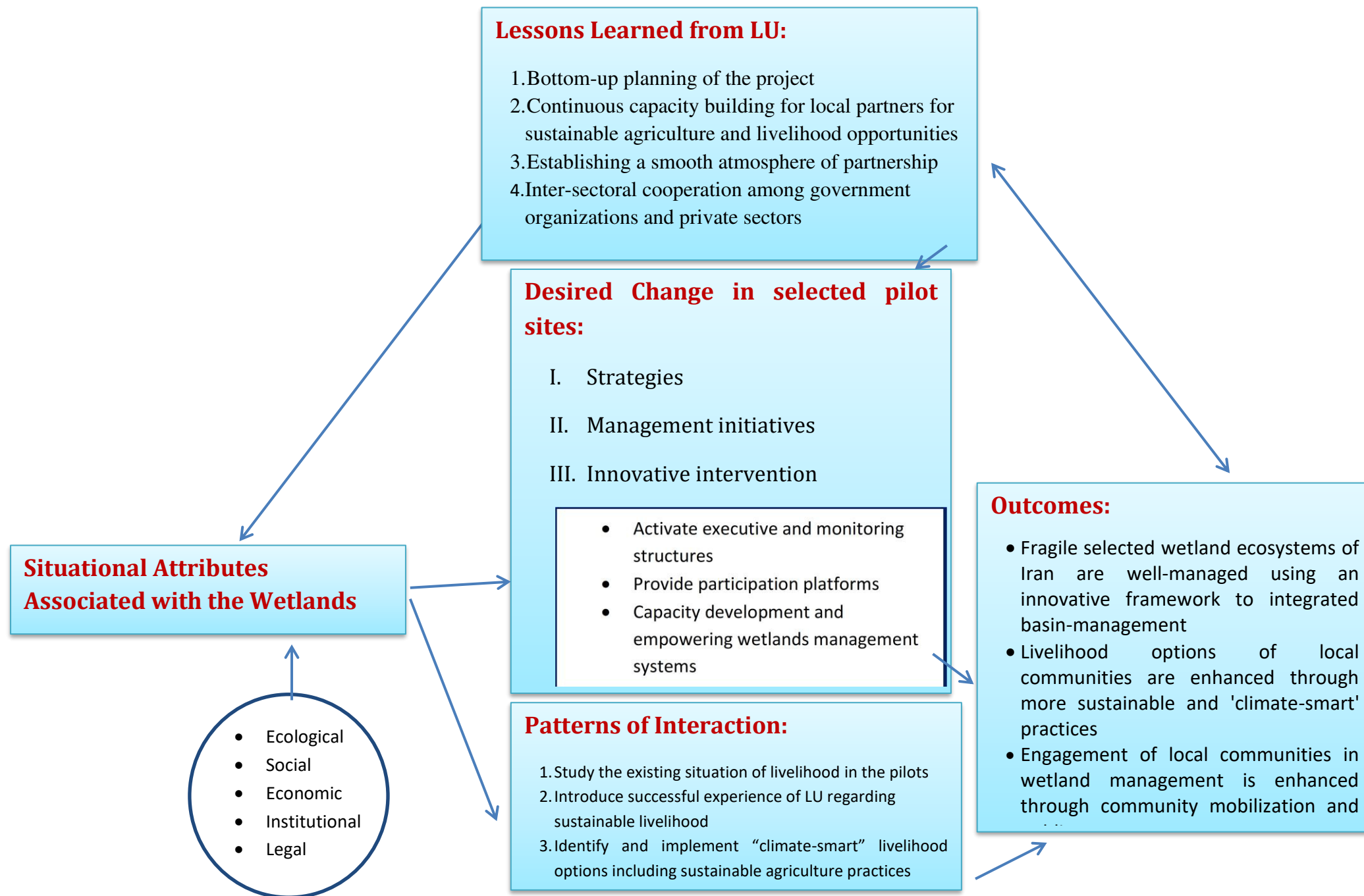


Figure 2: Theory of Change (ToC)

Alignment with national and international policies

The strategies outlined are strongly in line with the national macro-policies for environment endorsed by the I.R. Iran's Supreme Leader and addressed in the fifth 5-year national socio-economic development plans (Articles 187,191 and 193).

The strategies have a strong linkage with the provisions in the Law of Conservation, Restoration and Management of the Iranian Wetlands (issued on May 2017).

Also, the 6th National Development Plan includes several sections which are directly and indirectly related to project outputs and provides a good basis for further linkages of planned and ongoing project activities with resources at the national level. Articles 35-37 of this plan focus on water-related issues including increase in water efficiency, Integrated Water Resources Management, appropriate crop patterns, and article 38 addresses implementation of National Wetlands Conservation Strategy and Action Plan.

The CIWP phase III will constitute a major part of the I.R. of Iran's efforts to fulfill its national and international commitments to Iranian wetlands including Ramsar Sites conservation.

The Project is also in line with the below UN and UNDP Strategic Documents:

Sustainable Development Goals:

SDG15, Life on Land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

SDG 13, Climate Action: Take urgent action to combat climate change and its impacts

UNDP 2018-2021 Strategic Plan:

Signature solution 4: "Promoting nature-based solutions for a sustainable planet. Biodiversity and terrestrial and marine ecosystems to provide the foundation for human societies and a safety net of resources and ecosystem services for billions of people.

United Nations Development Assistance Framework for Iran:

Outcome 1.1. "Responsible Government of Iran agencies formulate, implement and monitor integrated natural resource management policies and programs more effectively"; and outcome 1.2. "Responsive GOI agencies formulate, implement and monitor low carbon economy and climate change policies and programs more effectively".

UNDP Iran Country Program Document (CPD) 2017-2021: Outcome 1 under which "responsible government agencies formulate, implement and monitor integrated natural resources management, low carbon economy, and climate change policies and program more effectively".

III RESULTS AND PARTNERSHIP

Project purpose and overall goal

The purpose of this initiative is to strengthen the sustainable management of natural resources in the fragile ecosystems of Iran, while enhancing the livelihood options of communities dependent on such ecosystems – by introducing climate-smart practices, drawing on the successful experience of Japan-UNDP-DOE cooperation in the Lake Urmia Basin.

Expected Results

The interventions the project will conduct during this period to implement its theory of change and achieve the intended results are summarized in the 3 main components listed below:

Component 1: Fragile wetland ecosystems of Iran are well-managed using an innovative framework to integrated basin-management .

Component 2: Livelihood options of local communities are enhanced through more sustainable and 'climate-smart' practices.

Component 3: Engagement of local communities in wetland management is enhanced through community mobilization and public awareness.

Resources Required Achieving the Expected Results

The main budget for this project shall be provided by the Government of Japan, at a total value of USD 3,000,000. Throughout the project duration, joint efforts shall be made towards mobilization of additional financial resources through partnerships with local and international organizations, NGOs and donors. It needs to be noted 60% of resources will be spent in LU basin, 20% in Bakhtegan and 20% in Shadegan basins.

As per the previous experience, DoE as the implementing partner shall also continue to provide in-kind contributions at the national level including personnel, particularly NPD, office space, utilities, and maintenance etc. In addition, using the capacities of the current Wetlands project team, additional tools, consultants and team members needed for the project implementation will be procured, as illustrated in the Project Management Section.

Main personnel and infrastructure required at the provincial and local level will be provided through in-kind contributions by provincial and local DoE authorities.

Moreover, UNDP staff time from the Iran Country Office has been adequately estimated, costed and included in the project budget under the Direct Project Costing item. UNDP management support at the country, regional and headquarter level has also been captured in the General Management Services item of the project budget.

Partnerships

Existing local/regional/national stakeholder partnerships including Ministry of Jihad-Agriculture (main partner in implementation of the project), Department of Environment (project coordination and facilitation), Ministry of Energy (collaborating partner of the project), wetland management committees, Private local companies and local communities on the basis of institutional arrangements and capacities built for inter-sectoral management of the wetlands would be available for implementation of this proposal in East and West Azerbaijan, Khuzestan and Fars Provinces.

The Project governance will be assured through the continuation of the inter-sectoral CIWP Project Steering Committee, which is chaired by DOE with UNDP as a member and will meet twice each year.

Risks and Assumptions

- ✓ Centralized and top-down decision-making and leadership are institutionalized in some of the partner organizations, which sometimes make the establishment of participatory and bottom-up approaches in project implementation and management challenging to achieve. On the other hand, weak inter-sectoral collaboration among some of the key stakeholders including LURP, Ministry of Agriculture, Energy and the Environment has been very well managed during the past years but still needs some efforts. Participatory decision making and planning at the national, provincial and local level will enhance bottom-up and inter-sectoral collaboration during project implementation.
- ✓ According to the current situation of global warming, natural forces should be considered as a risk for natural resources management in the LU, Shadegan and Bakhtegan basins. The risk can be addressed by designing a model for climate change adaptation and mitigation in the basin to be applied and incorporated in the wetland management plans.
- ✓ Private sector and the NGOs are underdeveloped hence not being considered within decision-making processes by the government. Besides, lack of skilled human resources both in private and government sector are identified as project risks. To address the afore-mentioned risks, the necessary capacity building provided by the project during the last years has significantly improved local capacities and will be continued and even enhanced during the new project.
- ✓ Local/traditional knowledge is not enough appreciated, and local communities are not given the opportunity in decision makings or participation in wetlands

restoration. The issue has significantly been improved during recent years in project pilot sites and the remaining needs will be addressed during the new project and in new pilot sites.

- ✓ Lack of timely allocation of the national budget has been properly addressed by project resources, mobilizing significant national funds allocated for project pilot sites.
- ✓ Practical models of local community participation in conservation activities barely existed before this project. It has significantly been improved and will be continued as the project main objective.
- ✓ Imposed Sanctions on Iran which may hinder some of project activity in a long-term period.
- ✓ Since early 2020, COVID-19 Pandemic in the country and project pilot sites remains a challenge, in terms of flight availabilities, field visits, working with the communities, workshops, etc.

Stakeholder Engagement

It is essential to respect the concerns and suggestions of all those affected by project activities to ensure their support and maintenance of sustainable practices in the long term. Through their previous participation and feedback, local stakeholders have contributed to the development of project strategies and they will be cardinal in their implementation and evaluation. Therefore, project staff, assistants and partners working in the respective areas will maintain close contact with local stakeholders to enable two-way communication between them and the project management.

Local communities living in villages located in Lake Urmia, Shadegan and Bakhtegan ecological zones are the main intended beneficiaries of the project. Besides, experts and engineers from the government (MoJA, DoE and Regional Water Authorities) and the private sector are also among the major beneficiaries of this project. Project undertakes participatory and integrated approaches such as Participatory Technology Development (PTD) as its main strategy to identify and engage target groups. This strategy has been applied during the past 3 years of project implementation and has been localized and modified to best-fit project needs in terms of local community participation in LU restoration.

Knowledge

The project has already produced a series of documentary films showing the implementation process of sustainable agriculture techniques as well as promoting local community participation in Lake Urmia restoration. Besides, several brochures, booklets, and knowledge materials documenting project best practices and lessons learnt

have been produced and made available to the public for further up-scaling of sustainable agriculture techniques in LU and other wetland basins in Iran. All knowledge products have been freely available and distributed among interested target groups. Also a knowledge sharing toolkit on “Modelling community participation in wetlands restoration” will be used to communicate the project methods and lessons learnt. *Sustainability, and Scaling Up/out*

From the early stages of project implementation (2014) Ministry of Agriculture (MoJA) has been the major implementing partner of the project. Within the last 7 years of project implementation a comprehensive training and capacity building has been carried out for MoJA experts in East/West Azerbaijan preparing them to out-scale the project independently throughout the entire LU basin. The same approach will be taken for the MoJA experts in the new pilot sites. The successful achievements of project implementation have also encourages high ranking officials at the national level to take sustainable agriculture as one of MoJA’s top priorities to be implemented and established in LU basin and the whole country. Partnership with MoJA as agriculture focal point in the country will further be enhanced and capacity building for government partners promoting local community participation in the establishment of integrated practices in LU basin will further be improved during this initiative ensuring sustainability, up-scaling and out-scaling as well as national ownership of the project.

IV PROJECT MANAGEMENT

As the five-year CIWP strategy document has been approved, development and participatory activities are included such as sustainable agriculture and livelihood, climate change adaptation and mitigation model which are all based on the lessons learnt and the key achievements of “Contribution to Lake Urmia restoration via local community participation” project which are going to be replicated in this project. The project governance will be assured through a continuation of the inter-sectoral CIWP Project Steering Committee, which is chaired by DOE with UNDP as a full member and will meet twice each year and a national technical committee with 6-8 meetings per year. It will be implemented by UNDP under the ongoing CIWP – 2020-2025 project document, under which the national, provincial and local working groups actively support the appropriate implementation of the project by taking part in the preparation of plan of actions in the pilot sites. The project monitoring and evaluation system is being implemented by reporting and analyzing the project progress to their fellow group in a reciprocal relationship (e.g. national working group).

UNDP Direct Country Office Support Services

As per the established practices of the previous phases, UNDP will continue to provide Project Assurance services in consultation with the project management.

As the implementing partner, DoE will request UNDP to provide Country Office support in the implementation of project activities (through signing a letter of agreement) in various areas such as:

- Identification and/or recruitment of project consultants;
- Procurement of goods and services including customs clearance;
- Ad-hoc Travel management services;
- Logistical support to project events.

Audit

As a NIM project, the project as defined under this Project Document shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulate.

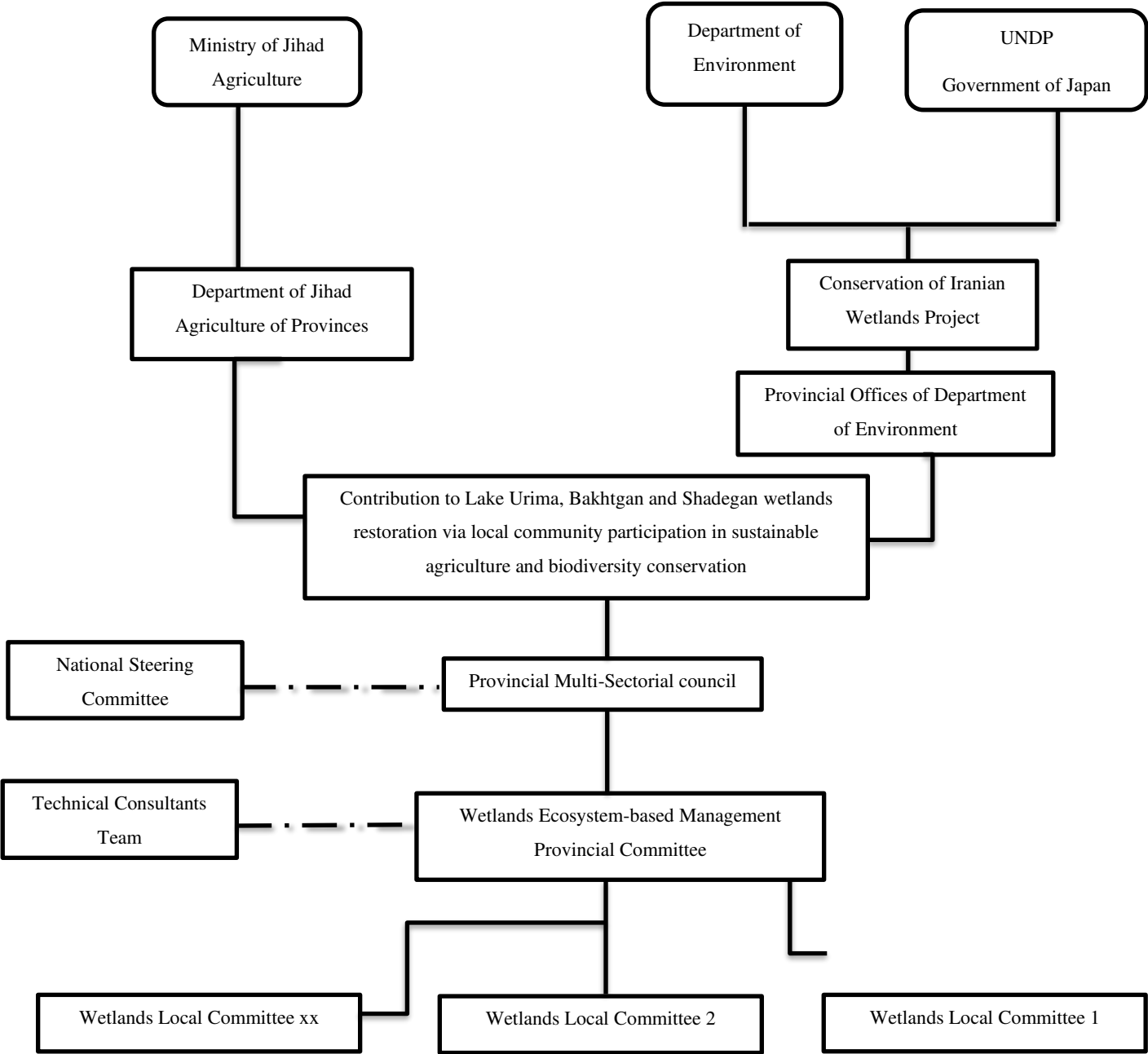


Figure 3: Project Structure

V. RESULTS FRAMEWORK

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE	TARGETS (by the frequency of data collection)	DATA COLLECTION METHODS & RISKS
<p><u>Component 1</u> :</p> <p>Fragile wetland ecosystems of Iran are well-managed using an innovative framework to integrated basin-management</p>	<p><u>Indicators:</u></p> <p><i># of customized wetland management action plan with allocated budget plans developed/revised and are under implementation</i></p> <p><i>- Hectarage of fragile wetland ecosystems under the coverage of customized management plans (under implementation)</i></p> <p><i># of monitoring stations equipped and operational</i></p>	<p><i>Wetland management committees, DoE, MoJA, CIWP, Implementing Partners</i></p>	<p>3 Management Plans developed but action plans with allocated budget needs to be developed</p> <p>60,000 ha</p> <p>2 monitoring stations but not fully equipped and functional</p>	<p><i>3 MPs action plan developed/revised and are under implementation (1 action plan for each site)</i></p> <p><i>At least 400,000 ha of fragile wetland ecosystems under the coverage of customized management plans (under implementation)</i> <i>(250,000 ha LU, 100,000 ha Shadegan, 50,000 ha Bakhtegan)</i></p> <p><i>3 monitoring stations equipped and operational (1 in each wetland)</i></p>	<p><i>Meetings, field visits, workshops, reports</i></p>

<p><u>Component 2</u></p> <p>Livelihood options of local communities are enhanced through more sustainable and ‘climate-smart’ practices</p>	<p><i># of local communities benefiting from livelihood initiatives (gender-based)</i></p> <p><i>% of decrease in water and agrochemical usage in selected pilot sites</i></p> <p><i># of new pilot villages in which climate smart practices have been implemented</i></p>	<p><i>DoE, MoJA, CIWP, MCLS, Local Implementing Partners</i></p>	<p>12,000 local farmers trained in previous pilot sites in LU basin</p> <p>Average 30% decrease in previous pilot sites</p> <p>191 villages as previous pilot villages</p>	<p><i>2,400 local communities benefited from livelihood initiatives (1600 person in LU basin and 400 person in each of Shadegan and Bakhtegan, out of which 50% of them are women)</i></p> <p><i>30% of decrease in water and agrochemical usage in selected pilot sites</i></p> <p><i>140 new pilot villages in which climate smart practices have been implemented (80 pilots in LU basin and 30 for each of Shadegan and Bakhtegan wetlands)</i></p>	<p><i>Reports by different related sectors, reports of monitoring teams</i></p>

<p><u>Component 3</u></p> <p>Engagement of local communities in wetland management is enhanced through community mobilization and public awareness</p>	<p><i>:# of CEPA centers which are established and functional</i></p> <p><i># of wetland management initiative being implemented by the local community</i></p>	<p><i>DoE, MoJA, CIWP, MCLS, Local Implementing Partners</i></p>	<p>There are 3 wetlands information centres but no CEPA centres</p> <p>There have been some local initiatives in the pilot sites but new initiatives will be supported in this project</p>	<p><i>3 CEPA centers which are established and functional (one center in each of LU, Shadegan and Bakhtegan wetlands)</i></p> <p><i>18 wetland management initiatives (biodiversity conservation, community mobilization, festivals, campaigns, fairs, etc))being implemented by local community (12 in LU basin and 3 in each of Shadegan and Bakhtegan wetland</i></p>	<p><i>Reports by different related sectors, reports of monitoring teams</i></p>

VI MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint) and Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	According with the pace of activities / continuously (but at least annually)	Performance data, risks, lessons and quality will be discussed internally and used to make course corrections.	
Project Report	A progress report will be presented to the Project Director and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually and at the end of the project (final report)		

Project Review	The project's governance mechanism will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, an end-of project review shall take place to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	twice in the lifetime of the project	Any quality concerns or slower than expected progress should be dis-cussed among the project governance and management mechanism and management actions agreed to address the issues identified.	
-----------------------	--	--------------------------------------	--	--

VII ANNUAL WORKPLAN

Components	Planned Activities	Indicators and Targets	Estimated Budget (USD)			Budget Accounts
			Year 1	Year 2	Year 3	
Component 1: Fragile wetland ecosystems of Iran are well-managed using an innovative framework to integrated basin-management	1.1-Support the implementation of the capacity development plan for the wetlands management system and development and implementation of annual and 5-year plans of action for the wetlands	<u>Indicators:</u> <i># of customized wetland management action plan with allocated budget plans developed/revised and are under implementation</i>	99,000	121,000	110,000	35% Technical assistance and services 35% Equipment and goods
	1.2-Strengthening wetlands management mechanisms, including wetlands secretariat	<i>- Hectarage of fragile wetland ecosystems under the coverage of customized management plans (under implementation)</i>	45,000	55,000	50,000	15% Construction 10% Communication 5% Logistics

	1.3 Support the provision of equipment and infrastructure for the provincial secretariats and monitoring stations in line with improvement of existing monitoring and evaluation mechanisms of wetlands	<i># of monitoring stations equipped and operational</i> <u>Targets:</u> <i>3 MPs developed/revised and are under implementation (1 action plan for each site)</i>	72,000	88,000	80,000	
	1.4 Provide monitoring equipment and empower the local communities for participatory monitoring	<i>At least 400,000 ha of fragile wetland ecosystems under the coverage of customized management plans (under implementation) (250,000 ha LU, 100,000 ha Shadegan, 50,000 ha Bakhtegan)</i> <i>3 monitoring stations equipped and operational (1 in each wetland)</i>	58,509	71,511	65,010	

<u>Sub-Total Output 1:</u>			274,509	335,511	305,010	
<u>Component 2:</u> Livelihood options of local communities are enhanced through more sustainable and 'climate-smart' practices	2.1 Support sustainability of project achievements in previous pilots in LUB	<u>Indicators:</u> <i># of local communities benefiting from livelihood initiatives (gender-based)</i> <i>% of decrease in water and agrochemical usage in selected pilot sites</i> <i># of new pilot villages in which climate smart practices have been implemented</i>	90,000	110,000	100,000	40% Technical assistance and services 30% Equipment and goods 15% Construction 10%

	<p>2.2 Support the implementation of participatory nature-based solutions on climate smart resource use initiatives (including sustainable agriculture, ecotourism, ...) and enhancement of local communities' livelihood options (PES/ micro credit fund/ community based initiatives, digital marketing) in line with climate smart solutions</p>	<p><u>Targets:</u></p> <p><i>2,400 local communities benefited from livelihood initiatives (1600 person in LU basin and 400 person in each of Shadegan and Bakhtegan, out of which 50% of them are women)</i></p> <p><i>30% of decrease in water and agrochemical usage in selected pilot sites</i></p> <p><i>140 new pilot villages in which climate smart practices have been implemented (80 pilots in LU basin and 30 for each of Shadegan and Bakhtegan wetlands)</i></p>	121,500	148,500	135,000	<p>Communication</p> <p>5%</p> <p>Logistics</p>
--	---	--	---------	---------	---------	---

	2.3 Provision of support and equipment for local livelihood initiatives (including local ecotourism infrastructure, ecolodge, local markets, vocational training, etc.)		63,388.8	77,475.2	70,432	
<u>Sub-total Output 2:</u>			274,888.8	335,975.2	305,432	
<u>Component 3:</u> Engagement of local communities in wetland management is enhanced through community mobilization and public awareness	3.1 Support the establishment of CEPA ^{1/} Resource Centers in the selected wetlands	<u>Indicators:</u> <i>:# of CEPA centers which are established and functional</i>	90,000	110,000	100,000	25% Technical assistance and services
	3.2 Support the establishment and activation of key and more effective wetland conservation networks and adopt innovative approaches, tools, and platforms to increase public awareness and participation	<i># of wetland management initiative being implemented by the local community</i> <u>Targets:</u>	72,000	88,000	80,000	30% Equipment and goods 25% Construction 10% Communication

¹ Communication, Education, Participation and Awareness

		<i>3 CEPA centers which are established and functional (one center in each of LU, Shadegan and Bakhtegan wetlands)</i>				10% Logistics
	3.3 Implement CEPA activities to enhance the knowledge and participation of local communities including capacity building activities for empowerment of local communities	<i>18 wetland management initiative being implemented by local community (12 in LU basin and 3 in each of Shadegan and Bakhtegan wetland)</i>	74,712.6	91,315.4	83,014	
Sub-total Output 3:			236,712.6	289,315.4	263,014	
General Management Support			66,006.58	80,674.70	73,340.72	
Direct Project Costs (DPC): DPC will be used to support organizational costs based on below categories:						
<ol style="list-style-type: none"> 1. Programme Technical Support & Policy advisory services, 2. Technical Quality Assurance 3. Operational services including processing Request for Direct Payments (RDPs), vendor creation, calculation and payment of DSA for project staff travel, purchase order creation and 			38,971.80	47,632.20	43,302	

approval, procurement processes, etc. 4. General Administrative Costs				
RC Levy: Pursuant to paragraph 10(a) of United Nations General Assembly Resolution A/RES/72/279 (31 May 2018), the donor has agreed that an amount corresponding to 1% of the total contribution to UNDP shall be paid to finance the United Nations Resident Coordinator System. This amount, referred to as “coordination levy” will be held in trust by UNDP until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund, which has been established to finance the United Nations Resident Coordinator System and is managed by the United Nations Secretariat.		8,910.9	10,891.1	9,901
Total		900,000	1,100,000	1,000,000
Total Budget	3,000,000			

Budget Breakdown

Break Down	Component 1	Component 2	Component 3	Total	Percentage
Technical Assistance and Services	320,260.50	366,518.40	197,260.50	884,039.40	30 %
Equipment and Goods	320,260.50	274,888.80	236,712.60	831,861.90	28 %
Construction	137,254.50	137,444.40	197,260.50	471,959.40	16 %

Communication	91,503.00	91,629.60	78,904.20	262,036.80	9 %
Logistics	45,751.50	45,814.80	78,904.20	170,470.50	6 %
General Management Support				220,022.00	8 %
Direct Project Costs (DPC)	38,971.80	47,632.20	43,302.00	129,906.00	4 %
RC Levy				29,703.00	1 %
Total				2,999,999.00	

Equipment and Construction Breakdown

Equipment/ construction components	Item	Unit cost (USD)	Quantity	Equipment or Construction	details
Monitoring stations	Depth gauge	10000	6	Equipment	including electricity, modem, installation platform
	EC meter	2000	9	Equipment	3 EC meters in each of the pilots (as this parameter may differ in different parts of the wetland, we need to measure it in different zones)
	DO meter	2000	6	Equipment	2 DO meters in each of the pilots (as these parameters may differ in different parts of the wetland, we need to measure it in different

					zones)
	Thermometer sensors	1000	6	Equipment	2 thermometer sensors in each of the pilots (as this parameters may differ in different parts of the wetland we need to measure it in different zones)
	Staff gauge	750	12	Equipment	4 staff gauge in each of the pilots (as this parameters may differ in different parts of the wetland we need to measure it in different zones)
pilot villages for climate smart practices	Double ring	100	140	Equipment	We need to have at least one, in each of the pilot villages.
	partial flume	200	140	Equipment	
	sensors for water and chemical inputs estimation	2000	140	Equipment	
	gages for water and chemical inputs estimation	2000	140	Equipment	
	pipe lines	700	140	Equipment	
Equipment for livelihood workshops	Sewing machine	1200	30	Equipment	These are the equipment that are usually needed in newly established livelihood initiatives. As the local people could not afford the expenses it is suggested to receive some initial support from the project.
	AC systems	1000	12	Equipment	
	Chicken hatch machines	1500	12	Equipment	
	fruit drier	1500	12	Equipment	

	Other basic equipments	3000	12	Equipment	based on the new innovative initiatives proposed in new pilots some other equipment may be needed. Besides, local micro credit funds may need some initial support.
Renovate and equip Eco-lodges	Renovate Eco-Lodges	31000	3	Construction	1 in each pilot, some of the local homes may need reconstruction
	Equip Eco-Lodge	20000	3	Equipment	1 in each pilot, This include furniture and home appliance
Ecotourism infrastructure	Bird-watching	15000	3	Construction+ Equipment	1 in each pilot
	Local markets	15000	3	Construction+ Equipment	1 in each pilot, The markets for selling local products usually need some infrastructure
	entrance gates	15000	3	Construction	1 in each pilot
	information billboards	6000	3	Equipment	1 in each pilot
CEPA/ resource centres	Binoculars	7000	3	Equipment	1 in each pilot
	telescopes	7000	3	Equipment	1 in each pilot
	information billboards	3000	3	Equipment	1 in each pilot
	audio-visual equipment	8000	3	Equipment	1 in each pilot
	furniture	5000	3	Equipment	1 in each pilot

VIII GOVERNANCE AND MANAGEMENT ARRANGEMENTS

In order to strengthen oversight and support for the project, a formal approach is proposed by constituting a **Project Steering Committee (PSC)**. The PSC is the group responsible for making by consensus, management decisions for the project if guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. To ensure UNDP's ultimate accountability, PSC decisions should be made in accordance to standards that shall ensure management for development results, best value for money, fairness, integrity, transparency, and effective international competition. In case a consensus cannot be reached within the PSC, final decision shall rest with the UNDP Resident Representative/Deputy Resident Representative. In addition, the PSC plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability, and learning.

The Project reviews by this group shall be made at designated dates (normally twice a year) during the running of the project, or as necessary when raised by the National Project Manager. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the projects and external bodies.

This group contains three roles:

- **Executive:** the individual representing the project ownership to chair the group, in this case DoE's Deputy for Marine Environment and Wetlands who is also the NPD;
- **Senior Supplier:** individual or group representing the interests of the parties that provides funding and/or technical expertise to the project. The Senior Supplier's primary function within the PSC is to provide guidance regarding the technical feasibility of the project. This function will be assumed by UNDP, Ministry of Foreign Affairs, Ministry of Interior, Planning and Budgeting Organization, DoE and other related line ministries including but not limited to MOJA, MOE, MCHHT, Ministry of Industry, Forests, Range and Watershed Management Organization, Ministry of Cooperatives, Labour, and Social Welfare, Supreme Audit Court of Iran, and Ministry of Industry, Mine and Trade.
- **Senior Beneficiary:** individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the PSC is to ensure the realization of project results from the perspective of project beneficiaries. This role can be performed by representatives of local communities, related NGOs as well as local/provincial/national DoE

Representatives of other stakeholders can be included in the PSC as appropriate.

Project Assurance is the responsibility of each PSC member; however, the role can be delegated. The project assurance role supports the PSC by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore, the PSC cannot delegate any of its assurance responsibilities to the Project Manager.

IX LEGAL CONTEXT

The project document shall be the instrument envisaged and defined in the [Supplemental Provisions to the Project Document](#), attached hereto and forming an integral part hereof, as “the Project Document”.

This project will be implemented by the Department of Environment (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

Standard Annex to project document for use in countries which are not parties to the Standard Basic Assistant 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 Program 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 AWP.
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’² and ‘Implementing Partner’³ enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDP simplification and harmonization initiative.
4. All phases and aspects of the project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and the principles embedded in UNDP’s Financial Regulations and Rules, and in accordance with UNDP’s policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.

² Executing Entity shall mean, for UNDP program 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 program activities and the acceptance of accountability for results and shall normally be the program country Government.

³ Implementing Partner shall mean, for UNDP program 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.

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 outcomes 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 Manager⁴ who, under the direction of the Implementing Partner, will be responsible in the country for the Implementing Partner's participation in the project.
3. 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.
4. 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.
5. Fellowships shall be administered in accordance with the fellowships regulations of the Implementing Partner.
6. The Implementing Partner may, in agreement with the Co-operating Agency and UNDP, implement part or the entire 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.

7. 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.
8. 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.
9. 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 **n**ominated 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.
10. 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.
11. 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.

(c) 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.

(d) Suspension or termination of activities

1. Following mutual consultation with the Co-operating Agency, UNDP may by written notice to the Co-operating Agency and to the Implementing Partner concerned suspend any project activities, if in the judgment of UNDP, any circumstances arise which interferes or threatens to interfere with the successful completion of the project or the accomplishment of its purposes.
2. The procedure for suspension and termination of a project are as follows:
 - a. Suspension: During the period of suspension, the Parties may consult and try to resolve the problems by corrective measures. If the problems are resolved, the project activities may be resumed. The UNDP Resident Representative confirms to the Parties the date for resuming such activities. However, UNDP may directly terminate a project, in cases it deems as force majeure.
 - b. Termination: A project may be terminated only after a period of suspension. If neither party has been able to reach a resolution of the problem within a reasonable period of time, either party may recommend the project's termination. Unspent TRAC1 or TRAC2 funds from a terminated project may be reprogrammed, taking into account the outstanding obligations of the terminated project. The Implementing Partner proceeds with the steps required for financial completion.
3. The UNDP Resident Representative takes the necessary steps regarding suspension or termination of a project and confirms it in writing to the parties concerned, in consultation with the national coordinating authority and the Implementing Partner.

X **RISK MANAGEMENT**

1. Consistent with the *Supplemental Provisions to the Project Document*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) Assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a

limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document. Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.